



MUANGTHAI
CAPITAL

TO BE A WORLD CLASS
THAI MICROFINANCE





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Message from the Chairman of the Board

Muangthai Capital Public Company Limited has been listed on the Stock Exchange of Thailand for more than 9 years. The Company has a continuous and satisfactory operating result. In 2023, the Company had a loan portfolio of 143,318 million Baht, growing 18.82% compared to 2022 and had a total net profit of 4,906 million Baht.

In 2023, the Company has been maintaining a sustainability growth of organization focusing on the recognition of environmental, social and governance (ESG) and also continuing to focus on expanding services to cover all areas continuously as well as expanding various business channels. In addition to the determination to conduct business professionally until the Company has continued to grow. The Board of Directors still adheres to and prioritize to sustainable business operations by focusing on creating the right balance in 3 dimensions : Economy, Society and Environment, by adhering to management principles under the principles of good Corporate Governance, morality, ethics, transparency, social and environmental responsibility to elevate the business sustainability strategy to be more consistent with the sustainability framework of international standards. The Company has a risk management that covers all aspects of operations by emphasizing risk management related to corruption within the Company to build confidence among shareholders, investors and all stakeholders that the Company has managed risks in various aspects. In addition, the Company arranges to review important policies in various areas such as the anti-corruption policy, good Corporate Governance policy, Code of Conduct, risk management policy and personal information protection policy and also provides guidelines on business operations for executives and employees as a common practice to adhere to as well as giving importance to develop the potential of employees to gain knowledge and competence to create the Company to be a stable and sustainable organization.

On behalf of the Board of Directors, I would like to thank the shareholders, the customers, as well as all the stakeholders for the trust and always support the Company. Also, thanks to the executives, the Management and all the employees who strive and dedicate to excellently perform their duties to the fullest potential to achieve the goal of both revenue growth, branch expansion and to the best customer service including jointly driving the business toward sustainability ready to effectively cope with changing circumstances. I believe that the determination and collaboration on business operation with responsibilities toward the stakeholders, environment, society and governance (ESG) are the important factors and demonstrated the potential of establishing opportunities in business along with changes of global trends to create the strength and the sustainable growth of the Company.

Adm. Apichart Pengsritong
Chairman of the Board of Directors



1 BUSINESS OPERATION AND OPERATIONAL PERFORMANCE

Part 1 Business Operation and Operational Performance

1. Structure and Operation of Muangthai Capital Public Company Limited

1.1 Policy and Business Overview

Muangthai Capital Public Company Limited and its subsidiary (“the Company”) were established by Mr. Chuchat Petaumpai and Mrs. Daonapa Petampai on the of May 22nd, 1992. Currently, the Company is classified as a Non-bank Financial Institution service provider, operating in the business of providing microfinance under personal loan under supervision and nano finance business under supervision 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 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 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 reduce the financial inequality in the country which

is the cornerstone of the economic system for sustainable development. As of December 31st, 2023, the Company has 7,537 branches (2022:6,668) located in 76 provinces nationwide. Currently, the Company’s outstanding loans consist of 5 main products including vehicle title loans, personal loans (unsecured), nano finance, land title deed pledge loans, and new motorcycle hire purchase loans. Title loans are the main products, having the largest proportion. The vehicles that can be used as collateral are motorcycles, cars, pick-up trucks and agricultural vehicles registered with the Department of Land Transport, as well as ships and Thai boats registered with the Marine Department. As the Company customers base consist of retail customers with both regular and irregular 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. For this reason, the Company has been trusted by the customers who come to use the loan services of the Company, allowing the Company to grow continually. As of 31 December 2023, the Company has more than 3.4 million active customers from various occupations.

1.1.1 Vision, Mission and 5 Values

Vision

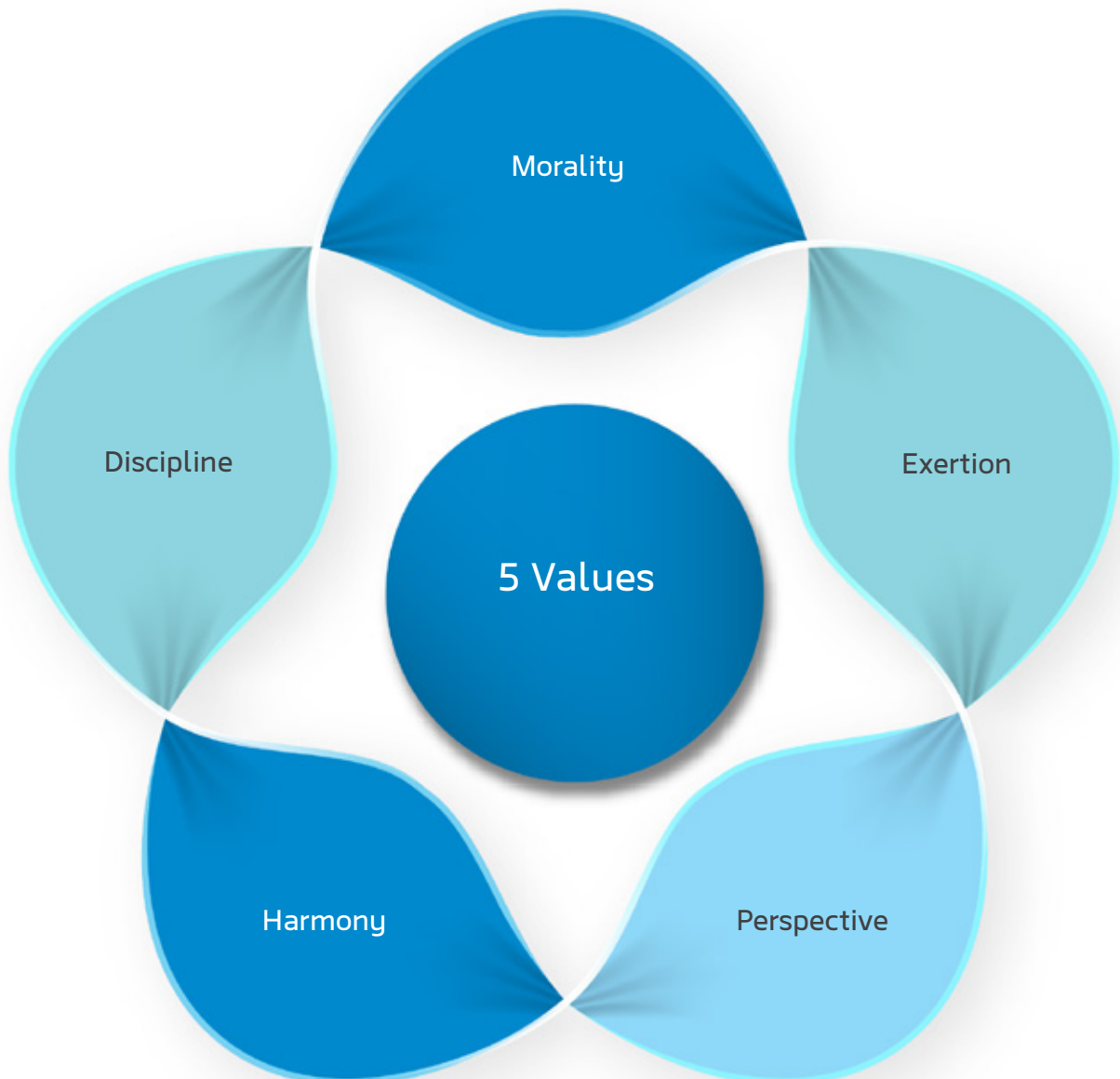
“We Will Be No. 1 Leader in The Microfinance Business”.

To deliver microfinance loan products with the consideration of 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

1. The Company must expand the service area to cover the whole country by opening for operation, both the main branch and sub-branches, including the opening of service centers to cover all areas and regions of the country.
2. The Company must have the highest market share in each area where it already operates, and the customer base must increase every year.
3. Employees of the Company must conduct performance evaluations based on the highest loan amount per capita in the same industry.
4. The Company will focus on the supervision of internal management and use the 20 standard figures as a guideline for operations.
5. The Company will provide customers with high-quality services and strive to achieve the highest customer satisfaction.

5 Values



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 its name was later changed to Muangthai Leasing Public Company Limited. The Company was established by Mr. Chuchat Petaumpai and Mrs. Daonapa Petumpai and was registered for the Company’s establishment on 22nd May, 1992, to operate the title loans business. In the first phase, the Company focused solely on motorcycle title loan products.

2006

As the Company saw an opportunity to expand its business into personal loans under the supervision of the Bank of Thailand, 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 began.

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 to various needs of customers, including nano finance. The Company was granted the business license from the Ministry of Finance on 26th May, 2015 for nano finance and the land title deed 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.
- The Company has been announced the result of corporate governance assessment of listed companies in The Stock Exchange of Thailand for the year 2018 as being in the “Excellent” level (5 stars) by Thai Institute of Directors Association (IOD) for the first year.
- The Company has received “Excellent” (4 coins) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2018 Annual General Meeting of Shareholders.
- The Company was also selected to be included and calculated in the MSCI Global Standard Indexes.
- The Company was awarded the prestigious award of Board of the Year 2018 organized by the Thai Institute of Directors Association (IOD). This was the only award in the capital market given to the Board of Directors of Thai-listed companies that conducted their operations following the principles of corporate governance and effectively fulfilled their roles as leaders.

2019

- The Company was granted the personal loan license under the 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 Board of Directors passed the resolution to approve the establishment of the 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 has been announced the result of corporate governance assessment of listed companies in The Stock Exchange of Thailand for the year 2019 as being in the “Excellent” level (5 stars) for the 2 consecutive years by Thai Institute of Directors Association (IOD).

- The Company has received “Excellent” (4 coins) rating for a quality assessment from the Thai Investors Association. In evaluating the quality of organizing the 2019 Annual General Meeting of Shareholders.
- The Company’s credit rating was upgraded from BBB to BBB+ by TRIS Rating, a credit rating company. This was an important factor that encouraged the Company to issue and offer debentures as a public offering for the first time on 22nd February, 2019, in the amount of 4,000 million Baht. As a result, the Company was able to build a stronger capital base.
- The Company has been selected to be included in 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.
- The Company was certified as a company passing the self-assessment process to have policies and practices in preventing corruption in the organization fully following the criteria set forth by Collective Action Coalition Against Corruption (CAC).
- The Company was awarded the prestigious awards from the SET Awards 2019 including Outstanding Company Performance Award and Outstanding CEO awards for the Company’s outstanding operational performance.
- The Company has received the ASEAN Asset Class PLCs 2019 award from the ASEAN Capital Market Forum (ACMF), which is awarded to companies registered in ASEAN that operate based on good corporate governance principles.

2020

- The Company has been announced the result of corporate governance assessment of listed companies in the Stock Exchange of Thailand for the year 2020 as being in the “Excellent” level (5 stars) for the 3 consecutive years by Thai Institute of Directors Association (IOD).
- The Company has received “Excellent” (4 coins) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2020 Annual General Meeting of Shareholders.
- The Company maintained its rating on the BBB+ level with a stable outlook by TRIS rating, the credit rating agency even during the Coronavirus epidemic, which has caused fluctuations in the economy worldwide.
- The Company has been evaluated by MSCI for its environmental, social and corporate governance performance known as ESG and has received an “A Rating” in the Consumer Finance sector for the first year.
- The Company has been selected to be included in Thailand’s Sustainability Investment Index (THSI), organized by the Stock Exchange of Thailand for 2 consecutive year.
- The Company has been selected to join the sustainability index group of FTSE Russell in the United Kingdom under the FTSE4Good Index for the years 2020 for the first year.
- The Company was awarded the Royal Award of Thailand Corporate Excellence Awards 2020.
- The Company received an honor Outstanding Company Performance Award and Outstanding CEO awards from SET Awards 2020 for 2 consecutive years.

2021

- 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 4 consecutive years by Thai Institute of Directors Association (IOD).
- The Company has received “Excellent” (4 coins) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2021 Annual General Meeting of Shareholders.
- The Company maintained its rating on the BBB+ level with a stable outlook by TRIS rating, the credit rating agency even during the Coronavirus epidemic, which has caused fluctuations in the economy worldwide.
- The Company has been evaluated by MSCI for its environmental, social and corporate governance performance known as ESG and has received an “A Rating” in the Consumer Finance sector for 2 consecutive years.
- The Company has been selected to be included in Thailand’s Sustainability Investment Index (THSI), organized by the Stock Exchange of Thailand for 3 consecutive years.
- The Company 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.

- The Company received a 2021 GLOBAL BANKING & FINANCE award in the category of ‘The Next 100 Global Awards 2021’ from Global Banking & Finance Review. This recognition was awarded to a group of non-bank financial institutions and MTC is the only Thai company to receive this award.
- The Company was awarded “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 work 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 18th October 2021, the Board of Directors has a resolution to establish a new subsidiary, Muangthai Pay Later Co., Ltd. (“MTPL”) with 99.99 percent ownership interest with a registered capital of 100 million Baht (1 million common shares at the price of 100 Baht per share) The Company paid for share subscription of 50 million Baht to MTPL in November 2021.

2022

- The Company has been announced the result of corporate governance assessment of listed companies in The Stock Exchange of Thailand for the year 2022 as being in the “Excellent” level (5 stars) for the 5 consecutive years by Thai Institute of Directors Association (IOD).
- The Company has received “Excellent” (5 coins for the first time) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2022 Annual General Meeting of Shareholders. This should be a model for conducting business.
- The Company maintained its rating on the BBB+ level with a stable outlook by TRIS rating, the credit rating agency, even during the Coronavirus epidemic, which has caused fluctuations in the economy worldwide.
- The Company has been ranked in the Thailand Sustainability Investment (THSI) Index List from The Stock Exchange of Thailand for 4 consecutive years.
- The Company has been evaluated by MSCI for its environmental, social and corporate governance performance, known as ESG, and has received “AA Rating” in the Consumer Finance sector.
- The Company 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.
- The Company was awarded “Thailand’s Top Corporate Brands 2022” for 2 consecutive years, with the highest corporate brand value in the finance and securities business sector. This award is the result of a research work on “Measurement of corporate brand values in ASEAN and in Thailand for the year 2022” 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 8th November 2022, the Board of Directors has a resolution to establish the capital increase of Muangthai Pay Later Co., Ltd. (“MTPL”) as a subsidiary of 900 million Baht from the original registered capital of 100 million Baht to 1,000 million Baht (10 million common shares at the price of 100 Baht per share) The Company holds shares in the proportion of 99.99%.
- The Company signed a JPY 9.9 billion loan agreement with the Japan International Cooperation Agency (JICA) and US\$ 95 million with Sumitomo Mitsui Banking Corporation (SMBC).

2023

- The Company has been announced the result of corporate governance assessment of listed companies in The Stock Exchange of Thailand for the year 2023 as being in the “Excellent” level (5 stars) for the 6 consecutive years by Thai Institute of Directors Association (IOD).
- The Company has received “Excellent” (4 coins) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2023 Annual General Meeting of Shareholders.
- The Company has been received “A Rating” in the Thailand Sustainability Investment (THSI) by SET ESG Rating List from The Stock Exchange of Thailand for 5 consecutive years.
- The Company has been evaluated by MSCI for its environmental, social and corporate governance performance, known as ESG, and has received “AA” level in the Consumer Finance sector.
- The Company signed a €35 million loan agreement with the DEG – Deutsche Investitions-und Entwicklungsgesellschaft mbH and US\$ 67 million with Sumitomo Mitsui Banking Corporation (SMBC).

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.

Spending	Estimated amount of the spent money (Million Baht)	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	21,117.30	Within December, 2023	Use the funds from the issuance of debentures and/or bills of exchange to repay the outstanding debt.
2. Other cases such as capital used in the business or the business expansion	10,048.30	Within January, 2024	Use the funds obtained from debentures and/or bills of exchange for general business operations and/or expansion

1.1.4 General Information of Head Office Location

Company Name	:	Muangthai Capital Public Company Limited
Head Office	:	332/1 Jaransanitwong Road, Bangplad, Bangkok 10700
Product	:	Motorbike title loans, car title loans, personal loans (unsecured), nano finance, land title deed pledge loans and new motorcycle hire purchase loans
Registration Number	:	0107557000195
Telephone	:	+66 2 483 8888
Website	:	www.muangthaicap.com

As of December 31st, 2023, the Company had a total of 2,120,000,000 Baht of ordinary shares, divided into 2,120,000,000 ordinary shares of 1 Baht each.

1.2 Nature of Business Operation

Medium-Term Business Plan (2021–2023)

Muangthai Capital has established follow-up processes in alignment with the third medium-term plan, which encompasses the business strategy for 2021–2023. This plan covers all aspects of being a non-institutional financial service provider, with the aim of maintaining continuous and sustainable growth as follows;

1. The Company will maintain the number one leadership in the microfinance business.

2. The Company projected growth for the next three years (2021–2023), by maintaining growth rates at 25 percent, 30 percent and at 20 percent respectively.

3. The Company will expand branches by opening more branches to cover all regions of Thailand. The goal is to expand an average of 500–600 branches per year to reach 7,200 branches by 2023.

4. The Company will maintain the standard of business operations by tightening credit and expediting debt collection to be effective by maintaining non-performing loans not more than 3.0 percent as well as reducing the loss from the sale of seized vehicles to a minimum as well as accelerating the draining of assets acquired from customers as much as possible to the credit cost.

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

6. 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 following 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.

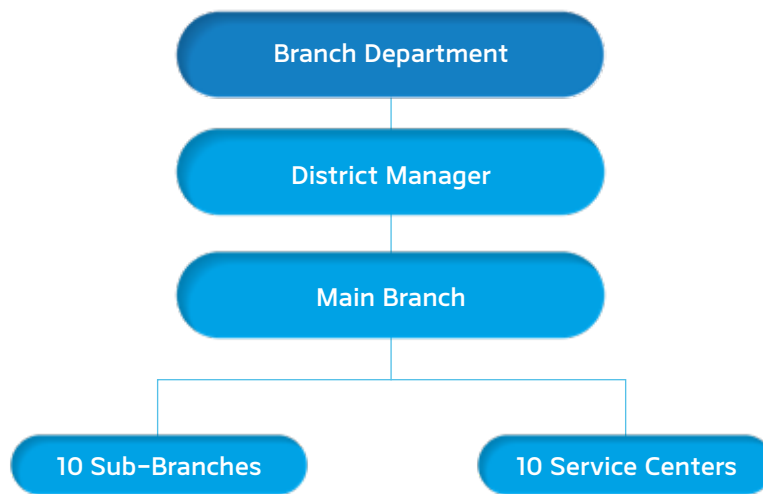
7. The Company pays attention to increasing the proportion of revenue from hire-purchase loans for new motorcycles, nano finance loans and personal loans.

8. The Company operates based on good corporate governance by focusing on value creation among economic, social and environmental through the Company value chain.



Management Strategy

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 loan products with title deeds as collateral and 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 are 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 and the Company focuses on the following strategies:

1. Strongly developing human resources and corporate culture to empower middle-level executives to effectively support their subordinates to serve their work at full efficiency and to achieve the Company's goals and maintain competitiveness.
2. Strengthening the internal audit system to be efficient to build confidence among shareholders and other stakeholders.
3. Stabilizing and enhancing 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, 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 to operate 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 of 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 2023, the Company's primary revenue source was interest income from loan receivables and hire purchase receivables, accounting for 90 of the total revenue. The revenue from hire purchase loans met its growth targets. The Company's revenue structure is detailed as follows:

Source of Revenues	Operated by	% of shareholding by MTC	2023		2022		2021	
			Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Interest Income and Fee and Service Income								
Secured Loan	MTC	Parent Company	17,523	71.45	13,762	68.58	11,204	69.94
Unsecured Loan	MTC	Parent Company	5,090	20.75	4,387	21.86	3,520	21.97
Hire & Purchase Loan	MTLS	99.99	887	3.62	1,050	5.23	471	2.94
Total Interest Income and Fee Income			23,500	95.82	19,199	95.67	15,195	94.86
Fee and Service Income ¹⁾			841	3.43	719	3.58	705	4.40
Income from Insurance Brokerage	MTLI	99.99	80	0.32	72	0.36	64	0.40
Other Income ²⁾			105	0.43	78	0.39	55	0.34
Total Incomes			24,526	100.00	20,068	100.00	16,019	100.00

Remark :

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 Developing Credit Products with ESG in Mind with the Asset-Based Assessment Approach

In 2023, the Company offered microfinance loan products to retail customers, 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 loan (NPL) rate of the Company's loan portfolio to keep below the industry. The NPL is the key indicator of credit analysts' performance.

The major product of the Company is the title loan or secured loan. However, 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 a 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 6 main credit products and 1 additional service as follows.

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 collection of interest rates up to 24 percent 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 collateral without transferring the registration ownership in the vehicle registration to the Company. This means that customers will retain ownership of the vehicles used as collateral for their credit applications and can continue to use the vehicles as usual.

2. Land Title Deed Loans

The Company provides the loan service with the land title deeds as collateral. The customers applying for loans are required to submit the original land title deeds to the Company as collateral. The Company offers customers more options for mortgaging their land if they seek a higher credit limit loan. The interest rate for loans with the land as collateral does not exceed 15 percent per year.

3. Personal Loans

The Company has provided unsecured personal loans with a personal loan business license under the supervision of The Bank of Thailand since 31st August, 2006, for customers who have a previous title loan installment history with the Company and a good payment history only. As it is a grant of unsecured loan, such a license to operate a personal loan business allows the interest collection for not

more than 25 percent 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).

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 a rate of not over 33 percent 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 title loans with the Company and have a good payment history.

5. Motorcycle Hire Purchase 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, 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 9,999,997 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 title loans with the Company who have a good payment history and want to buy a new motorcycle by leasing through the Company's branches.

6. Non-Life Insurance Broker

The Company operates a life insurance brokerage business under Muangthai Leasing Insurance Broker Company Limited ("MTB") 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 MTB, equivalent to 99.99 percent of the total sold shares. MTB 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. 1992 from the Office of Insurance Commission (OIC) since 4th May, 2011. Currently, the non-life insurance policies having MTB as the broker for distributing are the victims' insurance policy for motorcycle accidents (Motorcycle Act), victims for automobile accidents (Automobile Act), insurance policy for lost cars, and personal accident insurance policy to facilitate customers.

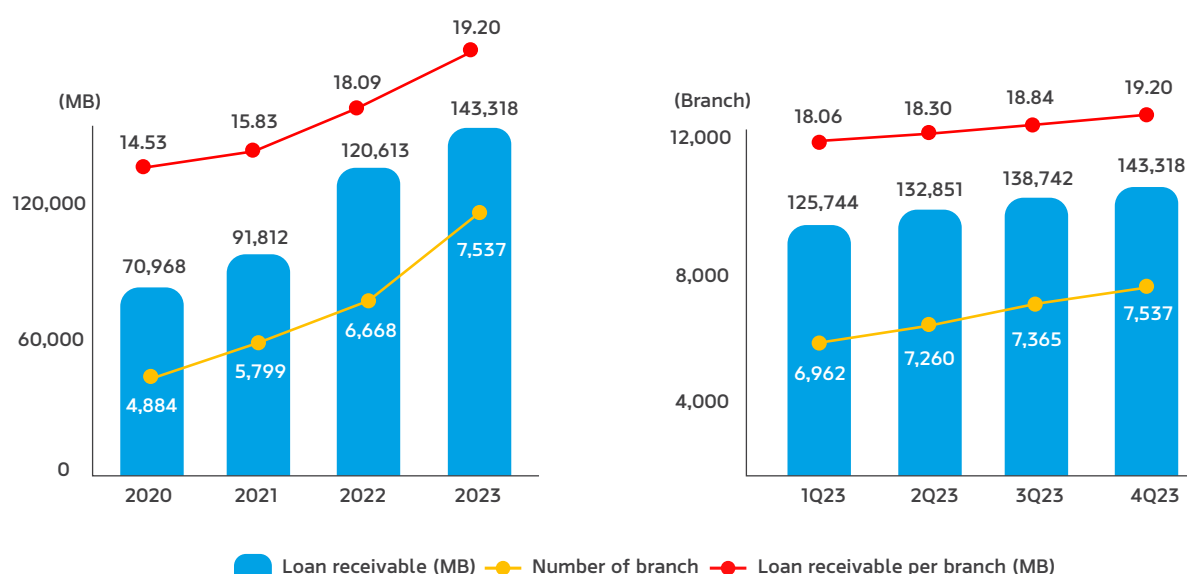
7. Installment loan for Electrical Appliances and General Equipment

The Company provides credit services under the name of Muangthai Pay Later Company Limited (“MTPL”), which will be registered capital on 22nd October, 2022 with a registered capital of 1,000 million Baht (paid-up amount of 550 million Baht). Divided into 10,000,000 ordinary shares with a par value of 100 Baht per share. Currently, the Company holds 9,999,996 shares in MTPL representing 99.99 percent of the total number of shares sold. MTPL installment loan service for electrical equipment and general equipment under the slogan “Buy Now Pay Later” by leasing through the Company’s branches.

Shares of loan products approved by the Company's asset-based assessment approach in 2023	Shares of the group of the Company's customers in 2023
Title loans (million Baht) 97,701, 68.17 percent	Group of customers with regular income 23.91 percent
Total outstanding unsecured (million Baht) 22,206, 15.49 percent	Group of customers without regular income (ESG) 76.09 percent
Hire purchase loans (million Baht) 4,724, 3.30 percent	
Land title deed loans (million Baht) 18,687, 13.04 percent	

Development of the Customer's Access to Loan Resources by Expanding Branches

The Company continues to prioritize customer accessibility by implementing strategies for expanding on the number of branches throughout the country. This initiative aligns with the Company’s medium-term business strategy plan, covering the period 2021–2023 resulting in customers and the general public, especially those who cannot access commercial bank services or digital banking, can access the Company’s services more easily and conveniently.



In 2023, the Company opened 869 new branches, consisting of 36 major branches, 501 sub-branches, and 332 service centers. The average outstanding loan rate per branch was 19.02 million Baht compared to the end of the year 2022, which was equal to 18.09 million Baht. This indicates that the Company is able to maintain efficiency in the growth of loan portfolios through branch expansion.



The business expansion strategy from 2021 to 2023 continues to sustain the growth rate through the opening of an average of 500–600 branches per year. The Company is also intensifying its strategy by expanding channels for credit launching and the range of products and new credit services. It is expected that these strategies will improve the efficiency of the branches or increase the credit-to-branch ratio for the Company.

Appropriate Design of Loan Products, Conditions and Procedures for Controlling the Risk of Default Payment

The Company considers collateral for the loan products with a 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. Interest rates are determined based on the credit risk, debt collection process, and credit approval process. These factors collectively contribute to keeping the non-performing debt rate of the Company's credit portfolio below the industry average. The Company's non-performing debt rate is the most crucial performance indicator for personnel.

Service Development of Security for Customers' Health

1. Development for Excellence and Equality Service

On 31st December, 2023, the Company had a total number of 3.4 million outstanding customers. The Company recognizes that improving efficiency in developing Customer Experience is a crucial strategy for sustainable development. While the majority of the company's customers are from the offline group, in the past year, the Company found that the number of customers and general people who contacted the Company through online channels, such as social media, telephone, and email, exceeded 670,000 persons.

The Company has determined establishing a service standard by providing training to employees, including a service assessment as one of the Key Performance Indicators (KPIs), based on customer service performance. Hence, in 2023, the Company supervised the practical guideline for customer safety according to the Company's 5 values; Morality, Exertion, Perspective, Harmony and Discipline, guidelines as follows:

1) The Company has determined to provide excellent service. The services are fully effective and service mindset consists of willingness, completion and expedition to create a good impression experience for customers from their initial interaction with the services.

2) The Company has determined that all employees strictly adhere to the Company's regulations such as properly dressing in accordance to the principle, a willingness to serve, politeness, and compliance with the Company's policies; Anti-Corruption and Environmental Policy for creating sustainability and stability of the Company in the future.

3) The Company ensures that office equipment is regularly inspected to ensure convenience and safety, avoiding any potential harm to customers.

4) The office is cleaned daily to encourage awareness among employees about maintaining a clean workplace and a positive environment for both employees and customers.

5) The Company provides clear and diverse channels for customers, investors, shareholders, and other individuals to submit complaints to use the complaints as a basis for improving operational practices to enhance efficiency.

Report on Process of Service Development of Safety for Customers' Hygiene

Regarded Issue	2023 (%)	2022 (%)	2021 (%)
Number of complaints managed about employees	100	100	100
Number of complaints managed about the Company	100	100	100

2. Innovation Development and Digital Transformation

Muangthai 4.0 Application is the mobile application that has been providing services to the Company's customers since 2017 to facilitate customers to check outstanding loans, payment date, and the locations of the Company's branches. However, the Company has a policy to develop online modules, such as online loan payment and other services, in the future. In 2023, there were more than 52 percent increase in the number of user accounts for the Muangthai 4.0 application compared to the end of 2022. The Company has reviewed user suggestions to enhance the operational process of the application ensuring that the Company's customers can enjoy more convenience and faster service. This involves collaboration with commercial banks, foreign banks and specialized financial institutions to expand bill payment channels across banks through automatic payment machines and conduct financial transactions via electronic channels. Additionally, new marketing channels have been added, providing updates on special offers and new personal loans through the app to make it easier for customers to access.

3. Cultivating the Financial Awareness and Discipline of Customers

3.1 Project of Recognition for Income and Expense

The Company has conducted the Project of Recognition for Income and Expense which is an accounting program allowing the users to record income and expenses based on The Bank of Thailand's guidelines. This initiative aligns with the goal of reducing household debt in the citizen sector, as set by the Bank of Thailand. The Company's customers and the general public can download program from the Company's website without charge. The program can analyze spending behavior, whether it is discipline or without discipline. The objective is to help users to understand their spending habits. Users can monitor their expenses, income, and savings. Customers and the general public can request an income-expense account book from any of the Company's branches.

3.2 Project of "Debt Solving Clinic" with Sukhumvit Asset Management Co., Ltd. (SAM)

Apart from social activities initiated by the Company for supporting the development of financial discipline for the Company's customers and the general public, the Company also collaborates with SAM to join the Debt Solving Clinic Project to assist debtors who have debts with many creditors. These are bad debts, credit cards, cash cards and unsecured personal loans. The goal is to provide an opportunity for debt resolution while promoting financial literacy and discipline for debtors and interested person to prevents economic and social problems in the country in the long term. In 2023, There are a total of 19 non-bank financial institutions participating.

4. Development of the Industry's Ethics

According to The Bank of Thailand (BOT), the Thai Bank Association and the International Bank Association are aware of the suffering of debtor, they recognize the urgent need to implement various measures through financial institutions and business operators to provide direct and indirect assistance to debtors affected by COVID-19 epidemic in the past few years, providing financial assistance following the above guidelines. Debtors can reach out to financial institutions or entrepreneurs who are not non-bank to express their requests for assistance.

5. Respect Given to the Customer's Satisfaction, Rights and Personal information

5.1 Feedbacks and Customer Satisfaction Survey



Customer's Personal Information

For the Company to operate business following the Personal Information Protection Act. which was announced in the Thai Government Gazette on 24th May, 2019, and came into effect from 1st January, 2020, onwards, the Company determined relevant policy of information security and Personal Data Protection Policy (PDPA), which was disclosed on the Company's website. Apart from the aforementioned policy, the Company has determined risks associated with the protection of personal information by involving both the Compliance department and the Information Technology department to reduce or mitigate such risks. The Company conforms to the law for the protection of customers' personal information.

Balance of Account Receivables Classified by Type of Loan Products

Source of Revenues	2023		2022		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Title loans	97,701	68.17	80,030	66.35	62,498	68.07
Loans with land title deeds as collateral	18,687	13.04	13,253	10.99	9,389	10.23
Unsecured personal loans	16,486	11.50	15,720	13.03	9,794	10.67
Nano Finance loans	5,720	3.99	5,974	4.95	5,921	6.45
Hire purchase loans for new motorcycles	4,724	3.30	5,636	4.67	4,210	4.59
Total account receivables	143,318	100	120,613	100.00	91,812	100.00

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

(2) Marketing and Competition

Marketing and Competition in the Title Loan and Personal Loan Industry

Conditions and trends in the Title Loan/Personal Loan industry and market size in 2023

In 2023, the global economy also faced inflation. This was the result of higher energy prices. In the same way, central banks around the world are raising the interest rates to control the inflation. In addition, the delayed establishment of a government affects to annual Thailand's budget in brief fiscal year 2023, resulting in private consumption. The Thai economy is volatile and the customer groups that is the core of the company, which is a farmer's group and a day laborer can't fully recover from the increased of consumer goods prices. As a result, the vehicle registration loan and personal loan are also affected by vulnerable debtors and affect to bad debts and finance costs have been rising throughout 2023, to all industrial operators.

At the end of December, 2023, non-financial institute entrepreneurs reported outstanding personal loans under supervision, excluding vehicle registration as collateral, totaling 322,200 million Baht. This is in comparison to the outstanding loans of the same type held by the Company, which amounted to 16,486 million Baht, representing 5.12 percent of the market share. The outstanding loans for personal loans under the supervision of title loans totaled 291,752 million Baht, compared to the Company's outstanding loans of the same type, which amounted to 97,701 million Baht, representing 33.49 percent of market share. Nano finance had a total value of 40,956 million Baht, compared to the outstanding loans of the same type held by the Company, which amounted to 13.97 million Baht, representing 5,720 percent of the market share.

*Source : The Bank of Thailand

However, in 2023, The Ministry of Finance determined that loan business with title loans must be operated under the personal loan business license under the supervision of the Bank of Thailand, following the Ministry of Finance's notification on the businesses that need to apply for a license under Clause 5 of the Revolutionary Council Notification No. 58 (Personal Loan under Supervision) (No. 3), which became effective on 1st February, 2019. This led to increased interest from both existing and new loan service operators in entering the industry competition. These operators gathered under the Title Loan Trade Association to discuss business practices for the benefit of all stakeholders.

Competition Conditions within the Industry in the past year

In addition, The Ministry of Finance issued a business license for provincial level microcredit operations under supervision to small scale vehicle registration pledge loan businesses operating in a corporate structure. This is aimed to expanding channels for public access to financial resources. (Financial Inclusion) and to further enhance clarity and transparency in supervised business operations. This has led to a growing interest both existing entrepreneurs, including those from financial institutions and non-financial sectors, new entrepreneurs. as well as, hire purchase motorcycle loans, insurance companies, communication service providers, and consumer goods businesses shift their focus towards greater participation in title loans and retail loans industry competition. However, in 2023, entrepreneurs have initiated the development of competitive strategies, which can be described as follows.

1. Competition by Different Loan Products

Due to the increasing intensity of competition, the retail loan operators are striving to differentiate themselves by introducing new loan products or original loan products in which operator has special expertise to retain existing customers and capture new customer such as expanding from vehicle registration loans to nano finance loans, title deed mortgage loans, group loans, or providing personal loans to private employees who receive their salary through their own banks, etc. In addition, the Company promotes these credit products through various advertising and public relations media that are fair to customers to serve as a communication channel for conveying comprehensive information about various types of credit products, provided information about the company's products and services in accordance to the Consumer Protection Act B.E. 2522 (1979) (as amended) ("Consumer Protection Act"). In terms of consumer protection in advertising, it is important not to use language that is unfair to consumers, etc.

2. Competition with Technology

New entrepreneurs, both financial and non-financial institutes, who may lack the capacity to expand their branch network or target different customer groups, may emphasize reaching customer groups through the use of technology and data (Data Analytics) as a key competitive strategy such as lending through mobile applications on phones or merger with technology and communication service businesses to obtain data from the target customer, etc. However, the Company does not underestimate the competition involving technology. it has implemented technology to improve Customer Experience Management for convenience and more transparency in service provision. By introducing a mobile phone application "Muangthai Capital 4.0", customers can download the application and use it to check their outstanding balances and other services. The Company is currently in the process of developing the application to enhance its value and to cope with the increasingly the fierce competition in the industry.

In addition, the Bank of Thailand issued the notice for the Digital Personal Loans Business on 17th September, 2020, to encourage the public to access financial services within the system more easily, especially for groups without regular income those unable to prove their income, and individuals lacking collateral assets by allowing the use of alternative data such as Water bills, Electricity bills, Telephone bills, income or online purchasing behavior. In assessing the ability or willingness of debt repayment. This has resulted in increased competition in the personal loan market with more entrepreneurs and fiercer competition. However, the Company sees the opportunity to use the information for considering the Company's unsecured personal loans and expanding the channels for loan applications.

3. Competition with Prices and Service Provision

At present, the competition in the industry has not yet entered the price competition. However, during 2023, some operators have decreased their interest rates to comply with the Bank of Thailand's notice to reduce the maximum interest rates on personal loan throughout the system. Unsecured personal loans currently have an interest rate of 25 percent per annum. while vehicle title loans have an interest rate of 24 percent per annum. Although government banks have expressed interest in expanding their business into the vehicle registration pledge loan business with interest rates lower than the market average, the Company believes that customers' lack of attention to the interest rate being equal to the credit limit or the level of service provided. The competitive landscape within the industry for the current year primarily revolves around service provision. As competition begins to shift towards price-based competition, the

Company recognizes that large operators enjoy a competitive advantage due to their lower costs, larger customer base, and more effective internal risk management for maintaining debt quality. This advantage enables them to reduce interest rates to stay competitive. Nonetheless, the Company currently offers interest rates lower than the industry average.

Market Share Ratio Significantly Increasing

One of the Company's important business objectives is to achieve the largest market share in each area where the Company operates, and the customer base must increase every year. This means that the Company's growth increasing compared to the market overview. The amount of outstanding loans is 143,318 million baht, reflecting a 18.82 percent increase from 2022.

Competitive Strategy

The Company's competitive strategy follows the slogan "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 respond to customer demands quickly and in timely manner. The Company has a concise loan approval process allowing customers to know the approval results and receive the money within 20 minutes. In addition, the Company also maintains a tight loan approval process.

2. Careful and Friendly Customer Service

As the quality of service is at the core of the Company's business operations, the Company focuses on and gives importance to providing good service to the customers. All of the Company's employees receive regular training in customer service, enabling them to provide customers with polite and friendly service as per the Company's slogan "Intimate Services Like Closed Family Members". For this reason, customers consistently return to use the Company's service and recommend others to do the same. Besides, the Company also emphasizes cultivating 5 values for employees; Morality, Exertion, Perspective, Harmony, Discipline. Additionally, the Company places a strong emphasis on the quality and safety of customer service by providing channels for assessing customer satisfaction and addressing customer complaints, in order to improve its operations for increased efficiency and customer satisfaction.

3. Effective Debt Collection and Respect for Customers' Human Rights

Due to the experience of the Company's executives in the vehicle title loans and personal loans service provision, the Company can understand the behaviors and habits of customers well. The loan approval process, credit limits, and debt collection process are efficient and suitable for the Company's customers. The Company has implemented a debtor management policy called "MTC Model" which is a comprehensive debt management in the debtor's quality, debt collection capability, and debt management. The MTC Model is an important tool for the Company to control the debtors to be within 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, 2023, the Company has a total of 7,537 branches. Customers can access the Company's services and make installment payments at any branch, contributing to enhanced convenience and allowing the Company to continuously expand its customer base.

5. Development and Digital Adaptation

5.1 Application on Mobile Phones

Since 2017, the Company has begun the process of fully embracing the digital age completely. To ensure the Company's sustainable growth, the "Muangthai Capital 4.0" application has been launched on iOS and Android operating systems. This app aims to provide convenience and transparency to customers by sending reminders for payment due dates, displaying the due amount, and presenting the outstanding credit balance.

5.2 New Service towards Cashless Society

The Company has initiated the Cross Bank Bill Payment service to facilitate customers in make loan payments conveniently and quickly through Kasikorn Bank's K-Plus online banking application without charges.

5.3 Digital Marketing and Social Media Strategies

In addition to utilizing digital and social media marketing strategies to enhance brand trust and credibility, the Company also uses social media to create a bond with the Company's customers. Previously, the Company found that online communication not only help in sales but also serves as an important and effective channel for communication with its customers in various aspects such as fraudulent reporting, complaint reception, and receiving suggestions and comments. The Company has set guidelines and targets for the use of all social media channels including the Company's website, Facebook, and others, to optimize results and maximize benefits.

5.4 AI Chatbot Development

In 2019, the Company initiated an AI Chatbot to enhance and expedite communication with customers through social media channels, making it more efficient and faster. The Company's AI Chatbot can answer basic questions about loan products, steps for loan application, the Company's branches, etc. The Company believes that the AI Chatbot is an important communication tool capable to connecting and supporting customer engagement, allowing the Company can maintain the interactions with customers thoroughly even during off-hours.

(3) Procurement

Sources and Uses of Funds

As of 31st December 2023, the Company's major sources of funds consist of loans from financial institutes amounting to 20.83 percent, borrowing through the issuance of bonds (debentures and bills of exchange) amounting to 56.66 percent with the finance sources from the shareholders amounting to 22.51 percent. Regarding the utilization of funds as of 31st December, 2023, credits were granted to retail customers, among other uses.

Issued Bonds and Loans

As of 31st December 2023 and 2022, the outstanding bonds and domestic loans are as follows:

Unit: Million Baht	Interest rates (%)	Due	2023 (million Baht)	2022 (million Baht)
Debentures – Baht	2.38–4.90	2024–2028	73,440	59,725
Bills of exchange – Baht	2.95–3.60	2024	6,891	2,125
Loans from financial institutes	2.38–4.97	2024–2028	29,533	29,876
Total			109,864	91,726

Credit Policy and Credit Risk Management

The Company's operational goal is to be a microfinance service provider that assist the public in accessing loans sources more easily and conveniently from financial institutes with fair and transparent financial cost. This is to become the “responsible microfinance service provider” which means creating a microfinance loan product that can respond to the development of financial inclusion in the country with the responsibility to all stakeholders.

Therefore, the Company's credit policy is based on adhering to the human rights policy. This includes the loan products, processes for loan approval, and service provisions that must be thorough and equal without exclusion. Customers must not be discriminated against based on physical attributes, gender, race, religion, social status or political attitudes. The aim is to use this policy as a tool to reduce financial inequality among Thai people by providing an alternative source of loans, increase opportunities to access loan sources more easily and conveniently.

The Company operates in the microfinance loan business, which means lending small loans to retail customers only. The approval process is primarily based on social impact through the Asset-Based Assessment Approach. The important loan products are 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 based on the overall risks of default payment of each product.

The Company has established and reviewed the balance table to mitigate the risk of debt default due to an excessive credit limit. The market value of vehicles is collected from 8 in-house auction centers scattered

throughout the country. LTV is standardized to set the credit limit at the suitable rate, considering risks acceptable to the Company. Additionally, the Company has implemented an internal single lending limit to mitigate the risk of debt repayment from credit concentration or provide a credit limit that exceeds customers' capacity and willingness to repay. The credit limit per customer is set at a maximum of 550,000 Baht. As a result, the Company does not rely on any customer accounting for more than 30 percent of total income or total outstanding loans.

Significant Accounting Policies and Provisioning Methods

Bad Debt Amortization Policy: The Company has the policy to write off a debtor from the account when the group has made appropriate debt repayments with clear evidence of collection, and the debt has not been repaid.

Provisioning Policy: Following the Financial Reporting Standard No. 9 on Financial Instruments (TFRS 9), the Company promptly pursued debt collection and legal action, allowing the initiation of a lawsuit against the debtor within 2 months if there was a difference between the sales price and the outstanding receivables. Previously, the Company also mitigated the risk of damage by maintaining a credit policy that does not exceed 50 percent of the collateral value.

(4) Assets Used in Business Operation

License for the Loan Business Operation

The Company is a non-bank institute and operates the loan service business under the supervision of The Bank of Thailand with the following business license

License to Operate Personal Loan Business under Supervision

It is permitted 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 not more than 24 percent per year.

License to Operate Nano Finance Business under Supervision

It is allowed to operate a retail loan business for occupations without security. The credit limit is not more than 100,000 Baht, and the interest rate is not more than 33 percent per annum.

Most of the industry competitors are vehicle title loan operators with license to operate a personal loan business under the supervision of The Bank of Thailand or licenses to engage in nano finance businesses under the supervision of the Pico Finance from The Ministry of Finance. These licenses serve as a significant barrier to entry in the industry. Operators who are interested in entering the industry competition or those who have obtained licensed to undertake the loan business must have the ability to maintain and preserve various standards to comply with regulations.

Main Fixed Assets Used in Business Operation

As of 31st December, 2023, the Company has fixed assets used in business operations. with a net book value of 1,106.14 million Baht with the head office building located at 332/1 Jaransanitwong Road, Bangplad, Bangkok 10700. There are only 12 branches are owned by the Company. Most of the Company's branch offices are rented buildings.

Property list	Property Features	Net book value (Million Baht)	Obligations
1. 7 plots of land	Owned by the Company	266.03	Without obligations
2. Office buildings	Owned by the Company	361.43	Without obligations
3. Building improvement	Owned by the Company	478.68	Without obligations

Investment in a Subsidiary in which the Company Holds 99.99 percent of Shares

The Company has invested in 99.99 percent of 3 subsidiaries; Muangthai Leasing Company Limited, with a registered capital of 1,000 million Baht and engaging in the hire purchase loan business. Currently, the Company operates a new motorcycle hire purchase loan through the aforementioned subsidiary. Muangthai Leasing Insurance Broker Company Limited has registered and paid-up capital of 2 million Baht to operate the insurance brokerage business. The Company operates non-life insurance sale through this subsidiary, Muangthai Pay Later Company Limited with a registered capital of 1,000 million Baht and a Paid-up of 550 million Baht engaging in installment loan business for electrical appliances and general equipment.

The Company has not provided or guaranteed a loan for other companies which are not the Company's subsidiaries.

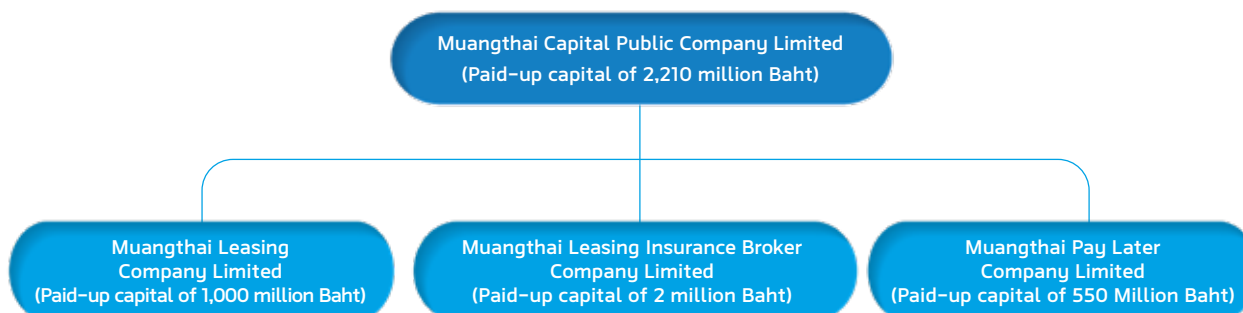
(5) Undelivered work

–Not any–

1.3 Shareholding Structure of the Company

1.3.1 Shareholding Structure of the Company

Regarding the Company's investments in the subsidiaries as of 31st December, 2023, the Company holds investments in subsidiaries, in which it owns 10 percent or more of the issued and paid-up shares, Muangthai Capital Public Company Limited directly holds 99.99 percent of 3 subsidiaries; Muangthai Leasing Insurance Broker Company Limited with the insurance broker business operation, Muangthai Leasing Company Limited operates motorcycle hire-purchase business and Muangthai Pay Later Company Limited involved the installment loan business for electrical appliances and general equipment. The shareholding structure of the Company is as follows:



Remark : The Company has no characteristics of cross-holding or subsidiary shareholding of other the Company's subsidiaries.

Proportion of Shareholding of the Company's Groups

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	Shareholding Proportion (%)	Type of Share
1.	Muangthai Leasing Insurance Broker 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	Installment loan	1,000	550	10,000,000	9,999,996	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 Controlling Shareholders

- Not any -

1.3.4 Shareholders

(1) Controlling shareholders

List of the Top 10 Controlling Shareholders

No.	Names of Shareholders	Number of Shares 8/11/2023	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 NDVR Company Limited	150,329,560	7.09	150,329,560
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	18,981,931	0.90	18,981,931
5	STATE STREET EUROPE LIMITED	16,559,047	0.78	16,559,047
6	Thai Life Insurance Public Company Limited	14,899,800	0.70	14,899,800
7	Provident Funds K Master Pooled Fund	13,393,800	0.63	13,393,800
8	Open-end Fund Krungsri Dividend Stock LTF	8,784,000	0.41	8,784,000
9	THE BANK OF NEW YORK MELLON	7,930,574	0.37	7,930,574
10	Mrs. Jinthana Boonsalee	7,048,170	0.33	7,048,170

Source : The Thailand Securities Depository Company Limited as of 8th November 2023

Group of Controlling Shareholders Influencing Management Policy of the Company

No.	Names of Shareholders	Number of Shares As of 31/12/23	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	3,650,000	0.172	3,650,000
5.	Mr. Suksit Patcharachai	902,100	0.043	902,100
	Total	1,435,588,600	67.72	1,435,588,600

Investors can access information about the Company's controlling shareholders from the shareholder register book as of the closing date before the annual general meeting, which is available on the Company's website for the latest year. This information can be found under the topic "Shareholder Info"

(2) Holding Company

- Not any -

(3) Shareholding Agreement

- Not any -

1.4 Company's Securities

1.4.1 Registered Capital

The Company has a 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 of 8 November, 2023, the Company's ordinary shares were issued as NVDRs in the amount of 150,329,560 shares. Since the issuance of NVDR is not under the control of the Company, the investors can verify 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 primarily operates in the credit services sector, the source of funds plays a crucial role in the Company's value chain. Therefore, fund sourcing and financial proportion management require careful consideration to control the Company's expense burden and prevent excessive financial costs. Additionally, it's essential to maintain the Company's liquidity stability. The Company's major sources of funds are the shareholder's equity and debts comprising loans from financial institutes. As of 31st December, 2023, the Company has outstanding credits approved by the commercial banks amounting 29,532 million Baht, issuance of debentures to financial institutes and major investors.

However, in 2023, the Company issued 5 public offerings in February, June, August, October and December to fortify its capital base and support future business growth. Additionally, in 2013 Thailand faced an epidemic that led to economic fluctuations, affecting both the money market and capital market. Despite these challenges, the Company's strong business potential helped maintain its credit rating for unsubordinated and unsecured debt instruments at BBB+ by TRIS Rating Co., Ltd., with a stable outlook. This positively affects the Company's financial stability in the Company's funding through the bond market 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, 2023, 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 2023, the Company issued and offered debentures to the general public 5 times for business operations to be used as working capital in the business and to repay the loans or debts from the issuance of debt securities.

The aggregate value of these unsecured debentures is 73,639.20 million Baht.

No.	Names of Debenture	Issuance Date of Debenture	Maturity Debenture	Amount (Million Baht)	Interest Rate (%)	Offering Type
1	Debenture of Muangthai Capital Public Company Limited No. 1/2020, Series 3 due with the maturity date in 2024	13/3/2020	13/3/2024	900.00	3.25	Offering to not more than 10 investors
2	Debenture of Muangthai Capital Public Company Limited No. 1/2021, Series 2 due with the maturity date in 2024	23/2/2021	13/3/2024	2,486.00	3.23	Offering to not more than 10 investors
3	Debenture of Muangthai Capital Public Company Limited No. 2/2021, Series 2 due with the maturitydate in 2024	25/3/2021	28/3/2024	500.00	3.20	Public offering (general investors and / or institutional investors)
4	Debenture of Muangthai Capital Public Company Limited No. 3/2021, Series 2 due with the maturity date in 2024	27/5/2021	28/5/2024	1,600.00	2.90	Offering to institutional investors
5	Debenture of Muangthai Capital Public Company Limited No. 3/2021, Series 3 due with the maturity date in 2025	27/5/2021	27/5/2025	800.00	3.20	Offering to institutional investors
6	Debenture of Muangthai Capital Public Company Limited No. 3/2021, Series 4 due with the maturity date in 2026	27/5/2021	26/5/2026	500.00	3.65	Offering to institutional investors
7	Debenture of Muangthai Capital Public Company Limited No. 4/2021, 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)
8	Debenture of Muangthai Capital Public Company Limited No. 4/2021, 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)
9	Debenture of Muangthai Capital Public Company Limited No. 4/2021, 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.	Names of Debenture	Issuance Date of Debenture	Maturity Debenture	Amount (Million Baht)	Interest Rate (%)	Offering Type
10	Debenture of Muangthai Capital Public Company Limited No. 6/2021, Series 1 due with the maturity date in 2024	9/11/2021	5/11/2024	1,902.00	3.13	Offering to institutional investors and / or major investors
11	Debenture of Muangthai Capital Public Company Limited No. 6/2021, Series 2 due with the maturity date in 2025	9/11/2021	4/11/2025	1,598.00	3.45	Offering to institutional investors and / or major investors
12	Debenture of Muangthai Capital Public Company Limited No. 6/2021, Series 3 due with the maturity date in 2026	9/11/2022	3/11/2026	1,000.00	3.70	Offering to institutional investors
13	Debenture of Muangthai Capital Public Company Limited No. 1/2022, Series 1 due with the maturity date in 2024	26/1/2022	26/1/2024	2,500.00	2.38	Offering to institutional investors
14	Debenture of Muangthai Capital Public Company Limited No. 1/2022, Series 2 due with the maturity date in 2025	26/1/2022	26/1/2025	500.00	2.79	Offering to institutional investors
15	Debenture of Muangthai Capital Public Company Limited No. 2/2022, Series 1 due with the maturity date in 2025	23/2/2022	24/2/2025	1,609.00	3.13	Public offering (general investors and / or institutional investors)
16	Debenture of Muangthai Capital Public Company Limited No. 2/2022, Series 2 due with the maturity date in 2026	23/2/2022	23/2/2026	1,391.00	3.45	Public offering (general investors and / or institutional investors)
17	Debenture of Muangthai Capital Public Company Limited No. 2/2022, Series 3 due with the maturity date in 2027	23/2/2022	22/2/2027	1,000.00	3.70	Public offering (general investors and / or institutional investors)
18	Debenture of Muangthai Capital Public Company Limited No. 3/2022 due with the maturity date in 2024	7/4/2022	7/4/2024	2,500.00	2.40	Offering to institutional investors
19	Debenture of Muangthai Capital Public Company Limited No. 4/2022, Series 1 due with the maturity date in 2025	8/6/2022	8/6/2025	2,200.00	3.45	Public offering (general investors and / or institutional investors)

No.	Names of Debenture	Issuance Date of Debenture	Maturity Debenture	Amount (Million Baht)	Interest Rate (%)	Offering Type
20	Debenture of Muangthai Capital Public Company Limited No. 4/2022, Series 2 due with the maturity date in 2026	8/6/2022	8/6/2026	1,831.10	3.75	Public offering (general investors and / or institutional investors)
21	Debenture of Muangthai Capital Public Company Limited No. 4/2022, Series 3 due with the maturity date in 2027	8/6/2022	8/6/2027	933.20	3.90	Public offering (general investors and / or institutional investors)
22	Debenture of Muangthai Capital Public Company Limited No. 5/2022, Series 1 due with the maturity date in 2024	24/6/2022	17/6/2024	960.00	3.00	Offering to institutional investors
23	Debenture of Muangthai Capital Public Company Limited No. 5/2022, Series 2 due with the maturity date in 2027	6/7/2022	6/7/2027	500.00	3.90	Offering to institutional investors
24	Debenture of Muangthai Capital Public Company Limited No. 6/2022 due with the maturity date in 2024	11/8/2022	8/8/2024	1,376.00	3.25	Offering to institutional investors
25	Debenture of Muangthai Capital Public Company Limited No. 7/2022, Series 1 due with the maturity date in 2024	24/8/2022	24/8/2024	2,728.20	3.50	Public offering (general investors and / or institutional investors)
26	Debenture of Muangthai Capital Public Company Limited No. 7/2022, Series 2 due with the maturity date in 2025	24/8/2022	24/8/2025	2,124.50	3.80	Public offering (general investors and / or institutional investors)
27	Debenture of Muangthai Capital Public Company Limited No. 8/2022, Series 1 due with the maturity date in 2024	27/10/2022	27/10/2024	2,367.00	3.65	Public offering (general investors and / or institutional investors)
28	Debenture of Muangthai Capital Public Company Limited No. 8/2022, Series 2 due with the maturity date in 2026	27/10/2022	27/4/2026	1,634.60	4.00	Public offering (general investors and / or institutional investors)

No.	Names of Debenture	Issuance Date of Debenture	Maturity Debenture	Amount (Million Baht)	Interest Rate (%)	Offering Type
29	Debenture of Muangthai Capital Public Company Limited No. 9/2022 due with the maturity date in 2024	29/11/2022	28/10/2024	1,033.00	3.60	Offering to institutional investors
30	Debenture of Muangthai Capital Public Company Limited No. 1/2023 due with the maturity date in 2025	31/01/2023	31/01/2025	3,400.00	3.70	Offering to institutional investors
31	Debenture of Muangthai Capital Public Company Limited No. 2/2023, Series 1 due with the maturity date in 2024	21/02/2023	27/08/2024	1328.40	3.30	Public offering (general investors and / or institutional investors)
32	Debenture of Muangthai Capital Public Company Limited No. 2/2023, Series 2 due with the maturity date in 2025	21/02/2023	17/03/2025	1,969.50	3.80	Public offering (general investors and / or institutional investors)
33	Debenture of Muangthai Capital Public Company Limited No. 2/2023, Series 3 due with the maturity date in 2026	21/02/2023	16/03/2026	1,995.20	4.10	Public offering (general investors and/or institutional investors)
34	Debenture of Muangthai Capital Public Company Limited No. 2/2023, Series 4 due with the maturity date in 2027	21/02/2023	15/03/2027	927.70	4.30	Public offering (general investors and/or institutional investors)
35	Debenture of Muangthai Capital Public Company Limited No. 2/2023, Series 5 due with the maturity date in 2028	21/02/2023	13/03/2028	1,121.10	4.50	Public offering (general investors and / or institutional investors)
36	Debenture of Muangthai Capital Public Company Limited No. 3/2023 due with the maturity date in 2025	15/05/2023	15/05/2025	2,632.00	3.90	Offering to institutional investors
37	Debenture of Muangthai Capital Public Company Limited No. 4/2023, Series 1 due with the maturity date in 2024	9/06/2023	5/11/2024	1,376.00	3.25	Offering to institutional investors

No.	Names of Debenture	Issuance Date of Debenture	Maturity Debenture	Amount (Million Baht)	Interest Rate (%)	Offering Type
38	Debenture of Muangthai Capital Public Company Limited No. 4/2023, Series 2 due with the maturity date in 2025	9/06/2023	10/06/2025	1,443.20	4.00	Public offering (general investors and / or institutional investors)
39	Debenture of Muangthai Capital Public Company Limited No. 4/2023, Series 3 due with the maturity date in 2026	9/06/2023	9/06/2026	1,980.20	4.45	Public offering (general investors and / or institutional investors)
40	Debenture of Muangthai Capital Public Company Limited No. 4/2023, Series 4 due with the maturity date in 2027	9/06/2023	8/06/2027	1,519.20	4.65	Public offering (general investors and/or institutional investors)
41	Debenture of Muangthai Capital Public Company Limited No. 5/2023 due with the maturity date in 2025	25/07/2023	25/07/2025	1,866.00	4.20	Offering to institutional investors
42	Debenture of Muangthai Capital Public Company Limited No. 6/2023, Series 1 due with the maturity date in 2025	24/08/2023	24/08/2025	1,767.90	4.25	Public offering (general investors and / or institutional investors)
43	Debenture of Muangthai Capital Public Company Limited No. 6/2023, Series 2 due with the maturity date in 2026	24/08/2023	25/08/2026	1,399.70	4.70	Public offering (general investors and / or institutional investors)
44	Debenture of Muangthai Capital Public Company Limited No. 6/2023, Series 3 due with the maturity date in 2027	24/08/2023	24/08/2027	1,332.40	4.80	Public offering (general investors and / or institutional investors)
45	Debenture of Muangthai Capital Public Company Limited No. 7/2023, Series 1 due with the maturity date in 2025	25/10/2023	4/11/2025	1,158.30	4.25	Public offering (general investors and / or institutional investors)

No.	Names of Debenture	Issuance Date of Debenture	Maturity Debenture	Amount (Million Baht)	Interest Rate (%)	Offering Type
46	Debenture of Muangthai Capital Public Company Limited No. 7/2023, Series 2 due with the maturity date in 2026	25/10/2023	3/11/2026	1,064.40	4.75	Public offering (general investors and / or institutional investors)
47	Debenture of Muangthai Capital Public Company Limited No. 7/2023, Series 3 due with the maturity date in 2027	25/10/2023	2/11/2027	812.70	4.90	Public offering (general investors and / or institutional investors)
48	Debenture of Muangthai Capital Public Company Limited No. 8/2023 due with the maturity date in 2025	20/11/2023	20/11/2025	473.00	4.25	Offering to institutional investors
49	Debenture of Muangthai Capital Public Company Limited No. 9/2023, Series 1 due with the maturity date in 2025	26/12/2023	10/06/2025	1,235.10	4.25	Public offering (general investors and / or institutional investors)
50	Debenture of Muangthai Capital Public Company Limited No. 9/2023, Series 2 due with the maturity date in 2025	26/12/2023	9/06/2026	592.20	4.40	Public offering (general investors and / or institutional investors)
	Total of net value			73,639.20		

Remark : The outstanding value of unredeemed exchange bills amounts to 6,955 million Baht. These bills have a minimum maturity period of 270 days and are not guaranteed.

1.6 Dividend Payment Policy

The dividend payment follows Category 6 Article 47–50 of the Company’s Articles of Association which strictly prohibits the payment of dividends from sources other than profits. If the Company still holds accumulated losses, dividend payments are not allowed. Dividends are distributed equally per share, as approved by the shareholders’ meeting. However, the Board of Directors may pay interim dividends to shareholders whenever the Company is profitable enough. Following dividend disbursement, the shareholders’ meeting will be informed and acknowledge the details in the subsequent meeting.

The Company adheres to a dividend payment policy, wherein dividends are not to exceed 50 percent of the net profit derived from the separate financial statements of both the Company and its subsidiaries each year, after accounting for corporate income tax deductions, legal reserve allocations, and any carried-forward accumulated losses. 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 Info” 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	Payment Schedule	Amount (Million Baht)
2023				
Annual Dividend 2023	18 th April, 2023	May, 2023	0.95	2,014.00
2022				
Annual Dividend 2022	19 th April, 2022	May, 2022	0.37	784.40
2021				
Annual Dividend 2021	20 th April, 2021	May, 2021	0.37	784.40
2020				
Interim Dividend 2020	8 th April, 2020	May, 2020	0.30	636.00



2. Risk Management

Risk management plan is an important organizational management tool, which is widely used to manage uncertainty which will impact to operations and serve as a risk management guide to reduce the potential impact on the organization to an acceptable level. This is also an opportunity to create added value for the organization by developing more efficient and effective work processes.

Muangthai Capital Public Company Limited is committed to becoming a global organization by promote business growth by developing a risk management strategy that is consistent with international guidelines and practices and covers the entire financial business sector and produce long-term and stable returns, so the framework and guidelines for developing the organizational risk management system have been formulated. The Company's goal is to make the executives, employees and stakeholders realize the importance of risk management and also have mutual understanding and establish a comprehensive responsibility and direction in the whole organization.

Enterprise Risk Management Culture

- 1) All executives and employees are responsible for risk management across the organization systematically managed continuously and have the same standard.
- 2) All executives and employees are required to implement risk management as part of their normal operations both the process of strategic planning, decision-making and daily work by applying information technology for maximum benefit.
- 3) All executives and employees are required to report the assessed risks. Prioritize along with specifying how to manage risks and who is responsible (Owner of risk) by this report must be submitted to the level supervisor.
- 4) The identification and management of risks that affect the realization of the Company's objectives must be systematically managed, maintain the risk at a level acceptable to the Company and prevent accidental business losses leverage existing opportunities to balance business growth, risk, and returns of the Company.
- 5) Executives and employees must be followed up evaluate risk management results, review and participation in the improvement and development of the risk management system to be efficient and effective on a continual basis.
- 6) The risk owner unit shall periodically report risks to the Board of Directors and the Executive Committee in accordance with the risk level through the channels specified in the Enterprise Risk Management guidelines.

2.1 Risk Management Policies and Plans

The current business environment is full of uncertainty such as technological changes, epidemics, laws and regulations of various departments, and intensified competition and changes in consumer behavior. Therefore, the Company must manage these risks to establish the stability and sustainable development of the Company under the principle of good governance which make the decision-making is more effective, increase confidence in achieving goals, reduce opportunities for damage to the Company, and develop prevention plans and good control plans.

2.1.1 Anti-Corruption Policy and Report on Complaints

In order to comply with the anti-corruption policy according to the approaches of the 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 channels for lodging complaints and reporting misconduct in the corporation, specifying that Board of Directors, Executives, Employees, Shareholders, and Stakeholders can file complaints through the following channels:

Channel 1 : Send the letter by email

whistleblower@muangthaicap.com

Channel 2 : Send the letter by postage (clearly addressing as "confidential")

Contact : Chairman of the Audit Committee

Address : Muangthai Capital Public Company Limited
332/1 Jaransanitwong Road, Bangplad,
Bangplad, Bangkok 10700
Tel : +66 2 483 8888

Channel 3 : Telephone to the whistleblowing receiving department

+66 81-751-1587

The number of complaints filed in the fiscal year 2023

Report and whistleblowing	Number (cases)	Process of Action	Damage Value (Baht)
Corruption / fraud / bribery	None	-	-
Conflict of interest	None	-	-
Human rights violation	None	-	-
Infringement of intellectual property	None	-	-
Operational safety	None	-	-
Security of the Information Technology System, Personal Information and Phishing Scam	None	-	-
Inaccurate financial reports/ /false financial documentation	None	-	-
Defective internal control system	None	-	-
Other offenses such as breaches of Company's rules and regulations, violation of duty	None	-	-

Follow up results of the whistleblowing and complaint management process in 2023

The Company has investigated all social media complaints. In addition, the Company also provides training for all employees, including probation employees, regular employees and contract employees. In order to make employees aware of and attach importance to excellent service, this is a practical guide for establishing good customer relations. Reduce complaints that may cause damage or negative impact on the Company. The responsible department needs to report the complaint or follow up the progress of complaints to relevant personnel every month.

2.1.2 Policy on Risk Management for Establishing Business Ethics

The Company has been certified as a member of the Collective Action Against Corruption (CAC) and has successfully undergone the first re-certification on 30th June, 2022, from the Collective Action Against Corruption. Being one of the business practices aligned with the principles of Good Corporate Governance, the Company recognizes corruption as a barrier to societal and economic development. Therefore, the Company's Board of Directors has declared a policy requiring all

Directors, Executives, and Employees to adhere to this policy universally. This is communicated to all employees through internal newsletters and detailed in the Good Corporate Governance guideline. Additionally, this topic is included in the orientation program for new employees to raise awareness about anti-corruption efforts. The Company prohibits Directors, Executives, and Employees from soliciting, conducting, or accepting any form of corruption, whether direct or indirect, monetary or non-monetary, from governmental or private entities, business partners, or any other parties with whom the Company conducts business or contacts, for the benefit of the Company, themselves, their families, friends, acquaintances, or for the benefit of the business. This includes all businesses and entities associated with the Company. There are regular examinations of compliance with the policies and measures against corruption, as well as reviews of practices and operational procedures to ensure alignment with changes in the business environment, regulations, and legal requirements. Any violation, support, assistance, or collaboration with corruption will be subject to disciplinary action in accordance with the Company's regulations.

Guidelines

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 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 that all employees must adhere to and practice strictly.
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:
 - 11.1) Entertainment, gifts and expenses, giving or receiving gifts be in accordance with the stipulation in the Company's Code of Conduct.
 - 11.2) 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.
 - 11.3) For political assistance, the Company has a policy of not helping, supporting for political parties, political group, or politician whether directly or indirectly.
 - 11.4) Charitable donations public interest and financial support. The Company requires to donate to charity, public benefits and financial support as follows:
 - To be transparent, legitimate and not contrary to morality including not doing any act that will have a detrimental effect on the society entirely.
 - Giving or receiving donations for charity, public interest, or support are not allowed to be used as an excuse for bribery.
 - Follow the procedures for reviewing and approving charitable donations, public interest, or financial support according to the Company's regulations.
 - In case of doubt that may affect the law, the advice must be sought from the written legal or in other important matters to the discretion of the Management division.

- 11.5) 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 Company. This includes contacts with the government sector which must be transparent, honest and must act in accordance with relevant laws.

2.1.3 Donation Policy and Subsidies to Political Parties, Trade Associations, or any Other Tax-Exempt Association

1) Supporting political parties

Referring to the approaches of Anti-Corruption Policy in the Company's Anti-Corruption Policy Guidelines 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.

2) Support the Vehicle Title Loan Trade Association

However, the Company is involved in developing fair and transparent service supervision to customers by collaborating with the vehicle title loan trade association to discuss, 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.

3) Support of personal loan operator trade association

The Company has joined as a member of the Personal Loan Business Operator Association. Through continuous discussion, listening and exchange of views on various issues with the members of the Association.

2.1.4 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 2023, 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.

	2023	2022	2021	2020
Total revenue (million Baht)	24,526	20,068	16,019	14,733
Profit before income tax	6,126	6,360	6,201	6,516
Income tax	1,220	1,267	1,256	1,303
Actual tax rate (percentage)	19.91%	19.92%	20.27%	19.99%
Tax rate paid in cash (percentage)	19.91%	19.92%	20.27%	19.99%

2.1.5 Policy on the Data 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".

- IT Security Operations

1. Access Control and User Authentication: The Company has clearly defined roles and responsibilities for each department, controls access to information systems, authenticates users, and prevents repudiation according to the following policies:

- 1.1 Personnel and organizational roles in information systems management are defined and appropriate authority and responsibility are delegated. All employee has a role and responsibility for information security, including compliance with policies and security procedures, with clear delineation of duties for each department to ensure balanced workflow.
 - 1.2 Access Control: All Company's departments involved with data and information systems must maintain an inventory of company information assets.
 - 1.3 Identity Verification and Non-repudiation: To mitigate risks and prevent unauthorized system access, access to information systems must be controlled, considering suitability to limit access rights based on business necessity and requirements, with controls over user rights starting from registration to revocation when users no longer require access. Additionally, high-privileged user rights, allowing modifications to system rights, must be controlled.
 2. Data Confidentiality and Information System Integrity
 - 2.1 Data Confidentiality: The Company has established processes and methods for appropriate transmission, processing, storage, and disposal of data to maintain the confidentiality and integrity of the data.
 - 2.2 System Development and Change Control: The Company has defined policies and internal controls for system development, change control, and improvement to mitigate abnormal operations or risks that may cause damage to the information system.
 3. Service Availability: The Company has implemented measures to ensure efficient and continuously available services to accommodate business transactions, including appropriate data backup to restore system functionality in case of system failure.
 4. Information System Security Auditing
 5. Review and Enhancement of Information System Security Measures
- The Company conducts analysis and identifies risks, as well as critical operations of service provisioning, to establish acceptable Recovery Time Objectives (RTO). It develops plans outlining detailed procedures for handling disruptions to critical operations, ensuring they can be restored within specified timeframes. These plans adhere to the policies and security measures outlined in the Information System Security Policy to ensure that related service provisioning policies and security measures are effective, secure, and can provide continuous service. The Company regularly reviews information system security and conducts training, testing, and annual reviews of critical operation plans or when there are factors affecting risk.

Personal Data and Information Security Governance Structure



2.1.6 Procurement Policy

The Company stipulates the procurement policy for the Company's procurement to be efficient, transparent and free from corruption considering the economic, social and environmental impact (ESG).

The procurement of goods and services is an important process that facilitates the existence of a company's business. Therefore, the procurement process is determined to be in accordance with the regulations. The operation is fair, reasonable, transparent and can be verified that there is no conflict of interest. and treat partners equally with fair competition in order to achieve the most beneficial operations for the Company.

Guidelines

1. The purpose of the procurement must be clearly stated and presented to the authorized person according to the Company's procedures.
2. The prices from sellers or service providers are compared transparently and fairly to all parties. Accepting financial benefits or other forms of benefits from sellers or service providers in exchange of goods or services that do not meet the terms of the agreement or the specifications not meeting the order or quality or not reaching the standard is prohibited. In the case that such event is found, the employee shall immediately notify the Assistant Purchasing Manager to cooperate in finding the solutions.

3. The Company has treated the vendors and creditors fairly, equitably and without taking advantage and has complied with trade conditions and/or strict contractual agreements made altogether in order to develop mutually beneficial business relationships. Besides, the Company has a policy to treat partners equally and fairly taking into account the best interests of the Company based on fairness to both parties. The situations that cause conflicts of interest are avoided including the compliance with commitments to provide real information, accurate report, strict compliance with the conditions agreed upon with the vendors. In case of failure to comply with any of the conditions, the advance notification is needed in order to jointly consider finding ways to revise the criteria for selection of vendors covering 6 areas as follows:

- Technical competence
- Financial status
- Expertise and experience
- History related to complaints
- Conflicts of Interest / Connected Transactions
- Anti-corruption policy and quality policy

4. The Company has a policy, practices and regulations in procurement taking into account social and environmental issues as an element in the consideration.
 - 4.1 The Company has a risk assessment on major partners using the criteria considered from the top 20 annual purchase amounts to assess the risks from partners in all 3 aspects, partners economic, social and environmental aspects. According to the assessment results of all 3 aspects, the partners who will pass the evaluation criteria must have the level of risk within the criteria that is not high.
 - 4.2 For the partners who purchase goods and services for the first time, the Company has criteria for selecting New Approved partners. Such assessment will cover social and environmental issues.
5. The Company has a policy to strictly comply with the conditions, contracts and obligations agreed upon with creditors whether it is about the purpose of using money, repayment, quality care, collateral and any other matters that have been agreed upon with creditors. In the event that one of the conditions cannot be complied with, the Company will notify creditors as soon as possible to jointly consider finding a solution using the principle of reasonableness. The Company is committed to maintaining sustainable relationship with creditors and mutual trust. The approaches are determined for capital management to create strong stability and to prevent the Company from being in a difficult position of debt repayment to creditors and to give importance to financial liquidity management by planning to pay debts to creditors clearly and punctually.
6. The Company has a plan that helps develop sustainable business operation of partners. The Company will inform the plan for the number of branches to be opened within the Company policy year to partners in advance. Such plan is based on the branch

opening policy plan from the branch affairs department for the policy year. Notification of such plan will help promote partners to be able to know the quantity of products or services to be sold this year. In addition, partners will be able to bring information about the obtained plans to plan the production and delivery in order to help prevent the problem of late delivery or the out-of-stock products insufficient for the delivery.

2.1.7 Human Rights Policy

Human rights are fundamental rights for everyone, including those affected throughout the business value chain. Therefore, the Company operates with a sincere consideration for human dignity and endeavors to make it an integral part of the organizational culture. This includes ensuring that human rights are not violated at any stage of operations. The Company has established policies that align with and adhere to international guidelines such as the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and Thai labor laws.

● Identifying Human Rights Risks

Issues related to human rights are relatively sensitive and interconnected with other issues that may have continuous impacts on business operations. Therefore, they are considered significant risks that persist in business operations. The Company identifies such risks in its organizational risk management to instill confidence in all stakeholders.

The Company has implemented a comprehensive Human Rights Due Diligence process with the objective of identifying and assessing human rights risks that may arise within the Company. This includes prioritizing and managing risks comprehensively. Additionally, processes for remediation and mitigation in case of human rights violations within the Company have been established. The summarized table is as follows:

Risk identification	Impact	Risk assessment		Risk management	Indicator
		Level of impact	Level of likelihood		
Employment conditions	<ul style="list-style-type: none"> Forcing employees to work overtime 	3	3	Establishing the Welfare Committee and Providing a channel for receiving complaints.	There were 0 incidents of human rights violations.
Personal data violation	<ul style="list-style-type: none"> Leaking personal data of partners and employees Using customer data without permission 	4	3	Establish appropriate measures to protect the security and privacy of personal data in accordance with the protection of the privacy of personal data	
Illegal labor use in the supply chain	<ul style="list-style-type: none"> Employing child labor and illegal migrant labor 	3	3	Publish the code of conduct for partners and establish a process for assessing the risks of human rights violations by partners.	
Discrimination against employees	<ul style="list-style-type: none"> Unfair and unjust treatment within the organization 	4	4	Establish disciplinary measures for offenders and provide training to raise awareness among employees, as well as create a positive culture of equality in the organization for employees to respect each other.	

The Company conducts regular training and provides continuous education to employees on human rights issues to mitigate potential risks. Additionally, it communicates the outcomes of its human rights initiatives annually through Sustainability Reports and Annual Reports.

- Remedial measures

In 2023, the Company had no incident on discrimination and did not receive any complaint about human rights and labor practices from the Company's business operation from both internal and external agencies. The Company has no legal dispute in terms of labor, forced or slave labor, child labor, consumer rights and business operation in any way. As the Company is aware of the impact from the operations of the Company, the Company therefore attaches importance to the remedial process by providing channels for receiving complaints and requiring appropriate remedies for those affected in terms of money such as compensation for damages and non-monetary compensation such as giving an opportunity to listen to opinion, counseling for victims through various channels.

- Raised as a part of corporate culture

In order for the human rights principles to become part of the culture within the organization as well as helping develop the potential of employees within the organization, in 2023, the Company provided training to educate employees and executives on human rights principles. In addition, the topic of human rights has been added to the new employee training course. It has also been announced through the Company's journal to create the corporate culture.

2.1.8 Policy to promote potential and ability to conduct sustainable business with partners.

In 2023, the Company formulated a policy to promote and encourage partners to implement business ethics as a driving force to create an ethical business environment, including promoting the Company's partners in recognize the importance of abiding by business ethics, which includes the following 4 aspects:

1. Business Code of Conduct Guidelines

- Conduct legal business in a transparent and accountable manner.
- Treat stakeholders fairly.
- Protect personal information of stakeholders.
- Compliance with intellectual property law.
- Disclosure of information that may have conflicts of interest.
- Encourage responsible procurement partners.
- After delivery, check for partner-related errors.

2. Human rights and labour Guidelines

- Respect differences, treat workers equally and do not discriminate.
- Not accept the benefits of any form of forced or oppressive labor.
- Child labour under the legal age shall not be used if appropriate protection is required.
- Provide employees and workers with appropriate and fair wages and remuneration, and enjoy the benefits prescribed by law.
- Do not employ illegal workers.

3. Occupational health and safety Guidelines

- Comply with laws and occupational health and safety standards
- Provide safe working environment and equipment according to the principles of occupational health and safety.
- Do not ignore workplace behaviors that may cause harm to employees.
- Formulate guidelines to prevent, correct and remedy occupational health and safety risks.

4. Community and environmental management Guidelines

- Conduct business in accordance with national and local environmental regulations.
- Consider the impact of business operation on the community and environment or on the business.
- The Company encourages partners to use socially and environmentally friendly products, services or processes.
- The Company encourages its partners to be certified for sustainability standards related to their business processes.

The Company facilitates suppliers to share their opinions and suggestions, including organizing projects and activities to enhance business operations and foster sustainable development. In 2023, the company invited current and new suppliers to join the Coalition Against Corruption (CAC) via email. Out of 31 business partners contacted, representing 20 percent, accepted the invitation to become members.

2.1.9 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 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. To reduce the risk of concentration The loan size per contract is approximately 20,000 baht.

- 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.

2.1.10 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 officers / 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.

2.2 Compliance Monitoring of Risk Management

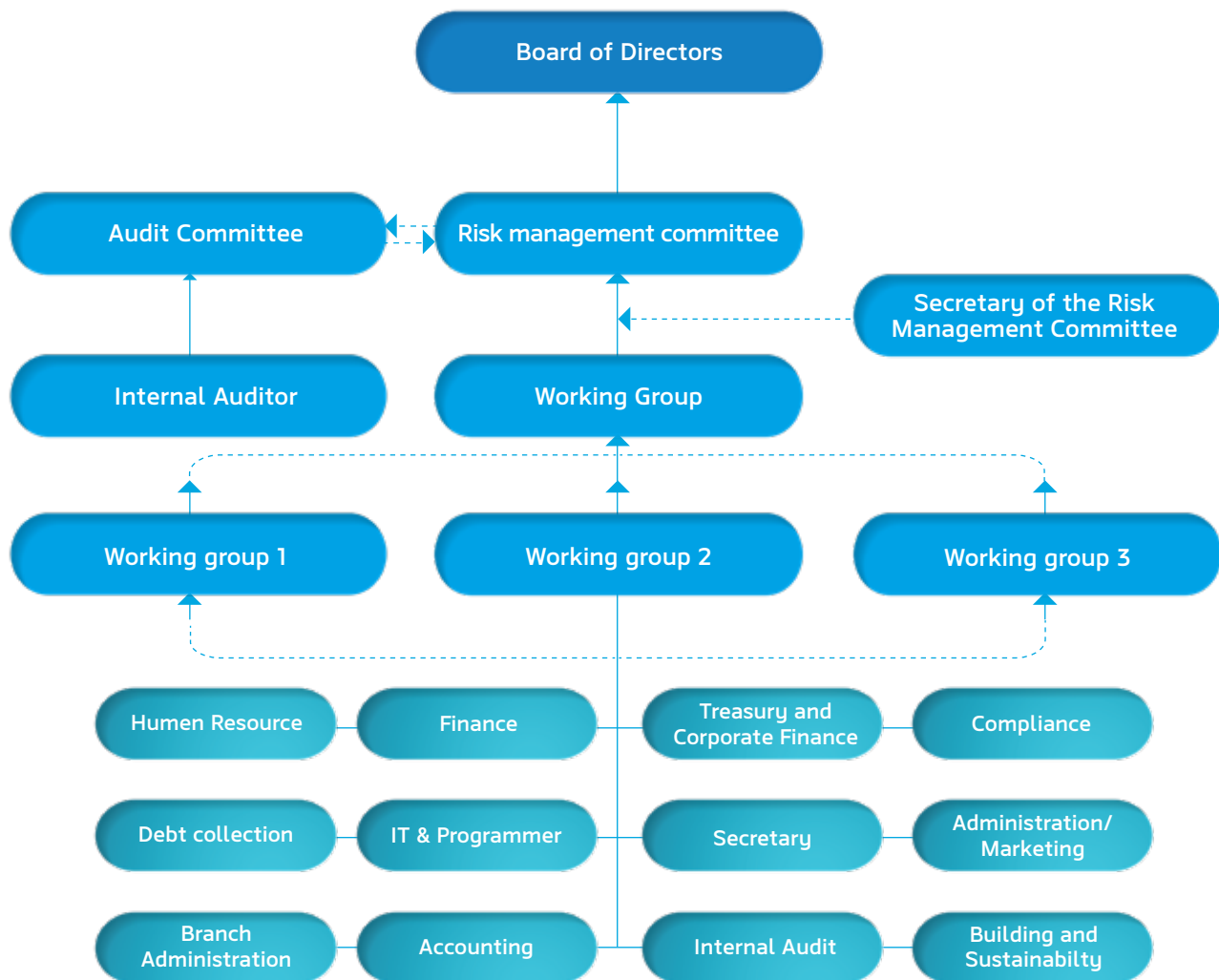
The Company has set it up as the duties and responsibilities of directors, executives and all employees to be acknowledge and strictly comply with the anti-corruption policy. It is important to encourage employees under their command to have knowledge and understanding and follow the good corporate governance 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.

2.3 Strategy and Framework

1. Arrange to provide a risk form in line with a comprehensive management process. Issues were identified, working groups were established, and assessments were made. Lead to planning cope with risks including monitoring and reporting results to develop plans to be effective continuously.
2. Organize workshops for all sectors to participate in identifying risk issues and proposing preventive measures, including the establishment of a working group suitable for the operation.
3. Take an action at risk by simulating real-world scenarios in the appropriate frequency to be prepared to deal with potential risks efficiently and in a timely manner.
4. Review the risk management to be in accordance with the organization's vision and goals.
5. Monitor and evaluate the results of risk management according to the risk management plan.
6. Arrange to provide reports on the results of risk management at all levels and all parties at least twice a year.

2.4 Risk Management structure

—▶ Reporting
 - - - - -▶ Communication



The Company has established a risk management structure to be accepted internationally. The roles and responsibilities of the Risk Management Committee and related committees are clearly defined in the field of independent risk management. Currently, it is regularly reported to the Risk Management Committee in Dual Reporting at least once a quarter and also provide an internal audit department which perform duties independently report to the Audit Committee which consists of 3 independent directors and executives. Compliance Department has been set up for risk management. The Company uses the concept of risk management that can supervise the Company to achieve the desired strategic plan. Roles and duties

of the Board of Directors must therefore look at the overall of corporate governance, risk management and compliance with the rules to be the same thing or Governance, Risk and Compliance (GRC), which creates a valuable drive for the organization in sustainability and promote operational and operational efficiency.

Currently, the concept of risk management is linked with corporate sustainability. It is therefore a concept that enables businesses to operate in all aspects. and effective this is to build confidence among all stakeholders which will lead to development into a sustainable organization and truly achieving the goals of the business. For more details of roles and responsibilities of the Board of Directors or those

who are related is published on “Sustainability Report 2023” which can be downloaded from the Company’s website (www.muangthaiacap.com > Investor Relations > Sustainability > Sustainability Report)

2.5 Factors and Types of risk

2.5.1 Factors of risk

Internal factors : Technology, Operational, Organization Culture, Personnel Ethics, Work Environment

External factors : Competitive Conditions, Partners/Policies/Regulations, Economic and Political conditions, Healthy, Social and Environment

2.5.2 Types of risk

- **Strategic Risk :** The risk arising from policy formulation and strategic planning including improper implementation or inconsistent with various factors, both internal and external factors which may affect the direction of development and achieve goals and/or objectives of the Company.

- **Operational Risk :** Risks occurring in all normal work processes, covering factors related to processes, information technology, materials, equipment, personnel that operates that there is a control system how well it checks. If not good enough, the Company must find a way to manage. Otherwise, it may affect the success of the operation according to the Company’s operational plan or strategic plan including corruption arising from the practice or omission of duty or the abuse of authority in any form of duty, fraud, concealment, concealment, evidence in order to obtain undue benefits or embezzlement that affects the efficiency of the work process.

- **Healthy Risk :** The risk caused by chemicals, workflow and the environment that affects the health of personnel within the organization. Including risks that affect the health of people in the business environment.

- **Policy and Compliance Risk :** Risks arising from inability to comply with relevant regulations or requirements or existing regulations are inappropriate or an obstacle to the operation or unable to comply in time and may result in punishment according to the relevant laws as well as monitoring the results of compliance with relevant rules or regulations.

- **Financial Risk :** Risks arising from financial unpreparedness excessive or inefficient budgeting and expenditure control including account decoration

by neglecting to provide information or deliberately giving false information in reporting the Company’s financial status.

- **Environment Risk :** Risk or damage caused by the environment that affect organizational changes, such as climate change, which effect product design or operations.

- **Community Risk :** Risks or damage from the operations of the organization that directly or indirectly affects surrounding communities, such as construction sites that the organization operates that affect surrounding communities.

- **Image and Reputation Risk :** Risks or damages that affect reputation whether it is a result of direct or indirect operations. Affects the image and credibility of the organization.

- **Project risk :** refers to the uncertainty that creates risky events. There is a chance that this will happen to the operation of various projects if project risk management is not effective enough. The results of a risky event may be damaging. It is an obstacle to project implementation, to the point that it may cause the project to fail.

2.6 Risk Management processes

The risk management process starts with identifying potential risks. Then, a risk assessment was made based on impact level and frequency, next is the risk response. There are four risk response options: Accept, Transfer, Reduce, and Avoid. Then it is to determine control activities to reduce the risk to an acceptable level. Communicate to personnel within the organization to understand and apply to work processes. And finally, monitoring and evaluation to control risk management to be effective.

In risk management, the Company has stipulated 6 risk management processes as follows:

2.6.1 Event Identification and Analysis

Organizations shall establish clear organizational objectives to provide a framework for identifying and analyzing risks to be consistent with strategic goals and the risks that the organization can take. The process of identifying and analyzing risks is very important. It is a step in understanding the cause of the risk. Identify events or activities of operational processes that may result in failure, damage and failure to achieve the organization’s objectives/goals. By way of identifying corporate risks, the process is as follows.

1) Workshop

It is a commonly used method for identifying risks. Workshops should be conducted by a skilled coordinator to ensure that the objectives can be achieved within the specified process and time. One thing to be careful about is the selection of workshop participants. This must be a person related to the objectives to be discussed. Each participant must be knowledgeable of the issues to be discussed at the workshop and be able to participate in such discussions.

2) Risk Self-Assessment

Interview and questionnaire, are useful technique for gathering risk information. Information collected from interviews or surveys can serve as an important starting point for discussions at risk workshops.

3) Benchmarking

Research and comparison with other companies within the country and abroad may be used to identify risks directly affecting the company such as study of research-based techniques, including studies of relevant journals, participating in business-related seminars Inquiries related companies in Thailand and abroad internet search inquiry formal and informal discussions with representatives from other companies.

4) Brainstorming

Discussing with employees about the risks that may arise in each department or the preparation of risk analysis within the Company. This creates a direct source of information that can be useful in identifying the Company's risks.

5) Key Risk Indicator : KRI

Leading events or indicators of risk able to identify risk factors by tracking information related to an event and enable management to identify current conditions that could cause future events to occur. Executives should also consider that Is there an indicator of each significant risk management should consider collecting the information necessary for risk indicators to enable the risk indicators to be used successfully.

6) Report on loss events such as Loss Report Accident Report. Waste Report, Plant Incident Report and other relevant reports.

Studying historical data on earnings, losses, events, or other risk-related information enables companies to identify risks effectively by quantitative analysis of those data or by analyzing differences in comparison to those expected outcome or budget to understand the cause or effect of an event. as well as the understanding that affects the losses incurred.

7) Action Plan Analysis

Understanding current operations or process based on best practice can help identify risk factors. Understanding the core processes is of great benefit to a Company's risk management. The workflow diagram may be done in the form of a process map (Process Map) or a description or a combination of both. By identifying and analyzing, the responsible department's risk is necessary to identify risks within the risk category framework set by the Company.

Identifying risks or uncertainties that may occur and must consider both internal and external factors for clear risk identification and covers the operation in all aspects of the Company according to the risk types of the Company that have been defined in all 10 aspects.

2.6.2 Risk Assessment

Risk assessment is an assessment of the likelihood and impact of an event that may occur on the objectives while the birth Individual events may have different levels of impact high level per purpose.

Risk assessment can be done both qualitatively and quantitatively, considering both external and internal events. The conceptual framework and theory of risk management are based on The Committee of Sponsoring Organizations of the Treadway Commission – Enterprise risk management (COSO-ERM), an international risk management standard and it is one of the most popular approaches used in risk management

because it is easy to use and uncomplicated In addition, risk assessments should be conducted both before risk management (Inherent Risk) and after risk management (Residual Risk) Factors that should be used in considering risk management, for example:

- Performance of executives and employees
- Operational Processes
- Internal Control activities
- Organization Structure
- Reporting processes / Communication
- Attitude and Guidelines for executives of risk
- Expected and currently available behavior of organization
- Performance Assessments and Monitoring
- Current of agreement and partners

The Company specifies that risk assessment consists of 2 dimensions, as follows:

- 1) Likelihood : In general, it is difficult to find information to support an accurate estimate. Qualitative Assessment requires careful and principled analysis. Where information about failure events or their frequency in the past can be used to indicate the likelihood of future events. It can also be used to make more accurate mathematical estimates, but in some cases, past frequencies are not indicative of future possibilities in that case Appraisers need to use their discretion in choosing statistics or future possibilities as information for evaluation in assessing the likelihood of the details of the risks are unclear. It may cause an error in the assessment. Therefore, the assessor should consider and improve the details of the risk clearly. Which will consider the level of probability that will occur as follows:

Level	Likelihood	Frequency
1	Low	Chance to happen every 6-12 months
2	Moderate	Chance to happen every 3-6 months
3	Medium	Chance to happen every 1-3 months
4	High	Chance to happen every 2 weeks
5	Extreme	Chance to happen every week

- 2) Impact : The risk assessment should consider both financial impacts, for example, the impact on income and non-financial impacts, for example, rules and regulations, customer satisfaction, reputation and personnel, etc. The valuation of the financial impact of a particular risk is difficult and complex. Qualitative consideration of the effects of risk in order to assess the level of importance a risk with a small impact and a low likelihood of occurrence do not require much attention, while risks with high impact and high probability require timely consideration by senior management. As shown in the following table:

Level	Impact	Descriptions
1	Low	It does not affect the operation process results in damages less than 50,000 baht.
2	Moderate	The occurrence of work stoppage results in damages exceeding 50,000 baht but not more than 200,000 baht.

Level	Impact	Descriptions
3	Medium	The occurrence of work stoppage results in damages exceeding 200,000 baht but not more than 500,000 baht.
4	High	The occurrence of work stoppage results in damages exceeding 500,000 baht but not more than 1,000,000 baht.
5	Extreme	The occurrence of work stoppage results in damages exceeding 1,000,000 baht.

The determination of the significance of the Company's risk should be considered by senior management and approved by the Risk Management Committee, Company risk determination can be seen in the table below, where the X-axis represents the likelihood of potential risks and the Y-axis represents the potential impact. Risk priorities are assigned on a scale of 1-5. The risk from the above assessment is low, meaning the risk is very low. and if the value is higher the risk will be higher. The meaning of each level of risk is shown in the Company risk level consideration table:

Risk Assessment			Possibility of organizational risk				
Impact	Extreme	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Moderate	2	2	4	6	8	10
	Low	1	1	2	3	4	5
			1	2	3	4	5
			Likelihood				

Degree of Risk: Risk Level caused by the relationship between the level of severity and the level of likelihood of occurrence. The level of risk is at 4 levels, each level has a meaning. of risks and practices for further risk management as shown in the following table:

Estimated values of likelihood and impact	Risk Level	Descriptions operation
0 – 4	Low	No risk controlling and no additional risk management
5 – 9	Medium	Controls are in place to prevent risks from moving to high level.
10 – 15	High	Controls are in place to prevent risks from moving to high level.
16 – 25	Extreme	Risk management is urgently needed to keep it at the risk appetite.

From the table above Indicates the scope of the significant risk, which is the risk level with a value of 16 or more when the risk level is known. Therefore, very high risk should be taken cause a lot of damage has a high

chance of spawning to deal with first and the level of risk that is not severe less likely to occur classified as a risk that does not require any corrective action in the event of limited resources and time. Prioritization of risks will enable efficient planning and resource allocation.

2.6.3 Risk Response

1) Risk Reduction

Risk reduction involves finding preventive measures to mitigate the occurrence of risks and prevent potential damages. The objective of risk reduction is to decrease the frequency or severity of future events that may impact the business. This is achieved through mitigation plans, which analyze past and present data, including predictive information, to inform decision-making.

2) Risk Transfer

Risk transfer is another form of risk management where businesses analyze and decide how to transfer risks in various forms, depending on the suitability for the business. For example, transferring risks to insurance companies based on the format and conditions desired by the business.

3) Risk Avoidance

Risk avoidance is a straightforward method of risk management where businesses refrain from engaging in activities that pose risks. However, risk avoidance should be considered as a last resort after evaluating that other methods cannot address the risks effectively. Decision-making in risk avoidance requires comparing the pros and cons beforehand.

4) Risk Retention and Mitigation Plan

Risk retention involves management accepting the burden of risks or losses because they perceive that the likelihood of harm is within the company's tolerance. This typically involves implementing a mitigation plan to manage and reduce the impact of identified risks.

2.6.4 Control Activities

The control is in the form of policies, guidelines or procedures that are undertaken to reduce risks and enable the operation of an organization to achieve its objectives. As each organization has set specific objectives and the implementation techniques, the control activities are different. The control reflects the organization's internal environment, nature of business, structure and corporate culture. If the operation uses information technology systems, general controls in information technology systems need to be considered including the control for each work system. All aspects of the operation must provide control activities that

are appropriate and adequate to the level of risk of error or damage possibly occurring. There are 4 types of controls as follows:

- 1) Preventive Control is a control method that is established to prevent or reduce risks and mistakes in the first place such as segregation of duties, installation of equipment to prevent incidents, etc.
- 2) Detective Control is a control method established to discover errors that have already occurred.
- 3) Directive Control is a control method that promotes or encourages the achievement of objectives.
- 4) Corrective Control is a control method that is established to correct the occurring errors to be correct or to find a solution to avoid repeating the same mistakes in the future.

2.6.5 Information and Communication

The Company must have effective information and communication systems because it is an important basis to consider in further risk management operation according to the framework and procedures set by the organization.

The information and communication systems are an important part of the successful implementation of risk management in an organization. This is because information and communication will be tooling that executives can use to convey policies and supervision to monitor the success of operation. The good information system should consist of:

- 1) User rights are controlled divided into steps according to responsibilities and types of work.
- 2) There is a backup system to prevent system crashes or force majeure events that affect important data of the organization.
- 3) There is a work system that can be linked between each department able to manage data sharing effectively.
- 4) There is a backup agency that has equipment and systems that can allow important agencies to work immediately in the event of an emergency such as a fire, a building collapse, etc.
- 5) There is an asset management system that can meet the needs of users. The use is not complicated to make it convenient to work.

2.6.6 Monitoring and Review

The Risk Management Committee arranges a meeting to follow up on the risk management results of the organization at least 2 times a year. Participants in the meeting consisted of the Corporate Governance and Sustainability Committee, the secretary, of the Risk Management Committee. This is to assess ways

to revise policies and guidelines for risk management to be consistent with the internal and external environment of the Company. The follow-up at the Board of Directors level is the follow-up of risk issues that severely affect the Company and are unacceptable risks as it may affect the performance or the direction of the Company's operation.

In 2023, the Risk Management Committee held a follow-up meeting and discussed risk issues 3 times. Major risks have been resolved in various areas until they have been reduced to the risk appetite for the business.

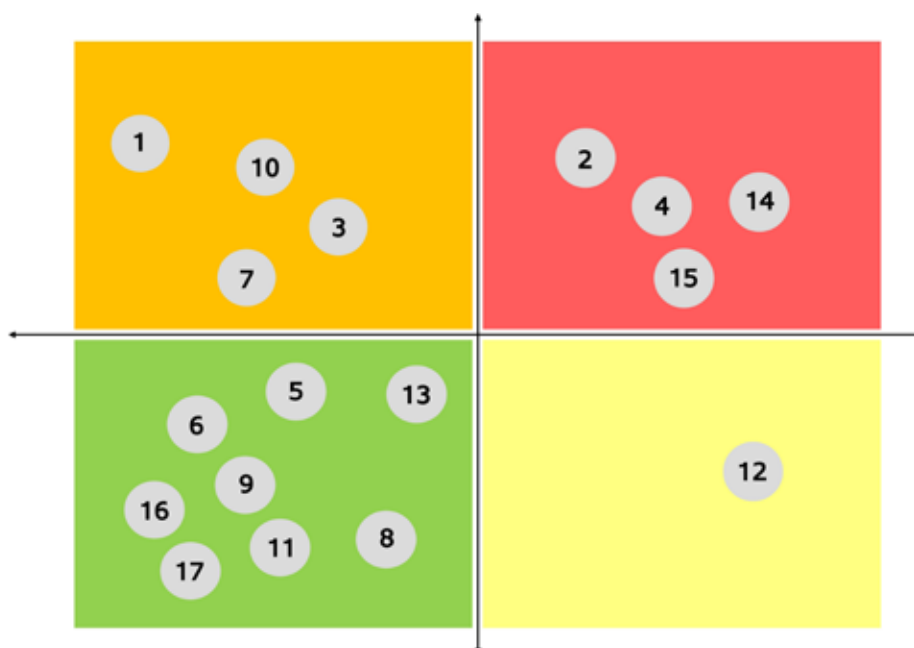
2.7 Communication and cultivation of risk culture in the organization

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.

2.8 Report of the risk

2.8.1 Risk Map

The risk map in 2023 can be divided into the following categories:



Risk issues

- | | |
|---|--|
| 1. Risks from the lack of employee | 9. Risks from cyber threats and data theft |
| 2. Risks from corruption | 10. Risks from funds from financial institutions |
| 3. Risks from regulations, including laws and regulations within the Company | 11. Risks from financial liquidity |
| 4. Risks from competition and new competitors | 12. Risks from robbery |
| 5. Risks from operating expenses and staff expenses | 13. Risks from loss of image and reputation (impersonation) |
| 6. Risks from Regulations, including laws and regulations from regulatory body. | 14. Risks from the delay in the break-even point in some branches |
| 7. Risks from increasing domestic interest rates | 15. Risks from increase in NPL |
| 8. Risks from disaster | 16. Risks from failure to meet the organization's GHG emissions targets. |
| | 17. Risks on Carbon Tax |

2.8.2 The Types of Risks

The steps in understanding the causes of risk involve identifying events or activities within operational processes that may lead to errors, damages, and failure to achieve the organization's objectives to ensure clarity in risk identification, the Company categorizes risks into 10 aspects as follows:

1. Strategic Risk
2. Operation Risk
3. Healthy Risk
4. Policy and Compliance Risk
5. Financial Risk
6. Environment Risk
7. Community Risk
8. Image and Reputation Risk
9. Emerging Risk
10. Project Risk

2.8.3 Risk chart and performance of risk management in 2023

Risk Issues	Impacts	Impacts Risk assessment		Risk management plan	KRI		
		Level of impacts	Level of impacts		Indicator	Target	Level of impact
1. Risks from the lack of employee	Lack of competent personnel	3	5	Improve the recruitment process.	Ratio of retired employees compared to new employees	The ratio doesn't exceed 1	The ratio 0.455
2. Risks from corruption	Confidence in the Company	4	5	Organize training to develop morality and ethics	Number of corruption incidents	0 time	0 time
3. Risks from regulations, including laws and regulations of the Company	The work operations within the organization are not aligned.	3	5	Organize training and provide a channel for advising on regulations	Average KPI of the branch being monitored	More than 85 percent	85.96 percent
4. Risks from competition and new competitors	Turnover does not meet the set goal	5	4	Developing a strategic plan to maintain leadership in the business	The market share of our credit portfolio ranks No.1.	No.1	No.1
5. Risks from operating expenses	Increasing expenses for the Company	4	1	Cash withdrawal ceiling	Operating Expenses to Earning Ability	Increase by not exceed 10 percent	2.30 percent decrease

Risk Issues	Impacts	Impacts Risk assessment		Risk management plan	KRI		
		Level of impacts	Level of impacts		Indicator	Target	Level of impact
6. Risks from Regulations, including laws and regulations from regulators	Confidence in investors	5	1	Regularly review and follow up the law	Number of times a dispute has occurred (time/year)	not exceed 1 time/year	0 time/year
7. Risks from increasing domestic interest rates	Higher financial costs	5	3	Provide a lternative funding sources	Average interest rate	Not exceed 3.80 percent	3.6 percent
8. Risks from disaster	Operation interruption	3	1	Prepare a budget to deal with the impacts.	Total damage value (MB/year)	Not exceed 5 MB/year	0 Baht/year
9. Risks from cyber threats and data theft	Violates the Personal Data Act and the company lacks credibility	4	1	Incorporate modern technology into organization's operations	The number of times the attack occurred	0 time	0 time
10. Risks from funds from financial institutions	Operation interruption	5	3	Evaluate and monitor financial ratios regularly.	Debt to equity ratio (D/E Ratio)	The ratio less than 4	The ratio 3.70
11. Risks from financial liquidity	Causing delays in business development	5	1	Sale of debentures and funding sources in various institutions	The ratio of cash inflows and outflows	The ratio more than 1	The ratio 1.45
12. Risks from robbery	Corporate Property Damage	3	2	Minimize the amount of cash kept in branches.	The number of times the incident occurred (time/year)	Not exceed 12 times/year	9 times/year

Risk Issues	Impacts	Impacts Risk assessment		Risk management plan	KRI		
		Level of impacts	Level of impacts		Indicator	Target	Level of impact
13. Risks from loss of image and reputation (impersonation)	misunderstanding of the message's recipient, results in damage to both the image and property	1	5	warnings about fraud to customers through both online and offline channels	Number of times customers make complaints (time/year)	Not exceed 480 times/year	317 times/year
14. Risks from the delay in the break-even point in some branches	The results did not meet the target.	4	5	Losing confidence from investors and credibility	Ratio of Loan receivable per branch (MB/Baht)	Not less than 14.5 (MB/Baht)	19.02 (MB/Baht)
15. Risks from increase in NPL	Net profit decreased	4	5	Losing confidence from investors and credibility	NPL Ratio	Not exceed 3.5 percent	3.11 percent
16. Risks from failure to meet the organization's GHG emissions targets.	losing investor confidence and credibility	2	2	Losing confidence from investors and credibility	Reduction Rate of GHG emission (tonCO ₂ /loan amount)	Decrease at least 10 percent from last year	4.71 percent Decrease
17. Risks on Carbon Tax	Increasing operating costs	1	1	Reduce the amount of GHG emissions from organization's operations.	The amount of GHG emissions (tonCO ₂ /year)	Not exceed 10 percent from last year	13 percent increased

2.9 Risk factors to the Company's business operation

In 2023, the Company has analyzed the risks that may affect the business in which the Company has defined the risk factors in various aspects as follows:

2.9.1 Emerging Risk

1) Risks on Carbon Tax

The Department of Pollution Control in Thailand is currently exploring the implementation of a carbon tax, which could significantly impact companies operating within the country. In response, the Company has initiated robust publicity campaigns aimed at educating its employees about the importance of resource utilization. These campaigns utilize various channels, including Company magazines and websites, to disseminate crucial information. Moreover, the Company has established a systematic approach to monitor and analyze data on resource consumption on a monthly basis. This allows for the identification of usage patterns and facilitates the adjustment of measures to optimize resource utilization effectively. Despite these efforts, there remains a pressing concern regarding carbon dioxide emissions. The company has set a target not to exceed a 10% increase in GHG emissions from the previous year. However, recent data indicates a 13.23% increase in carbon dioxide emissions in 2023, highlighting the urgency to reassess and potentially strengthen emission reduction strategies.

2) Risks from failure to meet the organization's GHG emissions targets.

The goal of greenhouse gas emissions reduction is an international priority, recognized by all sectors, including investors, who can choose to invest in businesses that are mindful and responsible towards climate change. The Company failing to meet greenhouse gas emission reduction targets as set internationally may risk losing investor confidence. Thus, it's crucial for companies to closely monitor organizational progress. In 2023, the Company participated in a climate management pilot project and elevated its climate change initiatives to align with increasingly stringent global standards. This is to better prepare for and instill confidence in investors, as climate change can have direct and indirect impacts on both the global economy and society.

2.9.2 Key Risk

1) Risks from the lack of employee

Nowadays, the microfinance business group is more competitive. Recruiting and developing personnel who can effectively work towards company goals poses a significant challenge. To ensure the Company has quality personnel in sufficient numbers to support its growth, satisfaction and engagement assessments have been conducted, along with training programs aimed at developing employees' potential, fostering motivation, and preparing them for career advancement and stability. In 2023, the Company implemented these initiatives and found that the ratio of retired employees to new hires was 0.455, which is considered an acceptable value according to KRI.

2) Risks from corruption

The Company is aware of the possibility of corruption within the organization. Therefore, measures have been put in place to prevent potential damages arising from severe corruption. This includes a continuous review of the causes and rates of corporate corruption through the establishment of efficient internal control systems, regular monthly audits, or the implementation of SAP operating systems to enhance operational efficiency and reduce the risk of corporate corruption. Additionally, the Company conducts training to develop ethics among employees, reviews and formulates anti-corruption policies, and disseminates and emphasizes them through various channels within the Company, such as journals or speeches on various occasions. Furthermore, channels for reporting corruption (Whistleblowing Channel) have been expanded to make it easier for employees and other stakeholders of the Company to access and report incidents. If actual corporate corruption by employees is discovered, the Company will hold those employees accountable for the damages incurred and impose penalties according to the Company's maximum regulations. Furthermore, the Company will take legal action against employees engaged in severe corruption. In the year 2023, no incidents of corruption were found upon investigation.

3) Risks from regulations, including laws and regulations within the organization

To enhance the quality of operations and deliver excellent service, the company aims to maintain its position as the leading Company in the microfinance business, as per company policy. Therefore, stringent

regulations and procedures must be adhered to by employees and executives to uphold customer and stakeholder confidence. In the year 2023, the Company increased training on regulations, guidelines, and various directives. Policies and manuals were issued to guide the operational processes for employees at all levels. Performance was measured using Key Performance Indicators (KPIs) for each branch, which were found to have increased compared to the year 2022 and met the target of 85% set by the Company.

4) Risks from competition and new competitors

Nowadays, many microfinance businesses are emerging. This results in intense competition in the industry. Both in terms of technology, branch expansion, and the expansion of microfinance loan products. Including price competition, the Company has always been prepared to cope, review, and adjust its strategy. Moreover, the company still emphasizes providing excellent service and following relevant regulations to reduce conflicts and unfair customer service. There are also plans to expand more branches to promote financial access opportunities for customers. Focus on finding new customer groups along with maintaining the existing customer base. Customer satisfaction with the Company's services was inquired about to improve and create new products to be able to respond to customer needs that are constantly changing in everyday life. In the past year, the Company has continued to be the number one leader in the microfinance business. The Company will not stop developing to ensure that it continues to be the number one leader in the market.

5) Risks from increasing domestic interest rates

The Company primarily generates income from interest earned on loans, which are typically calculated at fixed rates. Conversely, the Company's borrowing costs are subject to market fluctuations, resulting in potential increases in loan interest rates. Presently, the Company is offering loans at lower interest rates aligned with levels set by the Bank of Thailand. However, if future financial costs or other burdens escalate, the Company will consider adjusting its interest rate ceiling accordingly. Additionally, the Company has diversified its funding sources by increasing the proportion of bond funds, aiming to mitigate the risk associated with domestic interest rate hikes. In 2023, the Company secured funding support through a credit

line of 5,300 million baht in collaboration with two renowned financial institutions: Germany's Development Finance Institution (DEG) and Sumitomo Mitsui Banking Corporation (SMBC). This collaboration has reduced the Company's interest rate costs to 3.6 percent.

6) Risks from funds from financial institutions

Capital investment is crucial for business expansion, especially given the current economic volatility caused by rapid technological changes, climate fluctuations, and adjustments in financial institution credit policies aimed at enhancing financial system credibility to ensure financial stability and mitigate risks while improving financial management efficiency, the Company has undertaken equity and debt issuance. These funds are utilized as working capital to sustain business operations. The Company has secured loans from financial institutions with stringent approval processes, enhancing financial management comprehensiveness and ensuring sustainable business operations. In 2023, the Company maintained a Debt-to-Equity Ratio of 3.70, its less the target of 4 with the goal set.

7) Risks from financial liquidity

The risk of liquidity is one of the critical risks that the company highly values and is conscious of. Even though the company may have a stable financial position, failure to convert assets into cash timely or secure sufficient capital may hinder its ability to meet existing obligations. Therefore, the Company implements control and management plans to ensure sufficient cash flow for operations under both normal and crisis conditions. This is achieved through the preparation of cash flow reports and financial ratio analysis, such as liquidity ratios, to assess the adequacy of cash reserves. Additionally, the Company develops appropriate capital procurement plans. In 2023, the cash flow ratio, which measures the ratio of cash inflows to outflows, was 1.45, aligning with the Company's predetermined standards.

8) Risks from the delay in the break-even point in some branches

Based on the Company's mission to maintain its position as a leader in the microfinance industry, continuous branch expansion is crucial to increase opportunities for customers to access financial services. Therefore, expanding branches is one of the factors driving the Company towards achieving its goals. However, opening new branches inevitably brings risks

regarding the cost-effectiveness of expansion. To mitigate these risks, the company must conduct thorough studies and meticulously plan the opening of new branches. This includes conducting area surveys, assessing population density, targeting customer groups, analyzing the performance of nearby branches, and financial analysis such as Payback Period and Return on Investment. These analyses should meet predefined criteria. Additionally, the company should adjust its customer acquisition strategies to improve branch operational efficiency and increase the likelihood of profitability from new branch openings. In 2023, it was found that the outstanding debt per branch amounted to 19.02 million baht per branch, with a consistent upward trend each year. In order to transfer the risk of uncollectible debt management.

9) Risks from increase in NPL

The deterioration of debt quality poses a significant risk to the Company, as failure by debtors to repay debts as scheduled could result in loss of main revenue streams from interest, as well as potential loss of principal funds, thereby impacting profitability and hindering business growth. To manage this risk, the Company has implemented stringent customer checks to reduce the likelihood of bad debts. Additionally, each branch has at least one staff member responsible for re-evaluating customer documentation, ensuring confidence in customer screening. Furthermore, the Company has engaged in selling such debts to asset management or debt collection companies to transfer the risk associated with unrecoverable debts. As a result, in 2023, the Non-Performing Loan (NPL) ratio was 3.11 percent, which is below the set target of 3.5 percent.

2.9.3 ESG Risk

1) Risks from disaster

The disasters occurring at present are considered increasingly severe and continuous. Whether caused by intentional human actions or unpredictable natural disasters, such disasters can have significant impacts on the Company, resulting in widespread losses to individuals, property, the economy, and the environment. Therefore, the Company communicates about environmental conservation and the impacts of climate change to raise awareness among employees through various channels such as the company's website, bulletin boards, and monthly newsletters. In the year 2023,

the company had a Business Continuity Plan (BCP) to guide branches in handling disaster events if they occur. Additionally, a budget and measures to mitigate and cope with potential impacts, totaling 5 million baht, were prepared. However, in the past year, there were no significant disaster events.

2) Risks from regulations, including laws and regulations within the organization

The Company's main business is providing vehicle registration loans, which are supervised by various regulatory agencies such as the Bank of Thailand (BOT), the Securities and Exchange Commission (SEC), and the Office of the Insurance Commission (OIC). Therefore, the Company must comply with regulations and rules set by these agencies, such as setting interest rates, protecting personal data, and reporting information to the Bank of Thailand, among others. These regulations may change over time, and failure to comply or incomplete compliance could negatively impact the Company's reputation and result in fines or license revocation. The Company continuously reviews and monitors external laws to align them with internal operations, conducts training, including knowledge assessment tests to inform employees of regulations and internal rules at least once a year. Additionally, the Company has legal oversight units that report operational results to management and the board of directors at least twice a year. In the year 2023, the Company had no legal disputes.

3) Risks from cyber threats and data theft

In the current era, technology is advancing rapidly, leading to cybersecurity threats that impact all sectors, including the economy, financial industry, financial institutions, and various financial services users. These threats may manifest in new and increasingly sophisticated forms, making detection more challenging. While the Company primarily relies on traditional security measures and cash transactions, its customer data storage and management systems are digitalized. This digital transformation has prompted the Company to enhance its data protection systems and train its employees regularly to keep up with evolving technology, with at least quarterly training sessions. Moreover, the Company has expanded communication channels with customers and regularly informs them about cybersecurity risks through

newsletters and its website. Additionally, all employees receive ongoing awareness training on emerging cybersecurity threats through internal publications and the Company's website. Furthermore, external agencies are periodically engaged to audit the Company's systems to ensure sufficient security measures are in place for business operations and customer service. In 2023, there were no reported incidents of information security breaches or violations of personal data, aligning with the Company's objectives and efforts to maintain cybersecurity.

2.9.4 General Risk

1) Risks from loss of image and reputation (impersonation)

Today, it's undeniable that many individuals with ill intentions engage in deceptive practices and impersonate important communication channels of the Company. In the year 2022, there was an increase in customer complaints regarding debt repayment through these channels. As a result, the Company identified this as a recurring risk issue for the year 2023 and sought ways to mitigate these problems, aiming to restore customer confidence and ensure peace of mind when using the Company's services. To address these challenges, the Company regularly disseminates online media through various channels, typically 1-2 times per month. Additionally, offline media is utilized to alert customers of potential risks at branch locations. Over the past year, there have been a total of 317 complaints regarding these issues, aligning with the Company's predefined targets.

2) Risks from robbery

Currently, the Company is diligently pursuing its mission by expanding branches nationwide. However, recognizing its limitations in controlling individual behavior, the Company consistently communicates its ethical values to external stakeholders to foster a sense of community consciousness. This is achieved through various media channels such as leaflets and posters. Additionally, the company implements measures to prevent theft, such as minimizing cash transactions and installing CCTV cameras in all new branches. Regular checks ensure these measures are effective, reducing the risk of incidents and damage to the Company. In 2023, there were 9 robbery incidents with a total loss of 16,400 baht, which the Company deems acceptable within its standards.

3) Risks from operating expenses

Due to the current inflationary situation, which directly affects the prices of goods within the country, leading to increased expenses across various operations, the company has had to prepare an annual budget, survey product prices, and plan to address the problem of rising prices to maintain quality and keep expenses at a reasonable level, avoiding exceeding the budget set. Additionally, the Company has sought alternative business partners in case the unit prices of goods exceed the anticipated quantities. In the year 2023, the Company was able to control the average price of goods, reducing it by up to 2.30 percent, which aligns with the Company's plan to limit the average price increase to no more than 10%.

2.9.5 Securities holder investment risk

1) Risk of shareholders

The risk from relying on the group of original shareholders and having a major shareholder holding more than 50% of the registered capital of the Company, with the major shareholder being the Petaumpai family, holding 1,435,588,600 shares or 67.72 percent of the paid-up capital of the company, enables almost Complete control over major decisions regarding the Company, such as the appointment of the Board of Directors or resolutions on other matters requiring a majority vote at shareholder meetings. Therefore, other shareholders may not be able to counterbalance the controlling shareholder's influence. (Shareholder information from Thailand Securities Depository Company Limited as of December 31, 2023). However, the Company has appointed four Independent Directors out of a total of seven, with the Chairman of the Board being an Independent Director, and all Members of the Audit Committee being Independent Directors, totaling three, to consider ensuring that transactions comply with laws and regulations of the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and maximally beneficial to the Company, as well as to ensure transparency and auditability in the management of the Company.

2) 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 (SEC), Credit rating agency, the Thai Bond Market Association, the bond underwriter or an analyst for the bond underwriter does not have an analysis on the bond.

- **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 (SEC) 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 (SEC) No. Kor.Jor.5/2009 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 (SEC) No. Kor.Jor. 4/2017 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, 2023, the Company had remaining borrowings from financial institutions that could be drawn down totaling 3,830 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.

2.9.6 Risk of investing in foreign stock markets

- None -

3. Driving Business for Sustainability

Throughout the period of 31 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 Corporate 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 improve access to public funding sources more conveniently. The Company believes that the distribution of financial access to people will help reduce financial inequality in the country which is the cornerstone of a sustainable economic system. As of 31st December 2023, the Company had 7,537 branches spreading in 76 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 “intima services like closed family members”. Besides, the Company is determined to develop and upgrade the market conduct to customers of the whole industry to be truly fair and transparent. For this reason, the Company has been 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 cannot 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 since the listing date in 2014 from 7,448 million baht to 143,318 million baht in 2024.

The Company has formulated a sustainable development framework and implemented principles and guidelines in accordance with international practices linked to the Company philosophy and organizational strategy to achieve consistent practice of the sustainable development framework including “Sustainable Issues”, which emphasizes good Corporate Governance and covers Corporate Governance, economic, social and environmental, aims to create sustainable prosperity in all regions and communities.

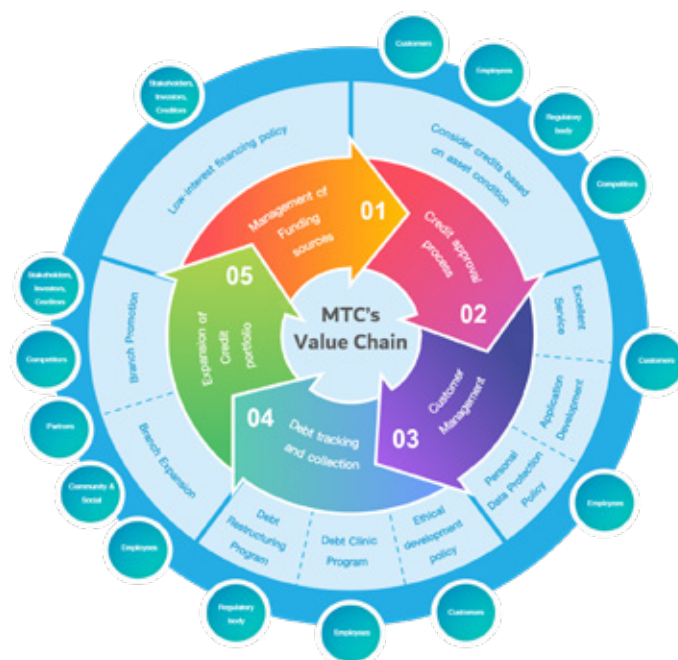
The Company considers sustainable development issues according to the major change trends of countries, regions and the world opinions of key stakeholders, sustainable development issues of the same industry, risks and potential opportunities.

The Company realizes that the impact of the Company’s operations to those stakeholders has increased significantly. At present, the Company focuses on the business operation according to the sustainable development approach covering economic, social and environmental dimensions to become the “responsible microfinance service provider”. Details of operations and results of operations have been prepared in accordance with the framework of the Global Reporting Initiative (GRI Standards) and presented in the Sustainability Report 2023. The Company has studied and compared important international sustainability issues such as the Dow Jones Sustainability Indices (DJSI) and other sustainability issues of other companies that operate similar businesses both domestically and international. In addition, sustainability issues of the Sustainability Accounting Standard Board (SASB) defined for the business is identified as the Company’s initial sustainability issue.

3.2 Management of Impacts on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

The value chain is an overview of the organization’s processes starting from the procurement of raw materials to the final delivery of the goods to customers. Each step can create value for the organization and products without problems. It can also be used to analyze business competitors by comparing each step that competitors can do better or whether there are any interesting steps that can be applied to the organization or not. The Company’s value chain demonstrates that processes of loan providing are a Circular Value Chain as shown below :



The Company's business operations focus on providing credit services to customers with efficiency. Therefore, the stakeholders have been determined based on the value chain, which consists of 5 main processes, namely:

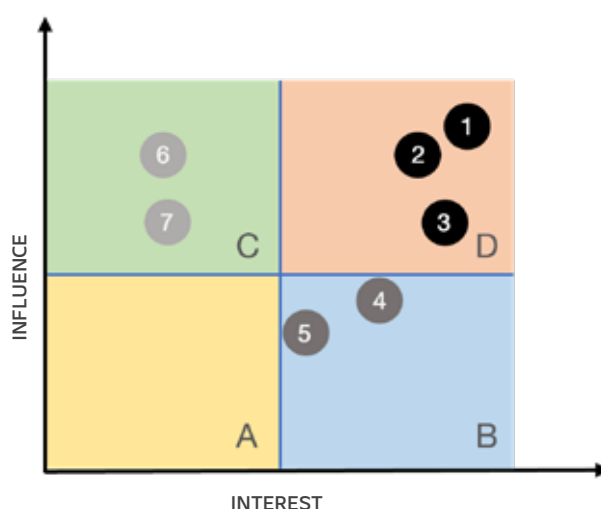
- 1. Management of funding sources :** The Company has a process for sourcing low-interest funding from multiple financial institutions to adequately support business growth.
- 2. Credit approval process :** Consideration of loan providing is assessed through property-based credit assessment methods instead of using customer income or credit bureau data to increase an opportunity of accessing credit sources.
- 3. Customer management :** There is a policy of developing experience by providing excellent service, application development to increase operational efficiency, including the personal information protection policy according to the relevant principles as required.
- 4. Debt tracking and collection :** There is a policy on the development of industry ethics, including training on procedures for tracking and collecting debts correctly according to the requirements of relevant agencies. The preparation of the Debt Clinic Project, and the BoT's Fah-Som Project to provide customers with financial liquidity and reduce bad debt problems that arise.
- 5. Expansion of credit portfolio :** There is a process to maintain the existing customer base and increase the new customer base by opening more branches to cover all areas of the country, including upgrading the branch status to support and service customers efficiently.

3.2.2 Analysis on stakeholders in the business value chain

Stakeholder engagement enables the Company to understand their expectations and needs, which helps the Company determine issues related to business operations, which is considered one way to drive sustainable development as well as knowing the impact that the Company has on stakeholders. This process will result in the Company to be able to set guidelines for preventing, correcting, and reducing negative impacts and expanding positive impacts continually and efficiently. Identification of the Company's stakeholders will consider individuals, groups of people, or entities that have an impact or be affected by the Company's operations. The Company has guidelines for stakeholder management as follows:

- 1. Stakeholder identification:** The Company will consider individuals, groups of people, or agencies that can create an impact or be affected by the organization's operations in various participatory ways, such as dependency, responsibility, and Influence. The Company divides important stakeholders into 7 groups; customers, shareholders/investors/creditors, employees/executives/directors, vendors, competitors, community/society and regulators.

2. **Stakeholder Prioritization:** The Company prioritizes stakeholders using guidelines for considering their influence and interest in the Company's operations by specifying the stakeholder matrix as follows :



The groups of stakeholders that the Company gives importance to, are customers, shareholders/investors/creditors and employees/executives/directors.

3. **Planning and Implementation of Participation with Stakeholders:** The Company has established guidelines for creating participation with stakeholders including guidelines for sustainability operations to appropriately meet expectations that are different for each stakeholder group as shown in the table below:

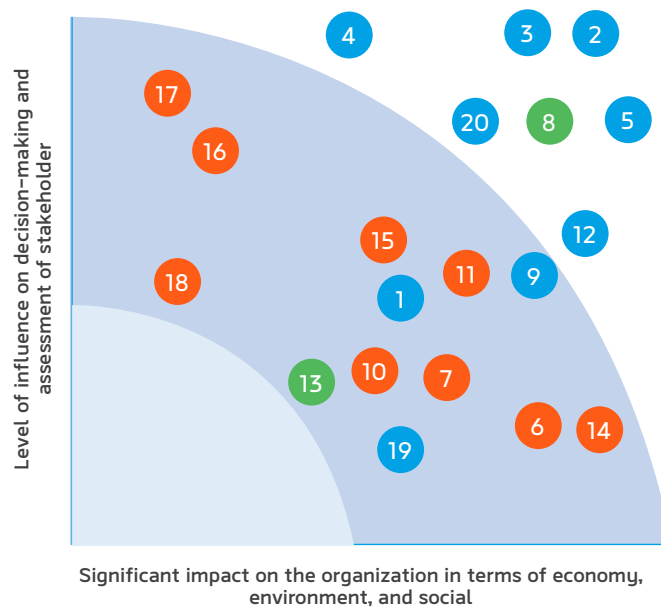
Stakeholders	Guidelines for participation and frequency Expectations/ demands of stakeholders	Expectations/ demands of stakeholders	Organizational operation guidelines
1. Customers	<ul style="list-style-type: none"> Customers MTC Call Center 1455 Walk-in to customer service center Facebook: Muangthai Capital Line Official : @Muangthaicapital Telephone customer service center +662 483 8888 Application "Muangthai 4.0" Questionnaire on customer's satisfaction 	<ul style="list-style-type: none"> Rapid loan approval process Approved credit limit is appropriate. There are convenient and fast payment methods. Reduced interest rates/ fees. Customers' personal information protection 	<ul style="list-style-type: none"> Consider ESG throughout the loan approval process. Expand branches to increase access to services. Create a positive customer experience through excellent, inclusive and equitable service. Respect customers' satisfaction, rights and privacy.
2. 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 The Securities Exchange of Thailand (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"> Review and adjust strategies to suit the situation. Good corporate governance Manage risks in a concrete and efficient manner.

Stakeholders	Guidelines for participation and frequency Expectations/ demands of stakeholders	Expectations/ demands of stakeholders	Organizational operation guidelines
3. Board of Directors, Executives, Employees	<ul style="list-style-type: none"> Meeting (on a monthly basis) Company website Notifications/Orders Questionnaire on employee's satisfaction Company's whistleblowing system 	<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. Have balance between work and personal life. 	<ul style="list-style-type: none"> Keep the workplace clean Establish a strong corporate culture Adhere to the principle of human rights Personnel development
4. Business Partners	<ul style="list-style-type: none"> Email (regularly) Visit (only new partners once a year) 	<ul style="list-style-type: none"> Collaborate in various operations for maximum benefits. Continuity of the operation Standard evaluation and selection criteria. Fair, transparent, verifiable. 	<ul style="list-style-type: none"> Supply chain management with regard to impact on ESG. Set a fair payment period for partners.
5. Business Competitors	<ul style="list-style-type: none"> Meeting the Vehicle Title Loan Trade Association Meeting the Personal Loan Business Association 	<ul style="list-style-type: none"> Fair competition Industrial upgrading Cooperate with the Vehicle Title Loan Trade Association / the Personal Loan Business Association trade clubs to comply with regulatory criteria. 	<ul style="list-style-type: none"> Cooperate with the Vehicle Title Loan Trade Association to jointly upgrade the industry
6. Community and Society	<ul style="list-style-type: none"> Social operations 	<ul style="list-style-type: none"> Take responsibility for the health and safety of the community. Consider the impact on society and the environment. Strictly comply with the law. 	<ul style="list-style-type: none"> Creating Engagement between the Company and the community through the CSR project Conduct business with concern for society and the environment.
7. Regulators	<ul style="list-style-type: none"> Email (regular) Meetings through the Vehicle Title Loan Trade Association / the Personal Loan Business Association Visit the Company (2 years/ time) 	<ul style="list-style-type: none"> Support the policy and comply with the set rules appropriately 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.

3.3.2 Prioritization of Sustainability Issues

The Company screens the issues gathered above through a process by reliable consultants and prioritizes each material issue by surveying the opinions of the Company's faculty members from the meeting and of stakeholders both inside and outside the business the assessment of high, medium and low importance is based on the impact on the business in economic, social and environmental aspects,

Materiality Assessment on Sustainability Issues



Governance

1. Personnel understandings for the sustainable development
2. Good Corporate Governance
3. Risk Management
4. Stakeholder expectation response
5. Anti-Corruption
9. Develop the ESG performance to international level
12. Funding source
19. Vendor management
20. Personal information protection and IT security

Social

6. Human resource management
7. Corporate Social Responsibility
10. Employee's Satisfaction
11. Customer's Satisfaction
14. Employee Development
15. Development of financial products
16. Disclosure
17. Human Right
18. Occupational Health & Safety

Environment

8. Air Pollution, and greenhouse gas emission
13. Worthy use of natural resources

Progress of operations to achieve the sustainability goals in 2023

The Company is committed to operating to achieve the Sustainable Development Goals and the Company predetermined strategy. The progress of the operation can be summarized as follows:

Progress of the operation	Goals and indicators	Operational performance
1. Personnel understandings for the sustainable development	Personnel in the organization realize the importance of sustainable development for 100 percent. of all employees.	85 percent
2. Good Corporate Governance	The growth rate is not less than 100percent. Corruption complaints Not violate business ethics.	100 percent
3. Risk management	Comprehensive sustainability issues are identified with implementation goal for 100 percent.	100 percent
4. Stakeholder expectation response	Able to meet the expectations of stakeholders comprehensively for 100 percent.	100 percent
5. Anti-Corruption	Incidents of fraud and corruption equal to 0	0 case
6. Human resource management	The employee termination rate is not more than 16 percent.	12 percent
7. Promote the corporate society responsibility (CSR) project	Able to create value for society and communities with a total of at least 10,000 beneficiaries	68,460 beneficiaries
8. Air pollution and greenhouse gas emission	The amount of carbon dioxide emissions decreased by 10 percent.	Increased 13.23 percent
9. Develop the ESG performance to international level	Achieve at least 60 percent of ESG goals	76 percent
10. Employee's satisfaction	Satisfaction Score of Employees was not less than 80 percent.	84.68 percent
11. Customer's satisfaction	Customer Satisfaction Score was not less than 80 percent.	80.59 percent
12. Funding source	The Company does not lack liquidity in operation.	100 percent
13. Worthy use of natural resources	Effectiveness in operations increased by 10 percent.	4.71 percent
14. Employee development	Employee training goal 6 hours/person/year	11.06 hours/person/year
15. Development of financial products	The goal is 100 percent.	80 percent
16. Disclosure	Disclosure of information according to international standard for 100 percent.	100 percent

Progress of the operation	Goals and indicators	Operational performance
17. Human rights	Zero human rights violation incident	0 case
18. Occupational health	Zero injured people during work time	30 times

3.3 Sustainability management in environmental dimension

3.3.1 Policies and guidelines for the environment

The Company has a policy to support activity that enhances quality, occupational health and environment covering operation and management of energy, water, climate, environment, waste management to optimize benefit and utmost efficiency in a systematic approach. The Company has implemented ISO14001, the standard on environmental management, taking care of the working environment to ensure safety of lives and properties of employees at all times.

In 2023, the Corporate Governance and Sustainability Committee 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. The Company 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.

Guidelines for conducting community, society and environment

The Company has established business policies in accordance with environmental regulations, international standards, including voluntary participation in sustainability standards. This policy includes employees, the 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 top executives of the organization.
8. Coordinate with government organizations, educational institutes, communities and other agencies to jointly tackle climate change problems nationally or internationally.

At present, environmental problems are becoming more serious from economic expansion resulting in increasing demand for resources lead to environmental impacts such as the problem of overflowing garbage air pollution sudden weather changes which causes global warming, drought and flooding can't cope and solve problems alone but it is imperative that collaboration is needed to solve sustainable problems which the business group be aware of the importance and problems that arise. Therefore, the business process has been improved to be more environmentally friendly Including implementing measures aimed at energy conservation, such as:

- Providing customer service through electronic channels such as news and information notification for various transactions to reduce the use of paper in financial transactions and reduce fuel consumption in the customer journey, implementation of paper reduction projects within the organization, through the improvement of the meeting system from distributing documents to paper, changed to sending data via work file and let the attendees read from their notebooks or tablet of the participants.
- Changing channels for informing information, performance appraisals, and employee satisfaction surveys through electronic channels.
- Implementation of waste and pollution reduction projects, such as refraining from handing out plastic bottled water in meeting rooms to reduce the amount of plastic waste. Choosing environmentally friendly paper selection of toner type that does not harm the environment and the use of mercury and lead-free building paints, etc.
- Energy reduction projects such as replacing light bulbs with LED bulbs and renovating the head office building to be a green building. Which is environmentally friendly according to the LEED standard of the United States, which will result in the suspension of the Company's personnel have a better quality of life when the building renovation is complete.

Energy / Electricity Management

Electricity is a key factor for business operations. Organizations need electricity for almost every step of their operations. The increase in branches leads to an increase in electricity consumption and operating costs, which also results in more pollution. The Company is committed to promoting the use of electricity produced from renewable energy (RE) in its operations. The Company has also set measures to manage electricity consumption in the most cost-effective and appropriate way, as follows:

Management approaches

- For the headquarters, the use of air conditioners is scheduled at specific times. There is also monitoring to ensure that air conditioners are used appropriately.
- A ceiling for reimbursing electricity costs for branches has been set, based on the nature of their work and the amount of electricity they use. This is to help promote the idea of energy conservation among employees.
- Regular maintenance of the air conditioner is required.

In 2023, Intensity decreased from 2022 by 2.56% which is lower than the set target.

Target	Results
Intensity decreased by 10%	48,694,599.60 kWh Compare to loan 339.77 kWh/MB
The usage has decreased from the base year to 2030 42%	GHG emission 24,342.43 tonCO₂e Increased 15.78% (from 2022)
	Energy intensity consumption 1.22 GJ/MB

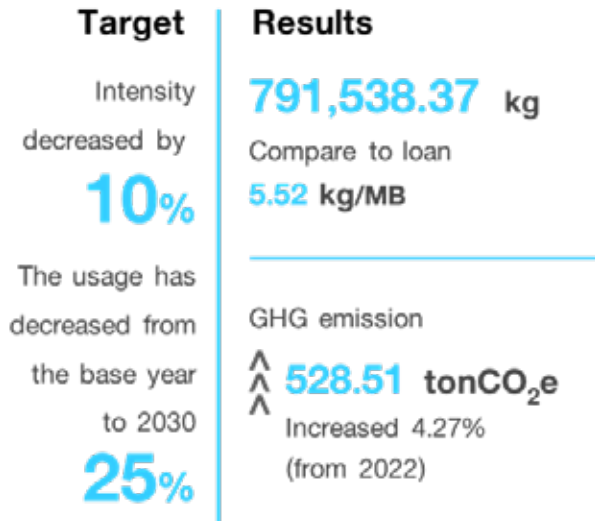
Management of paper usage

The Company's operations still primarily use paper to support the expansion of branches and business growth of over 20%. Of course, the amount of paper usage will increase. However, the Company has measures to reduce and control the amount of paper usage to minimize indirect environmental impact. The Company has the following measures:

Management approaches

- For the headquarters, an initiative has been launched to encourage employees to use both sides of the paper. There are also collection points for single-sided paper for all parties to use.
- The development of the e-Receipt system must be in accordance with regulations and guidelines in order to comply with the law.
- Choose environmentally friendly paper products.

In 2023, Intensity decreased from 2022 by 12.25% which exceeded the set target.



Greenhouse gas emission

As a Microfinance provider of the country, it is inevitable for the Company to operate the process using various fuels, whether it is electrical energy and the use of petrol from cars used in Company's activities. This is one of the causes of greenhouse gas emission such as dust, CO, CO₂, SOx, NOx into the atmosphere. The Company therefore places importance on participating in the reduction of the greenhouse gas emission resulting from operational processes such as reducing energy consumption, reducing fuel consumption from various cars, etc.

Operational goals and performance in 2023

Phase 1: Reduce carbon dioxide emissions by 5% per year (2022–2027): The policy was announced to initiate the approaches to set short-term goals for resource management to reduce emissions carbon dioxide by clarifying policies and improvement.

Phase 2: Reduce carbon dioxide emissions from the base year by 80% (2027–2032): This is to develop efficiency in reducing carbon dioxide emissions and greenhouse gases, such as CH₄ and N₂O, through the use of technology and clean energy such as solar energy cells, water circulation and zero waste projects. These are applied to business operations with the goal in reducing carbon dioxide emissions by 90% during this phase.

Phase 3: Net Carbon Dioxide Emissions = 0 (2032–2042): "Elimination of greenhouse gas in the atmosphere" is when the Company's efficiency in reducing greenhouse gas emission is at an acceptable level. The organization plans to set up activities or projects that can eliminate greenhouse gases in the atmosphere such as forest planting activities and activities to reduce carbon dioxide in the atmosphere in order to achieve the goal of becoming a Carbon Net Zero Company.

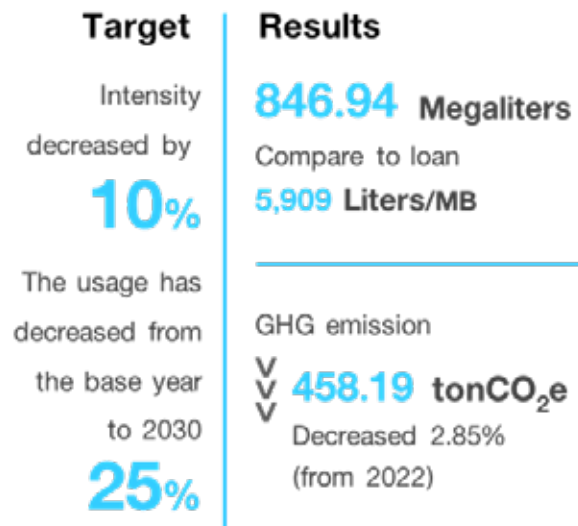
Water resource management

Water is a fundamental resource that is essential for life and business. Currently, there are problems with floods in some areas and droughts, which affect the ability to develop the economy and improve the quality of life of people in society. In addition, the increase in population has led to an increase in water demand, which has resulted in Thailand facing a continuous water resource crisis. The Company has recognized the importance of water resource conservation through campaigns to conserve water use and communicate with all personnel to conserve water resources. The Company has also implemented the following measures:

Management approaches

- Use water-efficient fixtures and appliances, and regularly inspect water-using devices. If there is damage, repair it immediately.
- Inculcate and promote knowledge among employees on environmental conservation, and know how to use resources to the greatest benefit.
- Set a ceiling for reimbursing water costs that is appropriate for the amount of usage of each.

In 2023, Intensity decreased from 2022 by 18.24% which exceeded the set target.



Oil Consumption Management

Currently, operations within the Company still unavoidably rely on oil energy, coupled with a customer base that expands annually. The increasing number of credits leads to a continuous rise in oil consumption. Nevertheless, we continue to consider the impact of greenhouse gases, the root cause of global warming and climate change. Therefore, measures have been implemented to manage oil consumption as follows:

Management approaches

- Branch employees will be set a ceiling for reimbursing fuel costs based on the appropriateness of theirs.
- Promoting the policy of using electric vehicles (EVs) in the operations process.

In 2023, Intensity increased from 2022 by 5.84% which is lower than the set target.

Target	Results
Intensity decreased by 10%	3,678,814.66 Liters
The usage has decreased from the base year to 2030 42%	Compare to loan 25.67 Liters/MB
	GHG emission 8,973.59 tonCO₂e
	Increased 25.76% (from 2022)
	Energy intensity consumption 0.86 GJ/MB

Effluent and Waste Management

The wastewater generated from operations (Head office) is mostly from rest rooms, toilets, and sinks. The Company has a method for managing wastewater by using a Combined Biological Treatment System, which is a wastewater treatment system that is more efficient than the generally-used activated sludge system. It ensures that the quality of the treated water meets the legal requirements before discharging into public water sources. Some of the treated wastewater will be reserved for being used to water plants and reserve water for firefighting.

The waste is classified according to the color of the bin as general waste, infectious waste, hazardous waste, electronic waste (toner cartridges, damaged photo-copier), and waste that can be recycled. The district will be responsible for handling waste properly. Waste measures are imposed on all working floors, including clearly written penalties for non-compliance to strengthen and instill a sense of responsibility for waste management among personnel. It is in the process of developing a system for collecting, tracking and disposing of waste properly. This can bring certain types of waste as Value Added with the goal of starting trial operation in the head office within 2023.

In 2023, the Company did not release wastewater that exceeded the standards and laws. In addition, the Company did not pay any fine or was not punished of environmental penalties.

3.3.3 Operating performance in the environment

Summary on the operating performance in the environment	
Type	Operating performance
Material	
Paper consumption (kg.)	791,538.37
Energy	
Energy Benzene fuel consumption (Liter)	2,211,822.22
Diesel fuel consumption (Liter)	1,466,992.44
Electricity consumption (kilowatt-hour (kWh))	48,694,599.60
Intensity of energy consumption	298,356.59
Greenhouse Gas Emission	
Scope 1 : tonCO ₂ e	10,237.92
Scope 2 : tonCO ₂ e	24,342.43
Scope 3 : tonCO ₂ e	986.70
Intensity of greenhouse gas emission (FTE)	2.39
Water	
Water consumption (megaliters)	846.94

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 percent

3.3.4 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 is 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, SOx, NOx into the atmosphere. Operational processes are such as reducing energy consumption, reducing fuel consumption from cars, etc.

In 2023, the Company conducted the organization's carbon footprint by measuring greenhouse gas emission in 3 scopes. The more details are in the Sustainability Report 2023.

Fuel typ (scope of operation)	Fuel type (scope of operation)	Volume of gas emission (tonCO ₂ e)
Benzene consumption (liters)	2,211,822.22	4,953.15
Diesel fuel consumption (liters)	1,466,992.44	4,020.44
Electricity Consumption (kWh)	48,694,599.60	24,342.43
CH ₄ gas emission from septic tank (kg)	45,154.43	1,264.32
Paper consumption (kg)	791,538.37	528.51
Water consumption (megaliters)	846.94	458.19
Total gas emission (kgCO₂e)		35,567.05

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 including the equivalent amount of carbon dioxide caused by methane gas from the wastewater treatment system in 2023.

Type	Fuel consumption volume (Unit)			
	2023	tonCO ₂ e	2022	tonCO ₂ e
Diesel	1,466,992.44	4,020.44	1,209,062.40	3,313.56
Benzene / Gasohol 91,95	2,211,822.22	4,953.15	1,706,700.60	3,821.99
Methane	45,154.43	1,264.32	39,483.18	1,105.53
Total energy consumption (liter)	-	10,237.92	-	8,241.07

Scope 2 : Indirect GHG Emissions : Calculated from energy consumption of electrical energy in the Company in 2023.

Type	Electricity consumption (kWh)			
	2023	tonCO ₂ e	2022	tonCO ₂ e
Electricity use	48,694,599.60	24,342.43	42,058,868.18	21,025.23

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 percent. The measures and operating results can be categorized in scope 3 as follows:

Type	Paper consumption (kg)			
	2023	tonCO ₂ e	2022	tonCO ₂ e
A4 paper	529,003.32	353.22	518,239.32	346.03
F14 paper	262,531.79	175.29	240,126.19	160.33
A3 paper	0	0	565.76	0.38
A5 paper	3.26	0.002	180.94	0.12
Other	-	-	-	-
Total paper consumption (kg)	791,538.37	528.51	759,112.21	506.86

Type	Water consumption (megaliters)	
	2023	2022
Tap water	846.94	871.77

3.4 Sustainability management in social dimension

3.4.1 Human rights policies and practices

The Company recognizes the importance of respecting human rights. All personnel and vendors must treat everyone in accordance with the principles of human rights equally without discrimination and does not do anything which is considered a violation of human rights. The Company recognizes and places importance on human rights which are fundamental human rights and considers 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 business 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 business'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 Whistleblowing 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

3.4.2 Operating performance in the society

Summary on the operating performance in the society Type	Goal	Operating performance
MTC personnel		
Number of employees (persons)	14,155	14,873
Number of new employees (persons)	0	3,437
Ratio of new employees (percent)	16	26.43
Number of retired employees (persons)	0	1,569
Ratio of resignation (percent)	20	12.06
Employee satisfaction (percent)	80.00	84.68
Number of training hours	6	11.06
Human rights		
Cases of human right violations (cases)	0	0
Number of discrimination incidents (incidents)	0	0
Labor dispute	0	0
Society and community		
Number of community contribution (million Baht)	5,100,000	5,546,350
Number of social activities (projects)	3	5
Number of employees participating in social activities (projects)	6,500	7,226
MTC customers		
Number of new branches opened in 2023 (branches)	600	869
Number of application user accounts (accounts)	578,100	587,251
Number of data leak incidents (times)	0	0
Customer satisfaction (percent)	80.00	80.59

Summary on the operating performance in the society Type	Goal	Operating performance
Occupational Safety, Health, and Environmental		
Number of fatal accidents (cases)	0	2
Number of lost time accidents (cases)	0	30
Number of minor accidents (cases)	0	26

3.4.3 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. There are “Morality, Exertion, Perspective, Harmony and 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.

Module 1 : Employment

The Company takes responsibility for its employees in accordance with the principles of good Corporate Governance and business ethics equally and fairly through creating a good work experience for employees in every working phase by giving importance to the development of employees’ potential with a focus on equality no limitation or discrimination in matters of gender, race, religion and culture. In 2023, Muangthai Capital Public Company Limited has a total of 14,873 employees, ranging from age, gender, education level and different types of work.

Number of employees in 2023

Data of employees	Employee (persons)		
	2023	2022	2021
Total employees (persons)	14,873	13,005	11,460
Number of female employees	1,498	1,349	1,225
Number of male employees	13,375	11,656	10,235
Proportion of Employees (Male : Female)	1 : 8.9	1 : 8.6	1 : 8.4

Employee and Executive Distribution of 2023

Employee Information	Employee (persons)					Nationality	
	Gender		Age (years)			Thai	Others
	Male	Female	<30	30-40	>40		
Top executives	6	3	-	-	9	✓	
Executives	404	22	-	250	176	✓	
Employees/ Officers	12,965	1,473	10,292	3,861	285	✓	

Remark : 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

2023		2022		2021		2020	
Number (persons)	Percent	Number (persons)	Percent	Number (persons)	Percent	Number (persons)	Percent

Number of newly recruited employees

3,437	26.43	3,586	14.7	2,096	18.29	1,627	15.75
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Number of retired employees

1,569	12.06	1,969	8.07	1,016	8.87	920	8.91
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Policy for evaluating employee performance, compensation, welfares and safety

The Company has set a tool of Key Performance Index (KPIs) called “MTC Model” which is a standard for evaluating employee performance focusing on maintaining credit quality. The remuneration is based on performance which is assessed individually to make it transparent and fairness in line with the Company's human rights policy on treating individuals with equality acceptable to all personnel levels.

Module 2 : Employee's compensation

The Company has a fair and competitive compensation policy in the market, Including creating stability in the career and have fair career advancement opportunities. It also provides various welfare benefits for the employees of the Company As required by law, such as social security and other than what is required by law, such as medical expenses, as well as other types of assistance such as travel expenses, fuel expenses, assistance in case of father, mother, child or employee death, etc.

Benefits and welfares

To maintain personnel to remain with the Company as long as possible, the Company defines the welfares and benefits allocated to regular employees and contract employees. The details are as follows.

Welfare and allowance	Regular Employees	Contact Employees
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)	✓	
Provident Fund Contributions	✓	✓
Special accommodation for employees	✓	
Gym (Head Office Building)	✓	✓
Others (New Year's party, 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.

Long-term returns

Apart from the regular salary and remuneration depending on the performance, the employees also receive remuneration from the revenue sharing of the Company. This type of compensation sharing gives employees a sense of involvement in the ownership of the Company. This sense of involvement has a clear positive impact on the business operation continuously without consequences of resignation of an employee in key position.

Other welfares

1. The Company provides insurances such as health insurance, life insurance and accident insurance to facilitate the medical treatment as well as creating stability for the employees and their families. In addition, the Company also provides special welfare as annual medical expenses for employees at all levels.
2. The Company allows employees to buy motorcycle insurance and personal cars at a price for employee.
3. Benefits in the form of contributions The Company provides benefits in the form of contributions for various occasions such as marriage allowance, financial support in case of childbirth. The Company and employees have established the Fund to help fellow employees in case of death in the family, etc.
4. Accommodation for employees to reduce the cost of living for employees, the Company provides accommodation for employees by allowing employees to stay at the branch building if necessary. Besides, the employees stationed at the Head Office will be allowed to stay at the dormitory of the Company which is located near the Head Office building in Bangplad, Bangkok.

5. Place for exercise in the Head Office building. The Company provides a fitness facility in the Head Office building which includes standard fitness equipment. It is the space for employees and executives at all levels including shower room.
6. Relationship building activities. As working in team is considered the core of the operation to achieve success and the most effective and it is the main organizational culture of the Company, the Company has organized activities to connect relations between employees including New Year party activities, sporting events within the area nationwide, Company's annual tourism activities, marathon competitions organized by external organizations (through sponsors) including social activities (CSR). The employees are given the opportunity to contribute to society and the communities in which they are involved.
7. Legal compensation for retirement age. The Company has a legal reserve for employees aged 20 years or more who have the right to receive compensation at 400 days on the retirement date when the employees reach 60 years of age under the Labor Protection Law No. 7.
8. Provident fund for employees Apart from general remuneration, the Company also established a provident fund in accordance with the Provident Fund Act B.E.2530. The Company and its employees contributed to the fund on a monthly basis at the rate of 3–5 percent of the salary. This provident fund is managed by Kasikorn Asset Management and will pay back to the employees when such employees retire in accordance with the fund rules of the Company.
9. Motorcycle helmets due to the duties and responsibilities, most operational employees need to use motorcycle as vehicle to perform duties. Therefore, the Company provides helmets to employees according to the Company's safety policy. The employees are required to comply with laws that force motorcyclists to wear helmets every time for the safety of employees themselves and relieve the severity from unexpected accidents that may occur.

Employee Compensation Payment

	Unit	2023	2022	2021
Employee compensation	Million Baht	5,423	4,431	3,708
Total Contributions to Provident Fund	Million Baht	62.30	55.90	49.90
Employees who are members of the provident fund	Percentage	54.13	53.51	58.11
Female-to-Male Salary and Compensation Ratio (excluding top management)	Ratio	1 : 1.30	1 : 1.25	1 : 1.36

Module 3 : Personnel potential development

The Company has a policy to promote personnel 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.

1. Personnel 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. Including training sessions for various courses to enhance employees' skills and awareness of policies related to the training courses provided. The Company disseminates knowledge through its internal intranet (MTCU) and also publishes information on its website to enable the Board, executives, and employees to study and implement knowledge accurately and comprehensively.
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.

In 2023, the Company provided and improved training courses that increase work efficiency both in the development of knowledge, skills and experience by organizing of the training courses as below:

Course name	Training hours	Trainees (people)			Number of trainees who passed the assessment (percent)
		Male	Female	Total	
Excellent service	3	12,524	1,399	13,933	92
Introduction for new employees	6.5	2,968	252	3,220	100
Work potential development	6	4,622	392	5,014	70
Occupational safety and health	2	140	79	219	100
Risk management	3	12	6	18	100
Human rights	0.3	12,633	1,410	14,043	99
Business ethics	0.6	12,633	1,410	14,043	99
Sustainable business development	2	12,534	1,399	13,933	92

Note : The Company provides knowledge to all the Board, executives, and employees, including ensuring that they sign to acknowledge receipt, enabling personnel to implement the aforementioned policies accurately and comprehensively.

2. 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

	2023	2022	2021	2020
Average training hours	11.06	11.24	2.97	3.30

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 considering 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.

3. Employee Satisfaction Plan

3.1 Fostering Relationship between the Management and employees in Search of Common Goal

Communication between the top executives and employees comes in various forms. The CEO and the Managing Director constantly holds regular meetings with employees, allowing them to learn of the Company’s operation directions, obstacles, or emerging impacts during the development and efficiency enhancement each year. The focus is primarily on employees’ participation and views.

The Company has annual employee satisfaction and engagement survey implemented for solution and improvement of satisfaction and engagement. The Company believes that proper communication and information exchange among the executive and employees will foster smooth relations and cooperation, thus driving the organization toward goal achievement. Moreover, The Company surveys the basic human resource needs of the executives and employees

The Company has conducted an employee satisfaction survey every year. In 2023, a questionnaire was distributed to 14,228 employees, with a total of 8,997 respondents, representing 63.23% of the organization. The satisfaction rate was 84.68%. The aspect that received the highest satisfaction was positive opinions and perspectives towards colleagues and supervisors, with a satisfaction rate of 89.00%. Following closely was satisfaction with continuing to work with the Company, with a rate of 87.00%. A target of satisfaction rate was set at 80%, which was exceeded.

3.2 The Employee Engagement

The Company is well aware that “the personnel” are important resources which will lead the organization to be successful according to its set goals. To encourage the employee engagement is one important factor in exerting and dedicating oneself to work and having a feeling of ownership or participation. This will help the Company reach its goals. The Company has guidelines on improving the level of the engagement of the organization’s personnel which helps build the participation, happiness with work, pride of being a part of the organization, building the commitment to the organization in the long term through activities continuously, taking care of the Quality of Work Life (QWL), as well as encouraging the employees to be part in specifying benefits through the Welfare Committee.

In 2023, the employee engagement rate was at 87.00%, with the promotion of employee engagement activities with the Company, such as organizing sporting events within the district, annual tourism, and organizing parties on various agendas, etc.

Module 4 : 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.

The Company places importance on safety, occupational health and working environment for employees at all levels from executives and employees, which aims to operate the business without incidents that cause injury or damage to employees, the Company aims to reduce accidents from operations to zero.

In 2023, the Company set policies and practices for safety and the environment in line with the international standard ISO45001, with the following details.

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. Create a safe work culture for the Company's employees by developing the safety, occupational health and work environment management system. Abide by laws and international principles.
2. Issue regulations and supervise employees to operate safely in accordance with the Company's rules. All employees are required to wear helmets during operation.
3. Encourage employees and partners to participate in safety, occupational health and work environment.
4. Provide risk assessment and potential hazard prevention in terms of safety, occupational health and environment. under the supervision of the Company's building and sustainability department.
5. The Company engages and educates employees about the importance of safety, occupational health and working environment. Provide regular safety training and fire drills for employees.
6. Develop monitoring and evaluation plans according to the Company's safety, occupational health and work environment policies. Understand the skill level of employees.
7. The Company provides resource support for the development and operation of safety, occupational health and work environment.

8. The Company believes that safety, occupational health and working environment are the responsibilities of all departments of the Company.

Guidelines

1. Protect the health and safety of employees. Customers who come to contact the affected people to carry out all activities in an environmentally responsible manner by providing adequate and hygienic facilities such as toilets Standard drinking water dispenser etc.
2. Safety at work is the first responsibility in the operation of all employees.
3. The Company supports the improvement of working conditions and an environment that is both physically safe and conducive to good mental health at work.
4. The Company encourages safety activities and create employee engagement such as organizing training preparation of public relations boards, etc.
5. Supervisors at all levels must act as a good role model. Always lead the training and motivate employees to work in a safe way.
6. All employees must consider their own safety colleague as well as the Company's assets throughout the working period.
7. All employees must take care of cleanliness and orderliness in the work area. For the safety and good hygiene of all employees.
8. All employees must supervise and cooperate in projects related to the Company's safety and health.

Performance Results in Promoting and Prioritizing Customer Safety

The Company places a great emphasis on customer safety because promoting customer safety is a crucial factor in building confidence and success in business. The Company is committed to treating customers appropriately and creating a safe environment for all customers. The following are the actions taken:

1. Employee Conduct towards Customers
All employees undergo training on how to interact with customers politely and professionally. They are encouraged to treat all customers with respect, regardless of background, experience, or social status. Employees are also encouraged to assist customers willingly and efficiently to ensure customers feel confident and secure in using the services.

2. Safety of Service Locations

The Company maintains the environment of its service locations to ensure customer safety at all times. Stringent safety measures are implemented, and cleanliness and organization are maintained. Equipment and safety systems of service locations are regularly inspected to provide customers with peace of mind, safety, and confidence when using the Company's services.

Measures to alleviate the risk of security issues, occupational health and working environment

With the business model of the Company causing the branch employees to have to meet with customers regularly, there is a measure to heal personnel. In the case of an accident to be a guideline for safety of employees, taking into account the lives of personal and compensation after the accident.

Number of Accidents / Work Stoppage Rate / Occupational Injury Rate of 2023

Topics	Cases		
	2023	2022	2021
Number of work-related injuries(cases)	58	8	5
Number of lost time accidents (cases)	30	5	0
Number of fatal accidents (cases)	2	0	0

Module 5 : Fair Labor Practices

The Company has policies and practices for employees equally without exception and fairness to employees at all levels both in terms of compensation employee transfer, training, occupational health, safety and career growth, including labor protection and establishing a Welfare Committee in the workplace which is responsible for managing the operation plan labor relations activities coordinate with relevant agencies.

Policy to promote the underprivileged

The Company recognizes the improvement of the quality of life of the disabled or vulnerable groups. People with disabilities are encouraged to show their ability to generate income and self-reliance and reduce the burden of family and social adoption. The Company is committed to promoting the importance of opportunities for the disadvantaged by creating and expanding equal opportunities for employees. This includes fostering an organizational culture that embraces acceptance, reduces social exclusion and discrimination, and strengthens the confidence of the disadvantaged to participate in social and economic activities. The Company provides equal employment opportunities and recruits personnel on an equitable basis. This includes encouraging the disabled to become an important force in strengthening the family and national economy.

In 2023, the Company implemented Section 33 of the Law on the Promotion and Development of the Quality of Life of Disabled Persons B.E.2550 (2007) by employing 6 disabled people. The employment ratio of the disabled is lower than the specified standard although the Company have remitted money to the promotion and development fund for the quality of life of the disabled. The Company fully complies with the rules as stipulated by law.

Labor dispute

Since the Company's establishment, there has never been a labor dispute. Because the Board of Directors adheres to the law. The rules and regulations are strictly prohibited. In addition, the Company imposes and provides certain benefits and benefits more than the law. rules set because they foresee the happiness of the employees along with the sustainable business operation of the organization.

3.5 Strategies for creating community economic value

The Company is aware of the limitations in the body of knowledge necessary for business operations, and the factors of production of the community in the area the strategy of operation therefore focuses on developing the capacity of people in the community through education skill development device support and distribution channel infrastructure and marketing.

Community development must be based on the needs of the local people. Therefore, there has been an area to survey the needs and expectations of the community and all groups of stakeholders. Including assessing the impact that will occur on society and the environment and bring the opinions of the community and stakeholders to develop guidelines for action.

Participation, promotion and development of the community

The social promotion and development play very important role in today's business operation. As the changes that have occurred 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. The Company organizes regular social responsibility initiatives every year, aiming to contribute to the development of nearby communities. These initiatives include various social projects designed to enhance the community's capabilities and provide knowledge. This ongoing effort is geared towards fostering sustainable development within the society and its members.

Corporate Social Responsibility

1. New Home for Chance (Banmai Khongnoo)

The Company recognizes the importance of and wants to be a part of early childhood education development, especially for children aged 0-6 years old. This is the best time for learning, including brain development, communication, and children's emotions and well-being. It is a foundation for a good life that will set the direction for children to grow up to be quality people. The Company has therefore initiated a project to build early childhood development centers, which are like a second school for children, providing care and education under the name "New Home for Chance". The company provides buildings that are learning centers and playgrounds that promote children's development skills to help relieve the burden on parents and guardians and to promote children's health in a clean and safe environment. The project started construction on the first building in 2012 and has been running continuously every year. Over the past 10 years, the Company has delivered a total of 24 early childhood development centers. In 2023, the company supported two more centers: Wat Wongpadtana Development Center in Trat Province and Wat Samaidang Development Center in Chai Nat Province, totaling 26 centers. There are also plans to continue the project in 2024 with an additional 4 centers.

The Company hopes that this project will be a starting point for promoting children's development effectively. The Company is committed to co-creating a sustainable future for children who are disadvantaged in education by supporting education and promoting children and youth to grow up to be quality adults who will drive society forward.

2. Blood Donation

The Company is actively involved in raising awareness of the shortage of blood reserves in blood banks and cultivating a strong sense of corporate culture among employees through the "Muangthai Together, Blood Donation" project, held annually since 2023. Employees from all branches nationwide are invited to donate blood under the concept "Blood for Chance." In 2023, a total of 7,226 employees participated in the blood donation project, an increase of 2,233 from the previous year. This resulted in the Company collecting more than 21,600 units of blood for patients in need. The Company believes that blood donation also offers patients a chance at life. Therefore, they are committed to conducting this project annually to contribute to the sustainable development of Thai society and to improve the country's healthcare system.

3. MTC – Money Matters, Sustainable Happiness

Muangthai Capital Public Company Limited has collaborated with members of the Vehicle Title Loan Association (VTLA) to organize activities aimed at enhancing financial literacy for the public. They have initiated a project called "Money Matters, Sustainable Happiness" under the curriculum "Debt Relief, Happy Life." This initiative promotes and disseminates financial knowledge and debt management to the community in Ban Nong Samrong, Sakaerat Subdistrict, Khok Samrong District, Lopburi Province. We aim to promote understanding, financial resilience, and provide effective financial tools. This will bolster stability, improve quality of life, and foster sustainable societal development.

4. MTC – Promoting Employment Opportunities for Disabled People

Muangthai Capital Public Company Limited recognizes the importance of equality in society, especially in terms of employment opportunities, acknowledging that individuals with disabilities possess potential and can work efficiently. Moreover, there is a need to provide equal opportunities for employment and recruit personnel equally. Therefore, we have initiated the "Promoting Employment Opportunities for Disabled People" project. In 2023, the company employed 6 disabled people in positions such as Call Centers and housekeeper at the provincial office in Sukhothai. There are plans to continuously expand employment opportunities for people with disabilities in various other positions to contribute to the organization's growth. The Company firmly believes that promoting employment opportunities for disabled people is essential for building a sustainable Thai society. It helps improve the quality of life for people with disabilities and contributes to driving the country's economy forward.

3.6 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 2023, the Company opened 869 new branches, 36 major branches, 501 sub-branches, and 332 service centers. The growth of the Company through opening an average of 500–600 more branches per year has added a strategy to expand credit distribution channels and add more new credit products and services.

Table: Number of Branches

Year	Number of New Branches		
	Service Center	Sub-Branch	Major Branch
2020	427	314	36
2021	666	223	26
2022	463	374	32
2023	332	501	36

3.7 Ethical Standards & Policy Influence

The Company, altogether with entrepreneurs in the Vehicle Title Loan Trade Association 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 percent, 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.

3.8 Cultivating Financial Awareness and Discipline in Customers

From the epidemic situation of coronavirus disease (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.

3.8.1 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.

3.8.2 Making dream of Thai farmers from Muangthai Capital

The Company together with collaboration with Science and Technology Park Chiang Mai University (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 percent 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.

3.9 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.

The Company gives importance to the era when technology plays an important role in driving business. Therefore, the Company has developed innovations and technologies that facilitate the activities of customers and all stakeholders to be a tool to help the operations of the Company more efficient also helps manage customer relationships in order to meet customer expectations for quality and safety in products and services. At present, the Company has developed business innovations or all mobile applications of the business. In order to be able to better respond to the needs of customers to allow stakeholders to participate in the Company's business innovations. Therefore, the project "Promoting Innovation" was established by giving opportunities to all employees has proposed a process and/or new products to consider developing and promoting business innovations of the Company.

3.9.1 The process of developing and promoting an innovation culture within the Company

1. Establishing a unit to develop innovation for products and services listen to the opinions of stakeholders to review and develop new innovations.
2. Promote the creation of corporate values and culture that encourage employees to be creative.
3. Promote the development of innovations that will create value for business, economy, society and environment.

3.9.2 Innovation and digital operations in 2023

1) New Product: Solar Cell Loan

In 2023, the Company released a "solar cell loan" under the main product of Pay Later to be part of the driving force and supporting access to clean energy at the household level including increasing the variety of products to be able to meet the needs of customers comprehensively which is a sustainable product with environmental responsibility. It can also reduce the burden of long-term expenses with a limit of up to 40,000 Baht. Customers can choose to pay installments within the period from 6–60 months. In 2023, the Company released a loan amount of more than 1.86 million baht, which reduced the amount of greenhouse gas emissions by 170 tons of carbon dioxide equivalent.



Application “Muangthai Capital 4.0”

In 2023, there was a user account of the Muang Thai 4.0 application, an increase of more than 52% compared to the previous year 2022. The Muang Thai 4.0 application is designed to meet all the problems and needs of customers in the digital age. In order for customers to be convenient accessing to view account information, check the Company’s various product details, adjust the contract, pay the installments, as well as view the information of nearby branches or contact the Company. In addition, the payment is also a transaction through the Digital Payment channel which helps to reduce the amount of paper use in the issuance of slips or receipts from the branch causing customers to not have to store and can check the payment history back at any time. It also makes the Company increase service efficiency through collecting and bringing information to analyze more convenient and quickly.

The Company has developed the application “Muang Thai Capital 4.0” to facilitate customers without having to travel to the branch within the application, customers can check the due period. The amount to be paid and the amount of outstanding credit.

The Company has regularly reviewed the feedback from users through many channels and always improved the process of the operation under the application in order for the Company’s customers get more convenience and speed of service by collaborating with commercial banks, foreign banks and special financial institutions to increase the payment channels across the bank through the automatic payment machine and financial transactions through electronic channels. In addition, the new marketing channel has been added by updating special offers new personal loans through the application to make customers easier to access

In 2023, there were 587,251 users of the Muang Thai Capital 4.0 application and 1,222,979 spending through the application (the Company counted the amount of expenses through the application from the number of successful transactions only) increased by 201,814 accounts compared to the previous year.

2) 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. It also responds the changing behavior of consumers today that is modern effective and increase the security of financial transactions.

In 2023, there was a total of financial transactions of the Company in the amount of 18,752,000 transactions by increase amount 9,862,000 transections compared to last year.

Innovation and digital performance in the year 2023

	2023	2022	2021
Application “Muangthai Capital 4.0”			
Number of service users (accounts)	587,251	385,437	159,881
Transaction value (million Baht)	976.30	390.34	180.52
Cashless Society			
Number of Transactions (Transactions)	18,752,000	8,890,000	N/A
Transaction value (million Baht)	31,492.65	13,326.16	N/A

3) 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.

4) AI Chatbot Development

The Company has introduced technology 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.

3.10 Management of feedbacks, suggestions and complaints

In order to improve the service level, the Company has set up a variety of channels to receive complaints about products and services. It also has established guidelines for solving problems handle complaints quickly and freely which the administrative department is responsible for taking care of responsible for coordinating problem solving follow up on progress as well as remedies and reimbursement fairly. In the event that customers complain that they are dissatisfied with the service in some channels of the Company will contact to know more details and bring back to improve the service to be better, with the Company paying attention to safety and Hygiene of customers who come to use the service.

Operating Performance of Complaint Management

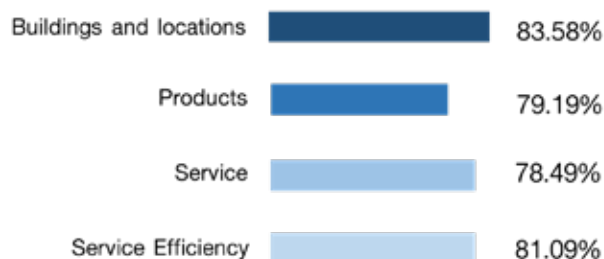
Channels	Managed Complaints (percentage)		
	2023	2022	2021
Offline	100	100	100
Offline	100	100	100

3.11 Customer Satisfaction Survey

Assessment of customer satisfaction. It is important to analyze the Company's products and services. To bring information from customers who have solved the problem Including bringing to improve work processes of personnel better. The Company therefore conducts satisfaction assessment as an international standard for accuracy in knowing the needs of customers. Therefore, there is an opinion to change the calculation method and will use the said method as the basis for collecting customer satisfaction data in the future.

In 2023, the Company set a target to achieve an 80% customer satisfaction rate. The evaluation of customer satisfaction revealed that the highest satisfaction was in the area of facilities and premises, with a satisfaction rate of 83.58%. Following that, service efficiency was the next highest, with a satisfaction rate of 81.09%. The overall average satisfaction rate was 80.59%. The Company will utilize the evaluation results to further develop and improve various aspects of its operations to enhance efficiency and service delivery

Customer Satisfaction Evaluation Results



The Achievement Goals of 80%

Customer Satisfaction Development Plan

1. Sincerely communicate with customers and provide loan consultation.
2. Fast service, focusing on customer satisfaction.
3. Provide services in a transparent and fair manner without discrimination.
4. Develop more products to meet customers' needs.
5. Regularly maintain and improve the landscape of the headquarters building.

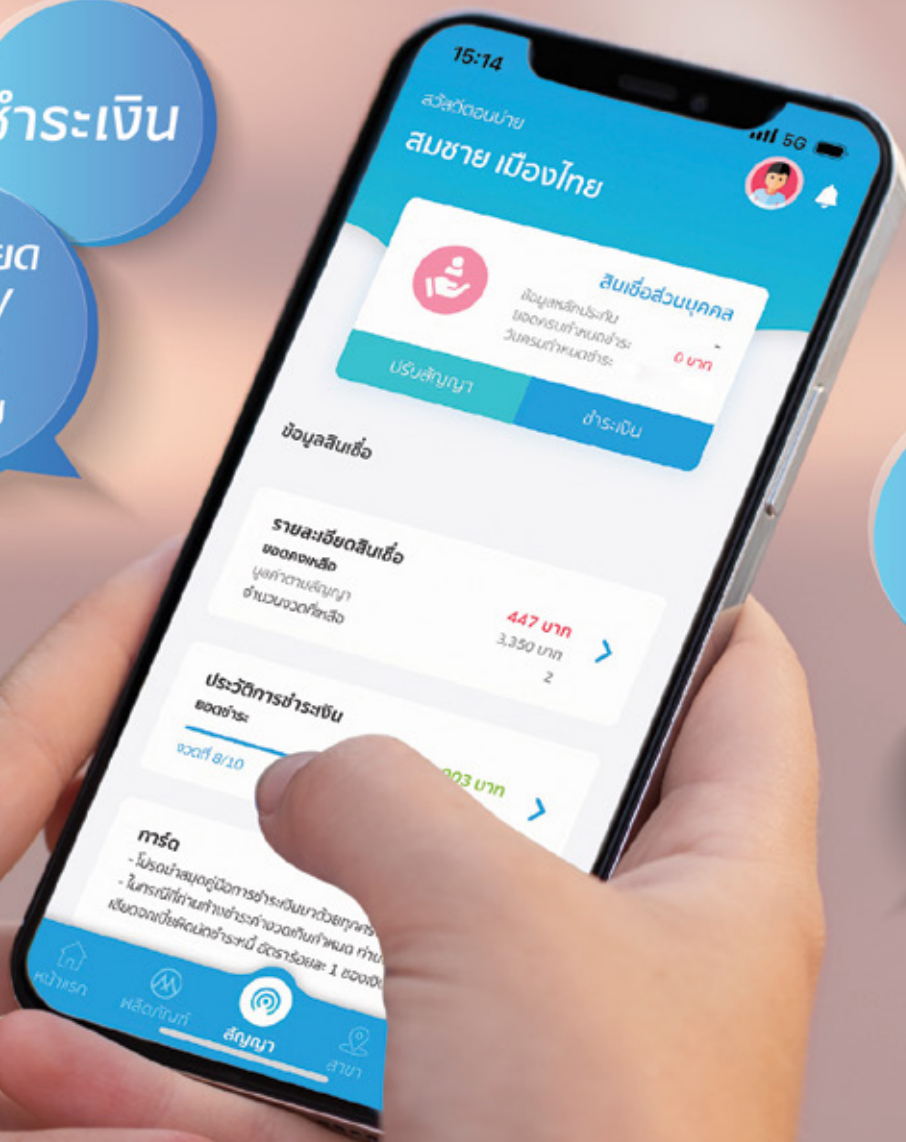
The details of sustainability performance in economic, social and environmental dimensions, it can be learned more at the Company's sustainability website (www.mtcsustainability.com) or (www.muangthaicap.com) > Investor Relations > Sustainability > Download > Sustainability Report).

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4. Management Analysis and Explanation

4.1 Management Discussion and Analysis

On operational performance, the unceasing situation of the 3rd wave COVID-19 in mid-2022 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 869 newly branches expansion in 2023 to end the year with 7,537 branches in total to provide full coverage of potential customers across Thailand. The Company's organic growth strategies has contributed to a significant increase in the Company's loan growth of 18.82% (YTD) from 120,613 million Baht in 2022 in loan receivables compared to 143,318 million Baht at the end of 2023.

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. In addition, there are still fluctuations in weather and water situations and various factors as mentioned above affect income both in and outside the agricultural sector. However, with the economic impact resulting from the spread of COVID-19, known as the "New Normal" and the aforementioned climate volatility, the Company have understood the perspectives of consumers in various dimensions and have included them in both short-term and long-term strategic plans comprehensive and respond to lifestyle and current and future consumer expectations. Many loan relief measures have been encouraged such as loan payment holidays, collection fee reduction, and other attempts on interest rate cap.

The economic recovery in recent periods has improved overall debtors' income; however, the improvement remains slow for certain groups. Against this backdrop, the BOT has decided to implement new household debt measures that are more targeted and offer a more sustainable solution to debt overhang problems in February 2023. These measures would offer new solutions for debtors throughout their debt journey (e.g. before applying for a loan/whilst signing a loan contract, being a debtor, having debt problems, and being filed a lawsuit or having debts sold off) namely by (1) providing debt solutions for NPLs; (2) offering options for debtors with persistent debts to fully repay their loans; (3) ensuring new debts are of good credit

quality and will not undergo debt distress in the future; and (4) increasing opportunities for borrowers with informal debt to obtain credit from formal channels. The first set of measures being expedited is responsible lending, which also includes solutions for debtors with persistent debts as follow:

1. Creditors must lend in a responsible and fair manner for debtors throughout their debt journey:

- Before applying for a loan/whilst signing a loan contract : creditors must provide advertisement and offer products with information that is complete, correct, and clear and do not encourage excessive borrowing or discourage a healthy credit culture.
- Being a debtor : creditors must promote disclosure of terms and conditions, as well as any precautions that debtors should be aware of. This would nudge debtors to repay their loans and serve as a tool to foster good financial discipline such as automating debt repayments above the minimum to lessen interest burden.
- Having debt problems : creditors must provide solutions to assist debtors in a manner that best suit their debt affordability.
- Being filed a lawsuit or having debts sold off : creditors must notify debtors of their rights and any important information, and conduct debt mediation with the debtors. The debt buyers must also set the appropriate terms and conditions.

2. Creditors must assist debtors with persistent debts (interest payment higher than principal payment over the past 5 years) whereby they must assist debtors with revolving personal loans that has low income and persistent debt to be able to fully repay their loans within 5 years at an interest rate not exceeding 15% per year, whilst still having sufficient disposable income to meet their living needs. In addition, the revolving credit line of debtors who opt into debt restructuring program must be closed, to ensure that they will not accumulate more debt. Their credit history should also be updated to reflect their participation in the debt restructuring program.

This responsible lending measure will be enforceable starting from January 1, 2024, except for the provisions related to debt restructuring. The provisions related to debt restructuring will be enforceable starting from April 1, 2024, to allow service providers time to adjust their systems. The implementation will gradually be based on the income levels of the borrowers, which may vary among different groups of service providers.

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 3.11% as of the end of 2023.

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 24,526 million Baht with the growth of 22.21% YoY. The revenue consisted of the interest income, fees and management income, and other income of 95.82% 3.75% and 0.43% respectively. Meanwhile, the Company has been efficiently managed on the expenses. Subsequently, the Company had earned the net profit of 4,906 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. In 2022, the Company has increased its registered capital by another 900 million Baht, total registered capital 1,000 million Baht to support business expansion, in which the Company holds 99.99% of shares under Muangthai Capital Public Company Limited to installment loan service.

4.2 Important Financial Information

Muangthai Capital Group reported the net profit of 4,906 million Baht in 2023 which was 3.66% decreased YoY due to many important factors as follow:

4.2.1 Statement of Comprehensive income

Revenue

Revenue	2023		2022		Growth Rate 2022-2023		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Interest income from loans receivables and hire purchase receivables	23,500	95.82	19,199	95.67	4,301	22.40	15,195	94.86
Fee and service income	841	3.43	719	3.58	122	16.97	705	4.40
Insurance commission income*	80	0.32	72	0.36	8	11.11	64	0.40
Other income	105	0.43	78	0.39	27	34.62	55	0.34
Total revenues	24,526	100.00	20,068	100.00	4,458	22.21	16,019	100.00

Remark : *Insurance commission revenue is the revenue from the business operations of Muangthai Leasing Insurance Broker (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	2023	2022	Growth Rate 2022-2023(%)	2021
Title loans and land deed	17,523	13,762	27.33	11,204
Personal loans and Nano finance loans	5,090	4,387	16.02	3,520
Hire purchase	887	1,050	(15.52)	471
Total	23,500	19,199	22.40	15,195
Average interest income rate (%)	18.42	18.55		19.04

The revenue from interest and fees have grown at 22.40% due to the Company's organic growth strategy of the branch expansion and the loan momentum from the recovering economic situation from domestic consumption and tourism industry. The Company ended the year with 7,537 branches in 2023 compared to 6,668 branches in 2022. 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.

Insurance Commission Revenues

Insurance commission revenues were the revenues earned from the sales of insurance of MTB. Being a non-life insurance broker, MTB 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 MTB 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	2023		2022		Growth Rate 2022-2023		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Services and administrative expenses	9,702	52.73	8,069	58.86	1,633	20.24	6,962	70.91
Loss (gain) arising from derecognition of financial assets measured at amortized cost and hire purchase receivables	907	4.93	394	2.87	513	130.20	(20)	(0.20)

Operating Expense	2023		2022		Growth Rate 2022-2023		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Expected credit loss	3,934	21.38	2,433	17.75	1,501	61.69	748	7.62
Finance costs	3,857	20.96	2,813	20.52	1,044	37.11	2,127	21.67
Total Expense	18,400	100.00	13,709	100.00	4,691	34.22	9,817	100.00

The Group had the total operating expenses of 18,400 million Baht in 2023, an increasing 4,691 million Baht from 2022 representing 34.22% 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 an access 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:

Operating Expense (Million Baht)	2023	2022	Growth Rate 2022-2023(%)	2021
Salary, wages and other employee benefits	6,085	4,749	28.13	4,272
Rental and service expenses	37	25	48.00	18
Special business tax	765	618	23.79	509

Salary, wages and other employee benefits increasing by 1,336 million Baht came from the increase of personnel to support the branch expansion. The number of employees at the end of 2023 = 14,891 (excluding 13 executives) 2022 = 12,992 employees, and 2021 = 11,447 employees.

Specific business tax increasing for 147 million Baht was mainly due to an increase in interest and fee revenues from increasing credit services. Services and administrative expenses at the end of 2023 = 23,500 million Baht, 2022 = 19,199 million Baht, and 2021 = 15,195 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 :

	2023	2022	2021
Loss (gain) arising from derecognition of financial assets measured at amortized cost and hire purchase receivables (million Baht)	907	394	(20)
Expected credit loss (million Baht)	3,934	2,433	748
Non-performing loan ratio	3.11	2.91	1.39

Financial Expenses

Finance expenses are the interest expenses of the short-term loans, long-term loans from commercial banks and debentures. In 2023, the Company was able to manage with the average funding cost at 3.60% which increased from the monetary policy interest rate of Bank of Thailand accordingly. (Policy rate in 2022 = 1.25% / 2023 = 2.50%)

	2023	2022	2021
Finance Cost (Million Baht)	3,857	2,813	2,127
Average Interest Expense Ratio (%)	3.60	3.30	3.40
Interest Spread (%)	14.82	15.25	15.70

Net Profit

In 2023, 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. However, the Company was able to maintain the net profit margin of 20.00% despite the negative factors.

	2023	2022	2021
Net profit (Million Baht)	4,906	5,093	4,945
Net profit margin (%)	20.00	25.38	30.87
Net profit growth (%)	(3.67)	2.99	(5.16)

4.2.2 Statement of Financial Position

Assets

In 2023, the Company's Group total assets was at 150,156 million Baht. The majority of the asset was accounted for loan receivables which was approximately 90% of the total assets.

Assets	2023		2022		Growth Rate 2022-2023		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	2,822	1.88	3,213	2.51	(391)	(12.17)	1,306	1.33
Loan receivables-net	133,926	89.19	111,670	87.20	22,256	19.93	85,815	87.22
Hire purchase receivables - net	4,223	2.81	5,258	4.11	(1,035)	(19.68)	4,166	4.23
Land, buildings and equipment	2,134	1.42	2,037	1.59	97	4.76	2,054	2.09
Right of use assets	4,878	3.25	4,386	3.42	492	11.22	3,988	4.05
Other assets	2,173	1.45	1,502	1.17	671	44.67	1,061	1.08
Total	150,156	100.00	128,066	100.00	22,090	17.25	98,390	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	2023		2022		Growth Rate 2022-2023		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Motorcycles	43,758	30.53	37,087	30.75	6,671	17.99	29,543	32.18
Cars	49,175	34.31	38,901	32.25	10,274	26.41	29,511	32.14
Agricultural trucks	4,768	3.33	4,041	3.35	727	17.99	3,444	3.75
Land	18,687	13.04	13,253	10.99	5,434	41	9,389	10.23
Personal loan	16,486	11.50	15,721	13.03	765	4.87	9,794	10.67
Nano finance	5,720	3.99	5,974	4.95	(254)	(4.25)	5,921	6.45
Hire and purchase	4,724	3.30	5,636	4.68	(912)	(16.18)	4,210	4.59
Total	143,318	100.00	120,613	100.00	22,705	18.82	91,812	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	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets that have no significant increase in credit risk (Performing)	124,874	87.13	105,097	87.13	85,614	93.25
Assets that have significant increase in credit risk (Under-Performing)	13,983	9.76	12,009	9.96	4,923	5.36
Assets that are credit impaired	4,461	3.11	3,507	2.91	1,276	1.39
Total	143,318	100.00	120,613	100.00	91,813	100.00
Less : allowance for doubtful debts	(5,169)	(3.61)	(3,686)	(3.06)	(1,832)	(2.00)
Loan receivables-net	138,149	96.39	(3,686)	96.94	89,981	98.00

Loan receivables and hire receivables by payment due

Classification	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Loan receivables – within 1 year	66,916	48.44	60,165	51.46	48,181	53.55
Loan receivables – over 1 year	71,233	51.56	56,762	48.54	41,799	46.45
Loan receivables – net	138,149	100.00	116,927	100.00	89,890	100.00

Property, plant and equipment

At the end of 2023, the Group had net property, plant and equipment of 2,134 million Baht compared to 2,037 million Baht and 2,054 million Baht in 2022 and 2021 respectively. The property, buildings and equipment of the Company mainly consisted of office equipment, computers, and vehicles for operation purposes only.

Liabilities and Shareholders' Equity

Item	2023		2022		2021		Growth Rate 2022-2023	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Loan and debentures	109,864	73.16	91,727	71.62	67,314	68.42	18,137	19.77
Other liabilities	8,375	5.58	7,249	5.66	6,207	6.31	1,126	15.53
Total liabilities	118,239	78.74	98,976	77.28	73,521	74.72	19,263	19.46

Item	2023		2022		2021		Growth Rate 2022-2023	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Total shareholders' equity	31,917	21.26	29,090	22.72	24,869	25.28	2,827	9.71
Total liabilities and Shareholders' Equity	150,156	100.00	128,066	100.00	98,390	100.00	22,090	17.25

In 2023, the Group's liabilities and shareholder's equity was 150,156 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 Type	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Short term loan	12,691	11.55	7,945	8.66	4,235	6.29
Long term loan – Financial institutions	23,732	21.60	24,056	26.23	16,051	23.85
Long term loan – debentures	73,441	66.85	59,726	65.11	47,028	69.86
Total	109,864	100.00	91,727	100.00	67,314	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.

	2023	2022	2021
Net profit (million Baht)	4,906	5,093	4,945
Dividend paid (million Baht)	445	2,014	784
Dividend per share (Baht)	0.21	0.95	0.37
Debt to Equity ratio (times)	3.70	3.40	2.96

Liquidity

Unit: million Baht	2023	2022	2021
Net cash used in operating activities	(11,492)	(17,895)	(12,118)
Net cash used in investing activities	(521)	(418)	(562)
Net cash from financing activities	11,622	20,220	12,608
Net increase (decrease) in cash and cash equivalents	(391)	1,907	(72)

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 had 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	2023	2022	2021
Total assets (million Baht)	150,156	128,066	98,390
Total liabilities (million Baht)	118,239	98,976	73,521
Shareholders' equity (million Baht)	31,917	29,090	24,869
Total revenue (million Baht)	24,526	20,068	16,019
Total expenses (million Baht)	18,400	13,709	9,817
Net profit (loss) (million Baht)	4,906	5,093	4,945
Tax paid (million Baht)	1,220	1,267	1,256
Net debt to EBITDA ratio (times)	9.80	8.83	6.89
Interest coverage ratio: ICR (times)	2.96	3.74	4.85
Debt service coverage ratio: DSCR (times)	0.24	0.32	0.33
Debt to equity : D/E ratio (times)	3.70	3.40	2.96
Current ratio (times)	1.38	1.80	1.57

Item	2023	2022	2021
BE size to interest bearing debt ratio (times)	0.06	0.02	0.02
Current portion of long-term loans to total interest-bearing debt (times)	0.42	0.34	0.42
Borrowings from financial institutions to total liabilities (times)	0.25	0.30	0.26
Non-performing loan to total loans (%)	3.11	2.91	1.39
Allowance for doubtful account to total loans (%)	3.61	3.06	2.00
Return on assets: ROA (%)	3.53	4.50	5.63

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

5.1 General Information

General Information	
Company's name	Muangthai Capital Public Company Limited
Type of business	Non bank financial institution performing supervised personal loan business, supervised career loan business, and land title deed loans (Microfinance)
Head Office Address	332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700
Company registration number Plc. No.	0107557000195
Homepage	www.muangthaicap.com
Authorized capital	2,120,000,000.00 Baht (as of 31 st December, 2023)
Paid-up capital	2,120,000,000.00 Baht (as of 31 st December, 2023)
Telephone	(+66)2-483-8888
Registrar of Securities	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng, Bangkok 10400 Telephone: (+66)2-009-9999
Company Secretary	Miss Monthon Onphan, Muangthai Capital Public Company Limited 332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700 Telephone: (+66)2-483-8888 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.

5.2 Legal Dispute

As of 31st December 2023, Neither the Company nor its subsidiaries were involved in any legal disputes, were litigants in any legal proceedings, committed any crimes, or violated civil, criminal, or administrative laws regulated by agencies such as the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET) as follows:

1. The Company had no cases that could potentially harm its assets or the assets of its subsidiaries by more than 5 percent of shareholders' equity as of 31st December, 2023.
2. The Company had neither cases that affect the business operations of the Company or its subsidiaries whose impact couldn't be quantified, or cases unrelated to normal business operations.
3. The Company did not breach stock repurchase principles, obstruct shareholders from communicating with each other, or fail to disclose shareholding agreements.
4. The Company had not violated or neglected to comply with the principles of transaction or trading.
5. The Company had no case of use of inside information for trading by the directors and the executives of the Company.
6. The Company had not committed violations of business ethics and code of conduct in any way.

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
- Industrial and Commercial Bank of China (Thai) Public Company Limited
- Bank of Ayudhya Public Company Limited
- Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

- KGI Securities (Thailand) Public Company
- Krungthai XSpring Securities Company Limited
- Asia Plus Securities Company Limited
- Yuanta Securities (Thailand) 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, 10500
Tel. (+66)2-636-2000, Fax. 0-636-2111

5.6 Legal Advisor for Bond Issuance

Weerawong, Chinnavat & Partners Ltd.
22nd Floor, Mercury Tower, 540 Ploenchit Road,
Lumpini, Pathumwan, Bangkok, 10400
Tel. (+66)2-264-8000

5.7 Registrar and Debenture Holder Representative

Bank of Ayudhya Public Company Limited
Rama III Road, Bang Phongphang, Yan Nawa,
Bangkok, 10120
Tel. 1572

5.8 Other Important Information

- History of Default on Principal or Interest Payments on Debt Instruments or Default on Loan Payments from Commercial Banks Finance Company Credit Foncier Company or a Financial Institution Established under a Specific Law for the Past 3 Years
-Not any-
- History of Breach of Terms and Conditions in the Past 3 Years
-Not any-



2

CORPORATE
GOVERNANCE

Part 2 Corporate Governance

6. Good Corporate Governance Policy and Practical Guidelines

6.1 Overview of Good Corporate Governance Policy and Practical Guidelines

The Company commits to conducting business for stable and sustainable growth by creating added value for the shareholders and shared values for all stakeholders. The Board of Directors has given importance to the practices of the Stock Exchange of Thailand to have 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 and published on the Company's website (www.muangthaiacap.com > Investor Relations > Company Info > Policies > Good Corporate Governance Policies) and with the objective for the Company's personnel 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 and practicing the principles of Corporate Governance, business ethics, and Code of Conduct 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 and 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 Policy and do not violate intellectual property with respect to the law and human rights.

5. The operation is performed with an 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 authority, duties, and responsibilities of each committee and executive.

7. 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 the shareholders, stakeholders, community, society, and environment.

9. Recognition and respect are given on the rights of shareholder ownership and to treat the 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 creating 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 a good Corporate Governance Policy and Code of Conduct along with sustainable development, considering participation in the development of the country's economic, social and environmental systems are the important factors that will result in the Company to become a leading company with stable and sustainable growth. They 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 certified and received the renewal as a member of The Collective Action Coalition (CAC). This is part of the business practice in accordance with the principles of Good Corporate Governance. The Company provides the following operations:

- Provide training on Good Corporate Governance, Code of Conduct and business ethics for the directors, executives and employees at all levels achieving 100 percent.
- Training on Good Corporate Governance, Code of Conduct and business ethics of conduct will be part of the new employee training to ensure that and comply with good governance, ethics and work practices.
- In 2023, no violations of business ethics and Code of Conduct were found.

In 2023, the Company was assessed by The Thai Institute of Directors (IOD) at the 5-star level for the sixth consecutive year. This was assessed by The Thai Institute of Directors (IOD). Such an 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 > Investor Relations > Company Info > Policies > Handbooks > Good Corporate Governance Guidelines) in order to communicate to the 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, vendors, 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 sustainably.

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 continually at least once a year. The mentioned guidelines of Good Corporate Governance and Code of Conduct were approved by the Corporate Governance and Sustainability Committee and the Board of Directors at the meetings.

6.1.1 Policies and Practices Related to Board of Directors

Nomination of Directors and Independent Directors

1) Criteria for Nomination of Directors and Independent Directors

- 1.1) Regard 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 such as knowledge and skills in the financial industry; financial, banking or insurance. The Board of Directors can apply the aforementioned knowledge and skills to develop a strategy and long-term business plan for the Company to enhance operation effectively at most and to determine the qualifications of the directors to be nominated. This includes the use of director databases such as the Thai Institute of Directors (IOD) or a consulting company and the database of professional directors.
- 1.2) Nominate directors from the Director's Pool. 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 table of knowledge and specialization (Board Skill Matrix). 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

1.3) For the consideration of the position, the nominated person as director in the Company must not hold director positions in listed companies for more than 5 companies in total.

1.4) For the consideration of the position, the nominated person as director in the Company must be qualified as the Company's principles and laws, also do not have the forbidden characteristics as required by disciplines and laws.

2) Director Selection Processes

The Company attaches great importance to the recruitment and selection of personnel to serve as the Company's directors. The Board of Directors assigns the Nomination and Remuneration Committee and consideration of compensation to act on behalf and to be presented to the Board of Directors' meeting for consideration and opinion and to be presented to the shareholders' meeting.

- 2.1) The Nomination and Remuneration Committee to consider the selection of the committee. The Company adheres to the policy of diversity in the structure of the Board of Directors (Board Diversity) and adheres to the qualifications according to Section 67-68 of the Public Limited Companies Act B.E.2535 (1992) including establishing the Board Skill Matrix to set a criteria and qualification examination for director recruitment of the Company. For the consideration is a skill and demanded necessity. The Company must carefully consider to ensure that a proposed director is well-qualified related to the Board of Directors' composition and structure following the business strategy including risk strategy and financial security monitoring of the Company.
- 2.2) The Nomination and Remuneration Committee has selected the Board from the Director's

Pool. In addition, the nominated person for the Board election must be approved by the shareholders.

- 2.3) The Company provides an opportunity for all shareholders equally to propose a name to hold the director position via platforms as prescribed on the Company's website before the Annual General Meeting of shareholders (AGM), regularly on October – December, continually practicing every year.

3) Directors Election Process and Appointment The Procedures of Director Appointment

- 3.1) When the Nomination and Remuneration Committee selects qualified and suitable persons to hold the position of the Company's director, the names will be presented to the Board of Directors and then to the shareholders' meeting of the Company for consideration and approval. This process is to comply with the Company's Articles of Association and the composition of the Board of Directors.
- 3.2) Voting to appoint the Company's directors must be at the shareholders' meeting. Individual voting will be used at the meeting. The shareholders' meeting must have a resolution approved by a majority vote of the shareholders attending the meeting and have the right to vote by electing directors according to the criteria and methods of the Company's Articles of Association as follows:
- 3.2.1 Each shareholder shall have one vote for each of the shares held.
- 3.2.2 Election of the Directors is to vote on the shareholders' meeting based on the criteria and the voting guidelines according to the Company's regulations.
- 3.2.3 The persons in order of the votes received, starting from the one with the highest votes, shall be appointed to fill the vacant directorships. In the event that the persons appointed to fill the remaining vacant directorships receive the same number of votes, the Chairperson of the meeting shall cast the deciding vote.
- 3.3) In the event of a vacancy in the Board of Directors due to other factors aside from the end of the directorship term, the Board of Directors shall select any persons qualified with the Public Company Limited Act and Security and the Stock Exchange Act to fill in. Unless such vacant directorship remains less than two months.

A replacing director holds the position for the rest of the term as the replaced director.

The resolution of the Board of Directors must contain three-fourths of the votes from the Board.

The Board of Directors must be appointed by the shareholders to take overall responsibility for the Company. These responsibilities include directing, approving, and overseeing the implementation of the Company's strategy, Corporate Governance and corporate values. The Board of Directors is responsible for the selection of a qualified CEO of the Company and top executive management, including oversight of the succession plan.

Nomination of Chairman of the Executive Committee (CEO)

1) Criteria for nomination of Chairman of the Executive Committee (CEO)

- 1.1) Qualifications of the Chairman of the Executive Committee (CEO) must be a person with knowledge, competence, skills, experience in management and experience in business operations that are consistent with the business of the Company proficient in specific areas that are beneficial to the Company's business without gender discrimination, age, race, etc., as well as having the concept and vision of management in the same direction as the Board of Directors.
- 1.2) Good leadership has a far-reaching vision Moral and ethical as well as having a good attitude toward the organization, being able to dedicate sufficient time for the benefit of the Company's business operations. The Chairman of the Executive Committee (CEO) and the Board of Directors must have mutual trust as well as be closely coordinated.
- 1.3) Have a transparent work history, including no prohibition features specified in the announcement of The Securities and Exchange Commission (SEC).

2) CEO Nomination Processes

- 2.1) The Nomination and Remuneration Committee selects the right person by screening qualified persons who can be recruited from people within the Company and outside the Company.
- 2.2) In the nomination of the Chairman of the Executive Committee (CEO). The Nomination and Remuneration Committee will recruit people with knowledge and ability skills and experience that are beneficial to the operation of the Company or from the nomination from the Board of Directors or top Executives of the Company.

3) CEO Selection Processes and Appointment

3.1) After electing a well-qualified person, the Nomination and Remuneration Committee will propose the name of that person to the Board of Directors' meeting for consideration.

3.2) The CEO appointment has to be a majority vote of directors who attend the meeting and have the right to vote.

Independence of the Board of Directors from the Management

The Board must decide, express opinions and vote on matters that the Board of Directors has the authority to make decisions. If the committee's decision is under pressure from work or family or has a stake in the work will distort the decision to judge for one's own, a close one, or for their benefit. Independence of Directors. Therefore, it is a matter that must be considered to protect the interests of shareholders directors who lack independence therefore should not be responsible for making decisions.

The Board of Directors and the Management have 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 and Executive's Knowledge Development

The Board has a policy to support and facilitate the training and development of the knowledge of directors and executives continually. The Company Secretary will be the coordinator in finding courses related to

directors to facilitate directors to participate in seminars, and training programs and exchange knowledge related to the performance of directors' duties. The Company has a policy to support the training and seminars for the development of the directors' performance of duties continually. The Company set roles and duties of the Board of Directors and Executives on training as follows :

- 1) The Board of Directors engages and facilitates training and educating related parties in the Company's Corporate Governance system including the Audit Committee, the Corporate Governance and Sustainability Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Company Secretary, etc., to improve and perform periodically.
- 2) The Board of Directors appoints the Company Secretary to collect documents about the Company introduction and new director orientation information. This is to provide information about the Company's disciplines and relevant business sufficiently before performing the duty. The Directors shall be provided the training courses and knowledge development continually to enhance the performance of the duty and Corporate Governance for the Company effectively.
- 3) The Board of Directors assigns the Chairman of the Executive Committee (CEO) to regularly report the development and succession plan for preparation in case of incapability of performing the duty by oneself.
- 4) The Board of Directors establishes a program for executive development by appointing the CEO to report the operational results within the year and also consider the succession plan.

Training schedule of directors from relevant institutions.

Directors' name	Training Program with IOD
Adm. Apichat 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 (AACP) Batch 13/2013 ● Role of the 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) ● Board Nomination and Compensation Program – BNCP 16/2023
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 Petampai	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) Batch SET/2012
Mrs. Nongnuch Dawasuwan	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) Batch 137/2017 ● Advanced Audit Committee Program (AACP) Batch 26/2017 ● Risk Management Program for Corporate Leaders (RCL) Batch 13/2018
Dr. Suksit Patcharachai	<ul style="list-style-type: none"> ● Directors Certification Program (DCP) Batch 277/2019 ● Corporate Governance for Capital Market Intermediaries (CGI) Batch 22/2019 ● Board Nomination and Compensation Program – BNCP 16/2023

At present, there are 7 out of 7 directors attending training courses related to the performance of duties as directors, Director Certification Program (DCP) and Director Accreditation Program (DAP) of IOD, representing 100 percent.

In addition, the Company secretary regularly informs information about seminars and training that are beneficial to the Board of Directors. The details of attending the individual training appear in Attachment 1.1 (Details of the Board of Directors)

Assessment of the Operational Performance of the Board of Directors

The Board of Directors has assigned that the Board shall have a Board Self-Assessment at least once a year. The assessment is divided into 2 dimensions;

- 1) Assessment of the operational performance and efficiency of the Board of Directors and Directors.
- 2) Assessment of 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 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:

In the scoring process, the opinions of each Directors are marked by (/) in only one score box from 0 – 4 in the assessment form. with the following meanings:

Assessment	Score
Strongly agree or has done excellent in that regard	4
Quite agree or has performed well in that matter	3
Agree or there is a reasonable action on the matter	2
Disagree or there is little action on the matter	1
Strongly disagree or no action is taken in the matter	0

Then take all the scores obtained for evaluation by percentage of the full score which is defined as the following criteria:

Score (%)	Level
Equivalent or over 85 percent	Excellent
75-84 percent	Very Good
65-74 percent	Good
50-64 percent	Fair
Less than 50 percent	Need improvement

1) Assessment on the Operational Performance and Efficiency of the Board of Directors and Directors.

1.1 Self-assessments of the entire Board of Directors

1.1.1 Criteria for evaluation of the entire Board of Director's performance

1. Structure and qualifications of the Board of Directors

The Board of Directors has diversity (Board Diversity) with skills consistent with the nature of business operations of the Company through the preparation of a table of knowledge and expertise (Board Skills Matrix) and diversity in educational background and experience without limiting differences any difference independent directors account for more than 50 percent of the total number of directors. In addition, the Chairman of the Board is not the same person as the CEO and managing director in order to have a clear division of duties and operation.

The Board of Directors is of the opinion that the structure and qualifications of the Board of Directors were excellent. The proportion of the number of directors is appropriate and

consistent with the nature of business of the Company who is knowledgeable expertise from areas such as accounting and finance Management, Law, Corporate Governance, Risk Management, Human Resource Management, Auditing, etc., making the Company's business operations possible with efficiency. The Board of Directors has appointed 4 sub-committees consisting of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Sustainability Committee and the Risk Management Committee to perform duties and supervise the business consistent with the policies and goals of the Company.

2. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has given importance and sufficient time to consider important matters related to the strategic direction and the Company's business plan, reviewing and approving the Company's Corporate Governance policy according to standards

and good Corporate Governance guidelines and ensuring compliance with various policies, reviewing the Company's to prevent conflicts of interest and reviewing the internal control system regularly to ensure that there is a good enough internal control system with appropriate risk management including tracking and supervising the performance of the Executive Committee that is in accordance with the policies as the board has assigned.

3. Board's meeting

The Company has notified a schedule of the Board meeting in advance and the Notice of the Annual General Meeting of shareholders and supporting documents for the meeting will be submitted to the Board at least 7 days before the meeting. This allows the directors to allocate time to attend every meetings, the number of meetings and the agendas are appropriate and support the Board of Directors performing their duties effectively. In addition, directors receive meeting documents in advance and have time to study the information sufficiently for their decision-making. Moreover, the atmosphere of the board meeting allows for constructive opinions. However, directors who have interests in any agenda do not allowed to participate in a decision-making.

4. Responsibilities of the Board

The Board of Directors has given importance and sufficient time to perform the duties of the Board of Directors including knowledge ability and experience from various fields at the same time, the Board of Directors also serves to appoint, remove and delegate various authorities and duties to sub-committees. the Board of Directors and the Executive Committee appropriate to the abilities of each committee for the operation of the Company effective. It complies with the principles of Good Corporate Governance and is in compliance with the laws set forth.

5. Relationship with the Management

The Directors can discuss with the Managing Director is straightforward and has a good relationship with Management which the Board does not intervene in the Management's duty performance.

6. The Board and Executive Self-Development

The Directors understand the roles, duties and responsibilities of being a director and

understand the business of the Company which will help practice the duties of directors efficiently. All committees have training in order to understand the performance of their duties as directors. The Board of Directors has also developed a succession plan to keep the responsibilities of the top Executives of the Company constantly.

1.1.2 The process for evaluating entire the Board of Director's performance.

The Company shall arrange the performance evaluation of the Board of Directors annually to evaluate the previous year's operation. The Company Secretary will send an evaluation form to the members of the Board of Directors annually for the Board and individual assessments. After each Board 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 the improvement in the effectiveness of the Board's operation in the year.

1.1.3 Evaluation result of entire the Board of Director's performance

In 2023, in the topic of structure and qualifications of the Board of Directors, Roles, duties and responsibilities of the Board of Directors, Board meetings, Responsibilities of the Board, Relationship with the Management and Self-development and Executive Development evaluation result categorized in "Excellent" level.

1.1.4 Apply the performance result for duty development

The Company evaluated the performance of the functions of the above-mentioned Board of Directors, determined the knowledge level of the Board of Directors, and improved the qualification level required by the Board of Directors according to the evaluation results, so that the Board of Directors can effectively analyze the advantages of the Board of Directors, thus encouraging and retaining the knowledge-based Board of Directors with qualifications, thus obtaining a comprehensive knowledge-based Board of Directors and further improving the Company's operating efficiency.

1.2 Self-assessments of the Sub-Committees

1.2.1 Criteria for evaluating the Sub-Committees' performance

The Board of Directors shall assess the performance of sub-committees annually such as the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance and Sustainability Committee by evaluating as entire committees.

The evaluation is the same as the one used to evaluate the directors of the entire Board for the purpose of using as the framework for the performance evaluation during the past year which will be used to resolve and increase the efficiency in working. The evaluation will be submitted to the Board of Directors for acknowledgment.

1.2.2 The process for evaluating the Sub-Committees' performance

The Company has evaluated the performance of each of the committees annually to analyze the previous year's operation. The Company Secretary will distribute the evaluation form to the Sub-Committees to evaluate the performance of each sub-committee and present to the Board of Directors for consideration.

1.2.3 Evaluation result of the Sub-Committees' performance

Performance evaluation of sub-committees consists of the Audit Committee, the Corporate Governance and Sustainability Committee, the Nomination and Remuneration Committee, and the Risk Management Committee. In 2023, the results of the evaluation of all sub-committees were categorized in "Excellent" level.

1.2.4 Apply the performance result for duty development

The Company evaluated the performance of the functions of the above-mentioned sub-committees' performance of duties, determined the knowledge level of the Sub-committee, and improved the required qualification level of the Sub-committees according to the evaluation results so that the Board of Directors can effectively analyze the advantages of the Board of Directors, and enable the Board of Directors to nominate sub-committee members with the knowledge of directors' qualifications that the Company lacks, so as to obtain qualified directors in their respective qualifications of each Sub-committee and further improve the Company's operation efficiently.

1.3 Self-assessments of the individual of the Board of Directors

1.3.1 Criteria for evaluating the individual the Board of Directors' performance

1. The responsibilities for one's own decisions and actions.
2. The efficient performance of duties, and equal treatment of stakeholders.

3. The fairness and transparency in examinable operations.

4. Disclosure of information, including business ethics and Code of Conduct.

1.3.2 The process for evaluating the individual the Board of Directors' performance

The Company shall arrange the individual performance evaluation annually to evaluate the previous year's operation. The Company Secretary will be send an evaluation form to the Board of Directors annually for the Board and individual assessments. Then, the evaluation result will be proposed and discussed at the Board's meeting. In addition, recommendations of the Board's assessment result. The Company will use them to improve the effectiveness of the Board's performance for maximum benefits in Corporate Governance.

1.3.3 Evaluation result of the Board's individual assessment

In 2023, performance evaluation of the Board of Directors as an individual in the topic of the responsibilities for one's own decisions and actions, the efficient performance of duties, equal treatment of stakeholders, the fairness and transparency in examinable operations, information disclosure and business ethics/Code of Conduct, evaluation result categorized in "Excellent" level.

1.3.4 Apply the performance result for duty development

The Company evaluated the performance of the functions of the Board's individual, determining determines the knowledge level of individual directors, and improves each director's quality level, required Director's quality and personality characteristics according to the appraisal results, so that the Board of Directors can effectively analyze their own advantages, and the Company can nominate directors with qualified and knowledgeable that the Company lacks, so as to obtain the Board of Directors with comprehensive knowledge and further improve the Company's operating efficiency.

1.4 Performance Evaluation of the Chairman of the Executive Committee (CEO)

1.4.1 Criteria for evaluating the performance of the Chairman of the Executive Committee (CEO)

The Board of Directors shall evaluate the performance of the Chairman of the Executive Committee (CEO) at least once a year on relevant topics based on the assessment guideline provided by the Stock Exchange of Thailand (SET) as follows:

1. Leadership
2. Strategy set up
3. Strategy implementation
4. Financial planning and performance

5. Relationship with the Board of Directors
6. Relationship with outsiders
7. Operational management and relationship with employees
8. Succession plan
9. Knowledge of product and service
10. Risk management and internal control
11. Corporate Governance
12. Personal Characteristics

1.4.2 The process for evaluating the performance of the Chairman of the Executive Committee (CEO)

The Company arranges the performance assessment of the Chairman of the Executive Committee (CEO) annually to assess the performance in the previous year. The Company Secretary will deliver the assessment form to the independent director of the Company or all Non-Executive Directors to evaluate the CEO's performance and bring the assessment results to discuss at the Board meeting for further consideration.

Report of the Board of Director's Performance Assessment of 2023

Subject	Performance Evaluation Form of the Board of Directors		
	The entire of the Board of Directors	Sub-Committees	Individual
Proportion of Questionnaire	6 sections		4 sections
Detail of the Questionnaires	1. Structure and Qualification of the Board of Directors 2. Roles, Duties and Responsibilities of the Board of Directors 3. Board Meeting 4. Responsibilities of the Board 5. Relationship with the Management 6. Self-Development and Executive		1. The responsibility for one's own decisions and actions. 2. The efficient performance of duties, and equal treatment of stakeholders. 3. The fairness and transparency in examinable operations 4. Disclosure of information, including business ethics or Code of Conduct.
Level	Excellent		Excellent
Score Average	91.63 percent	98.03 percent	100 percent

The report of the assessment of 2023 is demonstrated below:

Report on the Assessment of Operational Performance and Efficiency of the Board of Directors

Board Meeting Attendance Ratio

Meeting attendance ratio of the Board of Directors in 2023	85.71 percent
Number of independent directors serving in other companies for more than 5 companies	None
Number limit of holding a director position in other listed companies	5 companies
Number of directors who have served more than 9 years	4 members

Annual Self-Assessment of the Performance of the Board of Directors

The entire of the Board of Directors	95.62 percent
Individual	98.03 percent

Sub-Committees

Audit Committee	98.33 percent
Nomination and Remuneration Committee	99.56 percent
Corporate Governance and Sustainability Committee	98.61 percent
Risk Management Committee	70.00 percent

2) Assessment of the Expertise and Experiences of the Board of Directors

For the approaches in nominating and selecting directors appropriate and in line with the Company's strategy and business operations, the Nomination and Remuneration Committee has considered and determined the required qualifications in each committee, such as knowledgeable directors with economical 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 2023, 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.

6.1.2 Terms of Directorship

The office term of the director is in accordance with the Public Limited Company Act B.E.2535 (1992). 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 1/3 will be used.

A director who vacates office by rotation may be re-elected. The appropriate term for directorship is no more than nine consecutive years with the exception of the case that a director is deemed suitable to hold the position for a longer period. The Board of Directors shall consider the manner in which the director under consideration performs his or her duties independently and efficiently and clarify the reasons and the performance to the shareholders in support of its decision. As for independent directors, their term of office is not more than nine consecutive years from the date the Company is listed on the Stock Exchange of Thailand. In the case of appointing such an independent director to remain in office, the Board of Directors shall reasonably consider such necessity.

Director's Name	Position	Date of Appointment as a Director	Years of being a Director
Adm. Apichat Pengsritong	Chairman of the Board of Directors / Chairman of the Nomination and Remuneration / Independent Director	12 th September, 2012	11 years 3 months *9 years 3 months
Mrs. Kongkaew Piamduaytham	Director / Chairman of the Audit Committee / Chairman of the Corporate Governance and Sustainability Committee / Independent Director	12 th September, 2012	11 years 3 months *9 years 3 months
Mr. Suchart Suphayak	Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director	17 th August, 2020	3 years 4 months
Mr. Chuchat Petaumpai	Director / Chairman of the Executive Committee / Member of the Risk Management Committee	12 th September, 2012	11 years 3 months
Mrs. Daonapa Petampai	Director / Managing Director	12 th September, 2012	11 years 3 months
Mrs. Nongnuch Dawasuwan	Director / Member of the Audit Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Committee / Independent Director	29 th March, 2017	5 years 9 months
Dr. Suksit Patcharachai	Director / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance and Sustainability Committee	18 th April, 2019	4 years 8 months

Remark : Term of office of independent directors from the date the Company was listed on the Stock Exchange of Thailand on 27th November 2014.

Positions of Director in Other Listed Companies

In order to ensure that the Board and executives can perform their duties with full efficiency, the Board has established guidelines of holding a position in other listed companies as well as internal guidelines for the directors, CEO and top executives of the Company as follows:

Positions of Directors, CEO, and Top Executives in Other Listed Companies policy.

1. The Board of Directors supervises that each director is unable to be a director in other listed companies more than 5 listed companies (including the CEO and the top Executives). In addition, such policy ensures that the directors must perform their

responsibilities and duties efficiently and devote their time of being the directors of the Company thoroughly.

2. The Directors shall not be a director in other companies which involves conflict of interests and effects on the performance as a director of the Company.

3. In the event that the CEO and the top Executive of the Company is a directors in other companies besides the Company's subsidiary companies, approval and process must be followed by the procedures of approval authority and the process approved by the Board of Directors.

4. The director shall not belong to any business or partnership nor be a director that is similar to or competing with the Company or its subsidiaries.

Table of holding a position as a director in other listed companies

Director's Name	Type of Director	Proportion of Listed Companies
Adm. Apichat Pengsritong	Independent Director	2 companies
Mrs. Kongkaew Piamduaytham	Independent Director	1 company
Mr. Suchart Suphayak	Independent Director	2 companies
Mr. Chuchat Petaumpai	Executive Director	None
Mrs. Daonapa Petumpai	Executive Director	None
Mrs. Nongnuch Dawasuwan	Independent Director	None
Dr. Suksit Patcharachai	Non-Executive Director	None

6.1.3 New Director Orientation and Director Training

The newly appointed director shall receive a proper training with the Chairman of the Board of Directors and the Company Secretary. Topics of the new director orientation include the Company's business details; the organization's culture and structure; policies and internal control; scope of duties and responsibilities of the Board and sub-committees; compliance with laws; the Company's Memorandum of Association and Articles of Association; 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.

To prepare the directors to perform their duties, the Company establishes a Board Orientation Guideline by presenting documents and information which are useful to the duty, such as the annual report (Form 56-1 One Report). The Company has prepared the information and proceeded as follows:

1. Information about inviting new directors to take positions
 - Company history and the nature of the Company's business
 - Company group structure, organizational structure, structure of controlling shareholders and directors.
 - Directors' remuneration and benefits.

- Retroactive financial status and operating results for at least 3 years.
 - Responsibilities of the Board according to relevant laws.
2. Information for orientation when being appointed as a director from the shareholders' meeting.
 - Matters that must comply with the law.
 - The Memorandum of Association and Articles of Association of the Company.
 - Scope of duties and responsibilities of the Board of Directors and sub-committees.
 - Board meeting minutes and meeting schedule.
 - Corporate Governance Guidelines and Code of Conduct Guidelines
 - Anti-Corruption Policy
 - Policy on the use of internal information of the Company
 - Enterprise Risk Management Guidelines
 - Internal Control Policy
 - Connected Transaction Policy
 - Measures for complaints and clues and countermeasures protection measures and mitigate damage to the reporter complainants or those who cooperate in reporting violations or violations of the Code of Conduct.
 - Policy of Gift Giving and Receiving, entertainment or alimony
 - Legal Dispute
 - Conflict of Interest Policy
 - Human Rights and Labor Practices

In 2023, the Company did not have new directors, therefore the Company does not organize a orientation.

6.1.4 Disclosure and Transparency

At present, Muangthai Capital is a listed company that has a market capitalization of 95,400 million Baht as of 31st December 2023. 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. The Company's securities 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 the shareholders, investors and all stakeholders of the Company as well as the public to comply with the requirements of The Securities and Exchange Commission (SEC). This includes the requirements of the Stock Exchange of Thailand and other revelations strictly.

6.1.5 Information Disclosure

In the year 2023, 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 submitted the financial reports without the transaction conditionally comments by the auditor, explanation of executives, Annual Report (Form 56-1 One Report), and sustainability report to the Office of The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand within due period.
- The Company disclosed 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 a 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 disclosed the criteria for the remuneration of directors and executives in the annual report.
- The Company disclosed 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 the Management including close people (spouses 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 the Company's secretary has a duty to 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 2023, the Company was not fined, punished or sued by relevant regulatory authorities, such as The Securities and Exchange Commission of Thailand, The Stock Exchange of Thailand, or the Office of the National Anti-Corruption Commission, etc., regarding the equitable treatment of the shareholders in the matter of share repurchase, discouragement of shareholder communications, Non-scheduled disclosure of agreements between the shareholders, information from important events within a specified period of time. including fraudulent acts in any way.

6.1.6 Agencies and Investor Relations Activities

The Company assign the Investor Relations Department to provide important information to the investors, shareholders and securities analysts. The Company emphasizes the accuracy, integrity, transparency and integrity of information disclosure, including presenting accomplishment and notifying information to all institutional investors, non-controlling shareholders, securities analysts and relevant personnel. They regularly participate in the Opportunity Day activities of The Stock Exchange of Thailand.

Duties and Responsibilities of Investor Relations

The fundamental duties of investor relations are to establish and maintain the shareholder's market for an opportunity to receive such sufficient information which is the criteria for supporting a group of target shareholders' decision. In general, the main responsibilities of investor relations consist as follows :

1. To determine goals and purposes in fund source from Domestic and international as the Company needs.
2. To establish a relationship with the shareholders as appreciated, such as current shareholders, analysts and investment analysts of securities companies, officers of The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) as well as business and financial publishers.
3. To be a communicator of the Company with stakeholder parties.
4. The disclosure of the Company's information thoroughly and fully notified all the institutional investors.
5. To regularly assess and develop investor relations programs to achieve the goals and purposes as determined.

Investor Relations Activities

In 2023, the Company organized investor relations activities focused on online communication and investor meetings via conference calls mainly to facilitate investors' full contact and communication with the Company, the Company normally arranges a quarterly session for announcing the operating results to analysts, investors, and interested shareholders. Also, Investor Releases are published quarterly, and extra analyst meetings can be held in case significant matters arise and open the opportunity for securities analysts, shareholders and institutional investors, both local and international, to meet with the Executive team. The Company organized meetings for analysts and other institutions and then announced its performance quarterly via conference call. The communication focuses on business performance and risks, especially those related to uncontrollable external factors and social and environmental risks.

In this connection, the Company provides channels for disclosure and explanation of corporation information to ensure all parties have clear, equal, accurate, complete and prompt access to the Company's information through the Company's central unit, namely, Investor Relations, which is responsible for contact and communication with the shareholders, financial institution investors, securities analysts, investors and interested persons in accordance with the Investor Relations Code of Conduct to ensure that the Investor Relations department has carried out operations with fairness and nondiscrimination under the principles of Good Corporate Governance.

In 2023, the Company organized related activities summarized below:

Summary of Statistics of Investor Relations Activities in 2023

Investor Relations Activities	Proportion	
	(Time)	(Persons)
Opportunity Day	4	-
Analysts Meeting	4	413
One-on-One Meeting	36	154
Physical meeting and Conference Call	62	1,149
Visit to the establishment / auction	-	-
Press Release events	-	-
Answering questions by telephone and email relating to business operations and business direction in the future, etc.		
Total	106	1,716

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

6.1.7 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 (www.muangthaicap.com > 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 7 days prior to the AGM. The agenda of the AGM was clearly particularized.

6.1.8 Facilitating and Encouraging the Shareholders on the Annual General Meeting of shareholders.

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 takes care of the shareholders and all institutional shareholders equally. 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, the right to receive dividends, the right to buy, sell or transfer shares, right to attend the shareholders' meeting. The Company does not commit any actions that restrict the rights to vote or opportunities, or create difficulties for shareholders to attend the meeting as follows:

1. The Company does not restrict rights to appoint and remove directors. Each director appointment must receive a majority vote of the shareholders attending the meeting and having the right to vote.
2. The Company does not restrict the rights to approve the appointment of an independent auditor.
3. The Company does not restrict rights to approve director's remuneration both in monetary and non-monetary
4. The Company does not restrict rights to receive sufficient, equitable information and in a suitable form for the decision of the shareholders.
5. The Board of Directors realizes the importance

to the rights of shareholders by encouraging shareholders to exercise their rights and not violate the rights of others whether it is a fundamental right to obtain appropriate, sufficient and timely information, as well as being able to fully attend the meeting to vote and express opinions.

6. 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.
7. The Company provides a proxy form according to the form specified by the Ministry of Commerce and has clear explanations of the procedures for granting a proxy and required documents on the Company's website. (www.muangthaicap.com > Investor Relations > Shareholder Information > Shareholder Meetings > Guidelines for attending the shareholders meeting via electronic media and the method of appointing a proxy) for shareholders who require another person to attend the meeting on their behalf. The proxy form can be downloaded on the Company's website (the Company has prepared both Form A, Form B, and Form C by introducing Proxy Form B to facilitate shareholders to appoint a proxy)
8. The Company has provided stamp duty for shareholders who have provided a proxy at no cost.

Regarding to convenience to shareholders, the Company has provided a channel for requesting a proxy for shareholders who are unable to download documents can be request for a proxy by E-mail: cs@muangthaicap.com, specifying name surname, address and telephone number clearly. the Company documents will be sent by postage on the next business day.

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 Articles of Association.

As the Company held the shareholders' meeting via electronic media, the voting procedure should be the use of ballots in every agenda with approving, disapproving and abstaining. In the election of directors, a majority vote must be obtained in form of "One Share Per One Vote". To show transparency in the meeting and voting, the Company determined the shareholders to register and

inform a requirement of attendance for the AGM via a QR code system. Moreover, the voting system was via E-AGM as per the Company's conditions.

Director election shall be in accordance with the rules and procedures as follows:

- One shareholder has one vote for number of shares held.
- Each shareholder shall use all the votes electing one person or several to hold a directors position. In case of electing several persons as directors, each shareholder must take all the votes they have to a person since the votes cannot be divided.
- The sequence of persons who are appointed started from the highest votes shall be appointed respectively as the director(s) as equal to the total number of the directors who will be appointed or elected in that period. However, when there are two or more persons getting the same number of votes which caused to exceed the sum of appointing or electing of the directors in that period, the decision of the Chairman of election shall prevail.
- The Company facilitates shareholders to fully exercise their right to attend the meeting and vote. In the event that a meeting is held in the form of electronic media (E-AGM), the Company must bring technology to organize a modern meeting. That passed the standards of the Electronic Transactions Development Agency (ETDA), Which is in accordance with the Royal Decree on Electronic Media Meetings BE.2563 (2020) and the Ministry of Digital for Economic and Social Affairs Regarding the security standards of meetings through electronic media to facilitate shareholders to attend the meeting easily and there are no steps or complicated conditions for attending.

The Company has determined the facilitate and encourage participation in the general meeting of shareholders to organize the meeting with standards in accordance with the principles of Corporate Governance as follows:

1. Facilitating and encouraging shareholders before the Annual General Meeting of shareholders

● 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.

- 1.1 The Company prepared and sent an invitation letter for the Annual General Meeting of Shareholders and a meeting invitation document in order for the shareholders to acknowledge the date, time, venue and agenda of the meeting. This includes all information related to matters that have to be decided in voting

at the meeting to the shareholders for acknowledgement along with the annual report in Thai 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 the annual report in QR Code format 25 days in advance of the meeting date so that the shareholders can have enough time to study the information and the Company has clearly defined the agenda with the approval of shareholders on each agenda separated, such as the allocation of shares to directors and employees (ESOP), related transactions Acquisition or disposal of assets.

- 1.2 The Company provides a channel for individual shareholders to be able to present matters or agenda for consideration in filling the agenda and nominate qualified persons suitable for being elected as an individual director 3 months in advance from 2nd October 2023 to 31st December 2023 by publishing the criteria, process, operational procedures, and documents for exercising the mentioned rights on the Company's website (www.muangthaicap.com > Investor Relations > Shareholder Info > Shareholder Meetings > The Criteria for Shareholders right to nominate director/ The Criteria for Shareholders right for agenda proposal.)

In 2023, when the mentioned period was terminated, it appeared that the shareholders had not nominated a person for the Company to consider and select as a director and no agenda was presented including any questions in advance as announced to shareholders on the SET's press release page.

The Company did not add an agenda or change essential information on the invitation letter without notifying shareholders of acknowledgment in advance.

- 1.3 The Company posts in the newspaper for 3 consecutive days and more than 7 days before the meeting day.
- 1.4 In the event that shareholders are incapable of attending the AGM by themselves, the Company provides an opportunity for shareholders to appoint a proxy to Independent Directors or attendees to attend the meeting instead of themselves. The Company recommends a proxy form B sent with the invitation letter including the proposal of at least 1 Independent Director to be a shareholder's representative.
- 1.5 The Company establishes a voting system dividing by each agenda clearly for convenience

on voting and counting the votes on each agenda. The voting period is 1 minute for shareholders' consideration and correctness on voting, then projecting the total scores. Those total scores are combined with the scores on the proxy form sent in advance as the Company's notice to shareholders. The Board of Directors engages in voting on all agendas. The Company Secretary has the duty of announcing the process of E-voting clearly.

2. Facilitating and encouraging shareholders on the Annual General Meeting of Shareholders

● Right to Receive Information about the Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders (AGM) is set to be held annually within 4 months from the end of the fiscal year of the Company. However, if there is an urgent requirement for a special agenda consideration that impacts or is related to the interests of shareholders, it requires approval from shareholders. The Board of Directors can call an Extraordinary General Meeting of Shareholders on a case basis. To organize the AGM, the Company follows the AGM Checklist set by the Thai Investors Association.

- 2.1 In 2023, the Board of Directors had the resolution to hold the 2023 Annual General Meeting of Shareholders on 18th April 2023, at 10.00 am at Suksamakkhee meeting room, 5th floor, Muangthai Capital Public Company Limited, 332/1 Jaransanitwong Road, Bangphlat, Bangkok. The AGM was held via electronic meeting (E-AGM) in accordance with the Company's Articles of Association and related laws including compliance with the principles of the AGM Checklist and the standards of good Corporate Governance agreement with the approaches of the Securities and Exchange Commission (SEC).
- 2.2 In order to make the meeting proceed efficiently, the Company has used barcode technology in the registration process to attend the meeting, the vote counting process, and the voting result process to be quick and accurate. The Company allows the shareholders to vote no less than 2 hours before the meeting starts.
- 2.3 The Board of Directors, the Sub-Committees, and Managing Director together with the top executives, auditors, and representatives from Chandler MHM Limited who are legal advisors and inspectors attend the Annual General Meeting of Shareholders in unison. The representatives from the Thai Investors

Association and volunteer representatives for non-controlling shareholders attend for observation to ensure that the meeting proceeds correctly and transparently in accordance with the laws and Articles of Association of the Company.

- 2.4 Before entering the meeting agenda, the Chairman of the Board assigned Miss Monthon Onphan, the Company's secretary, as the secretary of the meeting to inform the number and proportion of shareholders attending the meeting both in person and appointed a proxy to the meeting such as the meeting opening and voting as well as the procedure of vote counting on each agenda from shareholders as the Company's Articles of Association. 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 approving, disapproving abstaining and the number of invalid ballots in each agenda for the meeting to acknowledge.
- 2.5 The Company specifies the interests of the directors in the invitation letter. At the meeting, if directors have interests or are involved in a considering agenda, the Chairman of the meeting and/or the Company Secretary will notify attendees for acknowledgment before consideration. The directors who have the interests shall not attend on those agendas.
- 2.6 The Company provides an opportunity to shareholders to serve as an inspector or scrutineer on the vote counting to show transparency including receiving questions about the process and procedure of election from shareholders.
- 2.7 The Company engages shareholders to maintain the rights of their benefit at the meeting by questioning, giving opinions, suggesting and voting on crucial agendas that might impact the Company including directors' appointment or discharge, independent director proposal, accounting auditor appointment and remuneration approval, dividend management, cost increase or decrease, specification or adaption on the Company's Articles of Association, the Memorandum of Association and special program approval, etc.
- 2.8 The Company projects its important information on the screen at the meeting as well as providing the Investor Relations to welcome and answer questions from shareholders. At the meeting, video broadcast and the important information are recorded and

disclosed on the Company's website on the next day.

- 2.9 The Company prohibits executive shareholders not to add an agenda without notifying in advance as other general shareholders. If there is a requirement to rearrange the meeting agendas, it shall have a two-thirds vote from the attending shareholders and the chairman of the meeting can rearrange the agendas. Till the present, the Company has not been required to rearrange agendas, as well no case of shareholders holding one-third of total scores calling for consideration of other agendas except the agendas on the invitation letter.

3. Facilitating and encouraging shareholders after the Annual General Meeting of Shareholders

- 3.1 The Company effectively prepares the Minutes of the Annual General Meeting of Shareholder in Thai and English version, covering the following important details such as notifying shareholders how to use ballot counting, recording the questions and answers that were allowed shareholders to raise questions on the agenda. The Company clearly records the voting scores of approving, disapproving and abstaining on every agendas and records the list of directors attending the meeting, etc.
- 3.2 The Company publicly discloses the resolution of the shareholders' meeting including the score by notifying the Stock Exchange of Thailand (SET) within the meeting day and also discloses on the Company's website (www.muangthaicap.com > Shareholder Info > Shareholder Meetings > Resolutions of the year Annual General Meeting of Shareholders).
- 3.3 The Company records a video and audio broadcast of the meeting and discloses records a video and audio broadcast of the meeting and discloses retrospectively for transparency by publicizing the meeting broadcast as a videocast on the Company's website on the next business day.
- 3.4 The Company publicly discloses the minutes of the shareholders' meeting to the shareholders and general public for acknowledgement via news press on SET website and on the Company's website within 14 days after the shareholders' meeting as required by the Stock Exchange of Thailand (SET).

- 3.5 The Company arranges the quality evaluation of the shareholders' meeting through the shareholder evaluation form to develop the meeting to be more effective with transparency, and the shareholders' benefit.

6.1.9 Prevention of Insider Trading Policy

The Company has set policies, ethics and penalties for the use of inside information and trading of securities, and 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. The policy requires that the Company's directors, executives and employees are forbidden from trading the Company's shares during the blackout period for 45 days.

In 2023, the Company did not identify any instances of the directors, executives, and employees engaging in securities trading using inside information or conducting trades during the Blackout period.

The Company recognizes the importance of using internal information by adhering to the principles of good Corporate Governance, integrity moral and ethical business practices accordingly and ensuring that investors receive reliable information equally and promptly. The Company determines regulations of Corporate Governance for the use of inside information and the securities trading of the Directors, Executives and employees in accordance with The Securities and Exchange Commission. The Company aims to be transparent in operating business and prevents the Directors, the Executives, and employees from using inside information for their benefit or disclosing inside information for another and complying with the principles of SEC such as the reporting of directors and executives trading. Moreover, the Company has also imposed penalties for the breach of inside information. The penalties are a warning until an unemployment.

The Company's use of inside information policy is published on the Company's website for the directors, executives and employees on the Company's intranet (MTCU) including all stakeholders for acknowledgment of compliance with the aforementioned policy.

In addition, the Company establishes policies, practical guidelines and punishments in cases of violation regarding the use of internal information of the Company for personal gains on its disciplines. The guideline is disclosed in the Company's Code of Conduct (www.muangthaicap.com > Investor Relations > Company Info > Policies > Handbooks > Code of Conduct Guidelines).

The details were explained in the annual employee meeting of the Company as well which can be summarized as follows:

Guidelines that Directors, Executives and Employees follow include:

- 1) Directors, executives, and employees at all levels are forbidden to use internal data containing crucial information that has a significant impact on the stock price and has not yet been declared to the public or The Stock Exchange of Thailand for trading to the advantage of themselves or others. Furthermore, the aforementioned parties are required to avoid or refrain from trading the Company's stock for 7 days prior to the date of the Company's results announcement date.
- 2) The Company is responsible for announcing to the public information regarding the company's key decisions and/or actions in a manner congruent with the rules and regulations set out by The Stock Exchange of Thailand via appropriate and acceptable media and channels.
- 3) The disclosure policy is defined to ensure that all investors receive the information equally and promptly.
- 4) Directors and executives shall report all securities ownership issued by the Company, including those that pertain to themselves, spouses, and/or underage children to The Securities and Exchange Commission according to 56-1 One Report 2022 of Muangthai Capital Public Company Limited in conformity with the section 59 of the Public Company Act B.E. 2535 (1992) and to the Board of Director on quarterly basis.
- 5) The Company requires all personnel to strictly comply with a policy regarding the protection of the Company's confidential information and the prohibition of using the Company's unpublished information for any benefit to personal interest and others.

In addition, the Company also communicates the use of inside information to remind all employees to acknowledge of obligations from the date of the decision to become an employee of the Company by specifying important details in the employment contract for all employees to acknowledge and understand via various media platforms as appropriate.

- 6) The Company commits to complying with the laws related to securities trading by none of the use of inside information.
- 7) Directors, Executives, employees of the Company and third parties who come to perform duties who know or possess information the Company's internal information must;
 - 7.1 Keep the inside information of the Company with care and security in order to prevent the internal information of the Company from leak to the outside.
 - 7.2 Do not disclose inside information of the Company to other persons who are not related to the operation to prevent the inside information may being used whether for the benefit of oneself or others as it may affect the price or value of Securities of other companies or listed companies related to inside information or may affect investment decisions.
- 8) Directors, Executives, employees of the Company and third parties who come to perform their duties who know or possess inside information of the Company must not buy or sell securities related to inside information, which takes advantage of other people who trade in securities without knowing inside information.
- 9) Directors, Executives, and employees in all entities dealing with inside information, including related parties, are required to comply with the prohibition measures set forth in this policy to prevent the risk of misuse of inside information.
- 10) The Company must have a system to maintain and prevent the use of inside information. This ensures that inside information is not leaked and not be used for securities trading whether for oneself or others.

Each year, the directors, executives and employees are required to review the Code of Conduct and Anti-Corruption Policy. The contents cover the use of inside information and confidentiality of the Company. It is currently an online review and can be signed to acknowledge compliance with the policy after the review and comprehension test.

Measures of Securities Trading Prohibit

The Directors, and Executives, including those holding executive positions in accounting or finance who are department managers or the equivalent of the Company. Employees in departments related to internal information including spouses or those who live as husband and wife and underage children of such persons who have received inside information must not trade in the Company's securities or other listed companies related to internal information during the period after closing until the date of disclosure of the quarterly and annual financial statements.

In addition, in the case of directors, executives and employees of agencies related to the internal information of the Company, including their spouses or those who live as husband and wife and underage children and other listed companies related to inside information must not trade in such Company's securities until a period specified above has elapsed since the disclosure of all information to the public.

In 2023, the Company did not find instances of fines, penalties, or civil action by regulatory agencies such as The Securities and Exchange Commission (SEC) or The Stock Exchange of Thailand about trading related assets and stock trading by using inside information from directors or executives of the Company.

Reporting of Holdings and Changes in Securities and Derivatives Holdings

1. The Company will provide information to the Board of Directors and executives including those holding executive positions in accounting or finance who are department manager level or equivalent of the Company concerning the duty of preparing, disclosing and submitting reports on the holding and changing of securities and derivatives holdings of oneself, spouse or cohabitant and underage children to the office of The Securities and Exchange Commission (SEC) in accordance with the provisions of The Securities and Exchange Act, the notification of The Securities and Exchange Commission and announcements of The Capital Market Supervisory Board, including relevant penalties under the law.

2. The Board of Directors and Executives including those holding executive positions in accounting or finance who are department manager level or equivalent of the Company have a duty to disclose and submit a report on the holding and change of their securities and derivatives holdings. Spouses or those who live together as husband and wife and underage children including juristic persons under the provisions of the Securities and Exchange Act, notifications of The Securities and Exchange Commission (SEC) and notification of The Capital Market Supervisory Board concerned to the Company Secretary before submitting to the SEC every time, to be prepared in accordance with the form and forwarded to the SEC office within the following periods:

2.1 Within 7 business days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives. In the case of the person having the duty to report is a director or executive of the Company and in accordance with the complete criteria as follows:

- (a) The Company notifies the names of directors and executives to enter into the information system of the names of directors and executives of securities issuing companies in accordance with the procedures prescribed by the SEC Office in the notification of the SEC Office regarding forms and Methods for notifying or changing information of directors and executives of the Company.
- (b) A person who has a duty to report the purchase, sale, transfer or acceptance of transfer of securities or derivatives before the date on which the names are displayed in the list of directors and executives of the Company according to (a).

2.2 Within 3 business days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives, in cases other than 2.1

3. The Board of Directors and Executives signed a report on their holdings in the Company, including their counterparts, spouses and underage children as well as to report changes in securities holding to the Office of The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand in accordance with Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E.2535 (1992) All directors and executives are responsible for reporting their securities holdings including spouses and underage children with the SEC and The Stock Exchange of Thailand as follows:

- 3.1 Reporting of securities holding for the first time (Form 59-1) within 30 days from the date of being appointed as a director or executive.
- 3.2 Reporting any change in securities holding (Form 59-2) every time When trading, transferring or accepting securities within 3 days from the date of the transaction and send a copy of this report to the Company Secretary to keep as evidence every time.

Retention and Prevention of Use of Internal Information

Internal information is important information. The sharing of internal information must only be within the framework of the duties and responsibilities as assigned. Public disclosures of internal information, including any communications related to internal information, must only be approved by the Managing Director, Chief Financial Officer or designated person.

6.1.10 Prevention of Conflict of Interest Policy

1. Prevention of the Transactions that may cause Conflict of Interest

The directors, executives and employees of the Company must try to avoid any action that may create a conflict of interest either directly or indirectly whether arising from contact with business-related parties of the Company such as business partners, customers, competitors, or from the use of opportunities, assets or information obtained from positions, authorities and duties to seek personal benefits or for another person. such action will result in the Company damaged whether directly or indirectly.

The Company stipulates a policy not to allow the Directors, Executives and employees, including those related to such persons, to seek personal benefits that conflict with the Company's interests and should avoid acts that cause conflicts of interest and those involved or have an interest or related to the items considered have a duty to notify the Company of their relationship or connection in the said transaction. The said person does not participate in any decision in the transaction.

The Company requires its Director and Top Executives to report the Company's securities held by their spouses underage children and change of securities holding to the Securities and Exchange Commission under Section 59 and penalty according to the Securities and Exchange Act B.E.2535 (1992), Annual Registration Statement/Annual Report (Form 56-1 One Report). This includes that the directors and the Audit Committee have a duty to review such report to be guidelines for performing duties with honesty and not seeking personal benefits that conflict with the Company's interests and in accordance with relevant laws.

The Company has established policies and guidelines for the Directors in Board meetings. The Directors who have conflicts of interest in agenda that may cause conflicts of interest or have potential losses must leave the meeting during deliberation unless the Chairman of the meeting permits to respond to the Director's questions with necessary information for consideration but must abstain from voting on those agenda.

In addition, the Company set a conflict of interest policy and practical guidelines and publishes it in the Company's Code of Conduct (www.muangthaicap.com > Investor Relations > Company Info > Policies > Handbooks > Code of Conduct Guidelines). The Company notifies the Board at the meeting for acknowledgement of conflict of interest contents and requires the Board, executives and employees signing for acknowledge.

Guidelines of Directors, Executives and Employees follow include:

1. Disclose and submit information of own and related interests to the Board of Directors in order interest immediately prior to the transaction. The Company has stipulated that the Company Secretary is obliged to conduct a regular survey of the list of stakeholders and transactions with interests every year-end. The

survey will be conducted with both directors, executives and/or related parties including related employees and present the information to the Audit Committee and the Board of Directors at least once a year.

2. Avoid transactions that may cause conflicts of interest with the Company or the subsidiaries or making transactions related to oneself and/or related persons and do not act in any manner that is contrary to the interests of the Company or its Subsidiaries or seeks for personal benefit and/or related persons.

3. Directors, executives, and employees of the Company including the sub-committees who have interests in the meeting in any agenda must not attend the meeting and should not participate in expressing opinions and approving the agenda considering matters that he or she has interests or have conflicts of interest both directly and indirectly or related persons benefit other financial or any other benefits other than those normally expected or cause the Company or the subsidiaries damaged, it is assumed that the action is contrary to the interests of the Company.

- (a) Transactions between the Company or subsidiaries with the Company's directors, executives or related persons without complying with the rules relating to transactions with the Company's directors and persons related to the Company or making a transaction related to the relevant laws and announcements including the policy of entering into connected transactions and the operating manual on entering into connected transactions of the Company.

- (b) Using of the Company's information or the subsidiaries that has foreseen unless it is publicly available information.

- (c) Using of property or business opportunities of the Company or the subsidiaries that violates relevant laws and announcements.

4. In the case of a normal transaction that has a trade agreement with general trading conditions in the manner that a sensible person would do with a general counterparty in the same situation with the bargaining authority without influence in having the status of a director of the Company, an executive or a related person (as the case may be.) As the Board of Directors has approved in principle, the Company shall prepare a summary of such report for the Audit Committee and the Board of Directors acknowledged and comment for every quarter in which such transactions are made.

5. Other transactions that are connected transactions that are not normal transactions for the Audit Committee to consider and give opinions on the necessity of entering into the transaction and the appropriateness of the price of that transaction first and shall proceed in accordance with the rules related to the legally connected transactions and related announcements.

6. Supervise and be responsible for the Company and its subsidiaries having internal control systems,

risk management systems and appropriate fraud and corruption prevention systems with effectiveness and conciseness enough to ensure that the operations of the Company and its subsidiaries are in accordance with the policies, the Company's Articles, of Association Relevant laws and announcements.

7. The Board of Directors must supervise the Company and its subsidiaries to comply with the relevant laws and disclose information in accordance with the law and related announcements.

8. Provide a clear work system to show that the subsidiaries have a system that is sufficient in disclosing information on significant transactions in accordance with the established rules on a continuous and reliable basis and there is a channel for the Company's directors and the Management of the Company able to obtain information of the subsidiaries.

9. The Company stipulates that the Board of Directors and Executives, according to the definition of the Securities and Exchange Commission (SEC) must report their interests and their conflicts of interest and related persons who have a stake related to the management of the Company or a its subsidiaries and when taking office for the first time and to report every time when there is a change of information on interests in accordance with the form approved by the Board of Directors to the chairman check as soon as notified by the Company and when changing information. In order to comply with The Securities and Exchange Act B.E.2535 (1992) and be able to use such information in the examination and prevent conflicts of interest.

10. The Company establishes a policy and guidelines for the Board's meeting with the directors. The directors related to an agenda which involves in conflict of interests shall temporarily leave the meeting for consideration except being allowed by the chairman of the meeting to answer questions from other directors, and provide necessary information for consideration but being required to abstain on that agenda.

11. Report the interests of the directors and executives as required by the SEC to follow this principle shall report immediately when holding the positions, quarterly and annually. The directors and executives have reported their interests completely and regularly at 100 percent.

2. Related Party Transactions or Connected Transaction

In the year 2023, the Audit Committee has considered the appropriateness of the connected transactions carefully and 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 Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand strictly regarding 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 formulated a policy and disclosed the Related Party transaction in accordance with the regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand in the Annual Report (56-1 One Report).

3. Inter-Pricing Policy

To prevent a conflict of interest in transactions from a connected person. the Company prescribes market value or fair price as the value used for the transaction.

4. Measures for Connected Transaction or Related-Party Transactions Approval

The Company has given importance to the prevention of conflicts of interest arising from connected transactions or related-party transactions. In the approval process, the Company carefully considers conflict of interest, with honesty, fairness and independence under the Code of Conduct and principles of good Corporate Governance. To ensure that the process is honest, the transaction must be approved by the Board of Directors to prevent conflicts of interest. Therefore, the Company has set the practices for the approval of connected transactions or related-party transactions of the Board of Directors as follows;

1. Each director must disclose information or transactions that might lead to conflict of interests or connected transactions or related-party transactions as required by The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET)
2. Directors with related interests are prohibited from participating in the approval process. In case the connected transactions have been conducted, the Audit Committee shall participate in giving opinion in accordance with the principles of good Corporate Governance and the regulations of The Stock Exchange of Thailand (SET)
3. To provide or invest in business that Director have interest must be approved by the Board of Directors without the attendance of such Director to prevent conflict of interests, pricing and terms and conditions must be determined in accordance with the Company's normal trading and as same as the treatment that is given to general customers.

In 2023, the Audit Committee reported the result of the transaction during the year to the Board of Directors to acknowledge as well as the quarterly and annual financial reports.

6.1.11 Directors and/or Top Executives of the Company Interest

The Company requires directors and top executives to report their own interests and related persons who have interests in connection with the management of the business of the Company or subsidiaries when holding the position of director or top executives. 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 (1992) 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. In order to avoid any conflicts of interest, the Company has established a written policy to avoid conflicts of interest in Code of Conduct and specifies an approval process for any connected transactions between the Company or persons who may have a conflict of interest

For any transactions that are related to any director of the Company, that particular director does not have the right to vote on such transactions. The Board also has established a policy that prohibits the Management and related persons from utilizing inside information for personal use.

In the process of approving connected transactions, the relevant work units will perform the primary evaluation, by analyzing whether the transactions are reasonable and for the ultimate benefit of the Company, and whether they are fairly priced. For example, for asset acquisition, the investment department must perform a return on investment analysis, and where necessary, external advisors or experts may be engaged in order to provide independent opinions on the transactions. The transactions are then proposed according to the internal approval process, where directors or executives with conflicts of interest must not participate in the approval process. Moreover, the Audit Committee oversees that the connected transactions are necessary and are done on a fair price basis.

Each year, the Company provides a communication reviews of Conduct and Anti-Corruption Policy. The content covers conflicts of interest to the directors, and executives, and all employees have signed their acknowledgment of compliance with the policy after reviewing and taking the comprehension test. Currently, this is an online review and disseminate through the Company's various public relations media on a monthly basis, such as e-mails, public relations boards and the intranet. In addition, the Company requires that the Company's directors, executives and related persons disclose the stakeholder report twice a year, in June and December.

The Company following the prevention of conflicts of interest in 2023 are summarized below.

1. The Company monitored the executives and employees reporting the conflict of interest annually through its system successfully achieved 100 percent.
2. The Internal Audit department conducted an audit of the Company's procedures related to the disclosure of conflicts of interest and found that the operation was followed relevant practices.
3. To comply with the criteria and methods stipulated by the announcements of The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) regarding connected transactions, The Company initiated the revision of its connected transaction handbook, in which the names and roles of units responsible for overseeing a connected transaction when one arises were added to ensure alignment with the organizational structure.

In 2023, the Company has no complaint in relation, to instances where the Company is fined, accused or taken civil action by regulatory agencies such as The Securities and Exchange Commission or The Stock Exchange of Thailand about fraud and corruption offenses to fraud or ethical misconduct or any incident that may cause negative reputation to the Company as the result from the administration of the Board of Directors. Non-Executive directors of the Company did not resign due to any CG misconduct. Hence, there was no legal dispute on labor issues, consumer rights, or business trading activity.

Policy in Reporting the Interests of the Directors and Executives

Criteria and methods for reporting the interests of the Directors and Executives

1. Objectives

The Securities and Exchange Act (No. 4) B.E.2551 (2008) stipulates that directors and executives must perform their duties in the company's operation with responsibility, caution, and honesty. The decision must be made without interest whether directly or indirectly in the matter of decision-making as well as refraining from doing anything that is significantly contrary to or inconsistent with the company's interests.

Section 89/14 of The Securities and Exchange Act. (No. 4) B.E.2551 (2008) stipulates that the directors and executives have the duty to report their interests and those of related persons to the company and Section 89/16 of the Securities Act stipulates that the company secretary is responsible for submitting a copy of the report on interests to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the company received the report. According to the notification of the Capital Market Supervisory Board, the Board of Directors has been assigned to determine the rules and methods for reporting such interests. This was effective from 1st July 2009.

In addition, there are other relevant laws such as the Public Companies Act B.E.2535 (1992) requiring directors to report their interests in any contract with the company and notify the company of their shareholding or debentures in the company and the affiliates.

Therefore, in order to comply with relevant laws, Muangthai Capital Public Company Limited ("the Company") has established this rule along with the reporting form to report interests and provide the necessary information to follow up and oversee the interests as well as reporting possible conflicts of interest of the Board of Directors and executives of the Company. This will help the Company's directors and executives perform their duties in accordance with the laws and prevent conflicts of interest.

2. Persons who have the duty to report their interests to the Company

The Securities Act stipulates that the company's directors and executives are obligated to report their interests. The executive means the managers or the first four executive positions after the manager, persons holding an equivalent position with every four executive positions and shall include persons holding management positions in accounting or finance or equivalent according to the definition of executives of the Capital Market Supervisory Board.

3. Interests and background information required to be disclosed in the report

The directors and executives must disclose their own interests and those involved when agreeing to enter into any transaction with the Company and the affiliates.

In this regard, agreeing to enter into a transaction means entering into or agreeing to enter into any contract or agreement, either directly or indirectly, to cause the acquisition or disposition of assets, renting or leasing assets using or receiving services, giving or receiving financial assistance as well as providing professional services.

However, the directors and executives possibly consider not submitting a report on their interest if such a transaction is insignificant to decision-making and the value of the transaction does not exceed 0.03 percent of the Company's net tangible assets or 20 million baht per year whichever is lower and in case of professional service transactions by independent directors with the value not exceeding 2 million baht per year.

In addition, the names of directors and executives must be disclosed in order for the Company to have information to support compliance with the regulations on connected transactions possibly causing conflicts of interest and possibly leading to the transfer of interests of the Company and the affiliates.

4. Methods and deadline for reporting

4.1 Newly appointed directors or executives must prepare a report on their interests and background information using the report on interest and profile of directors and executives (Form 89/14) to submit to the Company Secretary within 7 business days from the date of appointment. The Company Secretary will facilitate the preparation of basic information. When there is a new transaction of interest or any change in historical data during the year, the report on changes in interest and profile of directors and executives (Form 89/14-1) shall be used and submitted to the Company Secretary within 3 business days from the date of transaction or information change.

4.2 After having received the report as in 4.1, the Company Secretary shall make a copy of the report to the Chairman of the Board, Chairman of the Audit Committee and the Chairman of the Executive Committee within 7 business days from the date the Company received the report and report to the Board of Directors in the next meeting every quarter.

4.3 At the end of each year, the Company Secretary shall prepare the report Form 89/14 to be submitted to the Board of Directors and the executives to confirm

the accuracy of the information for disclosure in the Company's annual information disclosure form and annual report.

6.1.12 Personal Data Protection Policy

The Company recognizes the importance of protecting the personal information of customers which is collected, disclosed and transferred for use in receiving services. The management of the use of personal information for the service to meet the needs and suitability aims to focus on responsibility and protection of the personal information of all stakeholders, namely shareholders, employees, customers, business partners, competitors, regulators and communities.

The Company therefore announced the personal data protection policy on the Company website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Good Corporate Governance policies > Personal Data Protection Policy) to show transparency in operation management according to the operational framework that is consistent with the Personal Data Protection Act (PDPA) as specified by the Company.

6.1.13 IT Security Policy

The Company realizes the risks of information and IT security which might impact the performance results of the Company significantly. In case of a personal data breach or IT security system destruction, the Company has set an elementary security basis, system security and IT processing device related to customer service, according to ISO-IEC 27001:2013 Information Management Systems standard as well as procedures and criteria in accordance with the relevant law of IT security. Hence, the Company supervises a policy, measures and preventions of the mentioned risks in order to be a practical guideline for the directors, executives and employees to acknowledge and understand the importance of information and avoid an action that affects the Company's information security. The Company has developed the system and examined it frequently.

Guidelines for Directors, Executives and Employees are as follows:

1. Information security is the basic criteria of information security development on process and secure system in order to be suitable for the Company's business operations. Such specific policy is properly set in accordance with the business principles, law and relevant regulations. Hence, a measure and/or related instruction might be supervised supporting compliance with the policy.
2. The Company's executives and employees as well as outsiders who are associated with the Company's information, shall understand, agree and comply with information security policy guidelines.

3. The Information Security working group is the owner of the policy, responsible for the contents of the policy management and reviews at least once a year to be related to changes and tendencies of risks in the future that might impact the Company's information security such as strategic changes or information technology (IT) direction, or essential changes in the Company's structure or technology, etc.
4. The Information Security working group shall assess the effectiveness of compliance with the policy to improve the contents of the policy or a strategic plan to comply with the policy within the Company to be effective.
5. The information security policy is in writing as the objectives and scopes and has to be approved by executives and the Board of Directors to notify and comply with the policy which assigns all personnel at all levels of the Company from executives, and employees to outsiders who are associated with the use of information assets of the Company.
6. Executives, admins and users who use the information including other information assets, are directly responsible for supporting the process and compliance strictly. Other relevant users but non-responsibility for information asset management, shall participate in compliance with the policy. To infringe the policy is a serious crime which has an ultimate punishment following the Company's regulations.

Due to the exponential increase and more targets of cyber threats nowadays, the Company realizes the importance of cyber security which has to be examined and continually developed. Therefore, the Company has strived for a higher standard for cyber security with concise and cautious procedures. The security measures consist of improvement in preparing for, defending against, and responding to threats, as well as system recovery to be functional as usual to defend against the threats in every dimension. Besides improving monitoring capabilities, the Company personnel's realization is one factor that keeps the information secure. Hence, the Company has educated its personnel about information security covering the content of cyber security knowledge.

To ensure that the policy and the information security measures related to the customer service are effective, and secure and to continually service, the Company has examined the information security regularly at least once a year and reports the result to the Board of Directors or an assigned committee.

The examined result is publicized to all the Company's internal departments to practice and sends a copy to the Bank of Thailand (BOT) within 45 days after the examination day has finished including monitoring the examination of bill payment system service under the BOT governance and sending reports following the regulations for avoiding violation of laws. Therefore, the details of the information security policy covering IT Security policy are publicized on the Company's website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Good Corporate Governance Policies > Information Security Policy).

6.1.14 Social, Environmental and Stakeholder Responsibility Policy

The Company operates its business under the framework of good Corporate Governance. It is transparent and verifiable with a commitment to develop the business while creating a balanced economy, society and the environment. The Company commits to maintaining itself as a good corporate citizen for sustainable business operations and be able to manage the business to grow steadily and is accepted in society based on ethics and good Corporate Governance principles as well as to generate effective returns for shareholders, considering the impact of business operations on those involved with the Company in all aspects.

In addition, The Company has published the policies and performance of the Social, Environmental and Stakeholder Responsibility Policy. The Company has a collection of all CSR projects on the Company website (www.muangthaicap.com > News & Activities)

Therefore, policies related to various fields have been established as follows:

1) Responsibilities to Stakeholders Policy

The Company is responsible for carrying on its business and maximizing its business value for the benefit of stakeholders in the long run. To achieve that purpose, the following practices are recommended:

- 1.1 The Directors, Executives and employees shall honestly and carefully perform their designated duties with great efforts, mainly considering the best interests of the Company.
- 1.2 The Company equally treats all employees and avoids any actions that may jeopardize their well-being.
- 1.3 Customer responsibility is important and, therefore, the Company commits to satisfying customer demand and providing the customers with correct and sufficient information to support their decision-making. No illusive information or misleading information in relation to the business or products will be given to customers. In respect of business partners and competitors, the Company observes equal treatment and fair competition.

1.4 The Company is responsible for communities, society and the country by extending its cooperation, and assistance and complying with all applicable laws.

1.5 The Company always sticks to good conduct to reinforce fair business, without seeking any interests that may derive from illegitimate activities.

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, considering 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 have 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.

2) Policy and Guidelines for the Practices Towards Employees, Executives, and Directors

The Company realizes the importance of all employees, executives and directors who play the role in driving the Company to continue the business operation in the future. Thus, the Board establishes 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 rights violations by treating everyone equally to be free from discrimination, supporting and promoting human rights. The actions that violate human rights are avoided. In addition, the Company realizes the importance of labor by treating employees, executives and Board fairly in accordance with labor laws and regulations related to labor force.

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 Jaransanitwong Road, Bangplad, Bangkok 10700 or Tel. +662 483 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-term 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 Code of Conduct for the use of internal information and trading in the Company's securities in order to prevent the directors, executives and employees from using the internal information for their own benefit or others 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 Securities and Exchange Commission. It is reported to the Board of Directors every time there is trade in securities and in the Board meeting. The Company Secretary must report a summary of the directors' securities holding to the meeting for acknowledgment every time.

3) Policy and Guidelines for the Practices towards Customers

The Company performs business operations with honesty and fairness to provide accurate information to customers and free competition according to market mechanisms considering the highest customer needs and satisfaction. The Company has a business approach of Customer-Centric under the slogan "Intimate Services Like Closed Family Members". The Company is responsible for the customers and maintains the confidentiality of customers including the creation of new innovations for convenience and fast service to customers. The Company has established 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 recognizes the importance of protecting the personal information of customers which is collected, disclosed and transferred for use in receiving services. The management of the use of personal information for the service aims to focus on the customers' needs and the appropriateness to show a transparency of the operations. The management is in the framework according to Personal Data Protection Act. (PDPA) and provides the service via online platforms and call center as specified by the Company.

Guidelines for Directors, Executives and Employees are as follows:

1. The Company arranges for a thorough evaluation of customer debt payment ability by focusing on customers not creating excessive debt and having enough net money left to live.
2. The Company develops, designs and offers credit products that meet customer needs taking into account long-term financial stability.
3. The Company conducts marketing promotion appropriately and does not encourage unnecessary debt.
4. 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 is to develop communication channels with customers so that customers can comment and complain through other channels such as hotline, email, social media, application, whistleblowing Channel, customer experience enhancements such as AI Chatbot service in Facebook Messenger.
5. The Company operates the business with responsibility for 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 customers will be able to decide to apply for a loan in their satisfied amount.
6. 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 Protection Act. announced as well.

4) Policy and Guidelines for the Practices towards Shareholders / Investors / Creditors

The Company strictly abides by all terms and connections as stipulated in agreements with creditors and creditor guarantees with respect to the purpose and utilization of loan, repayment and proper maintenance of collateral. Furthermore, the Company has no policy to disclose information that causes damages to creditors. In the case, that one of the conditions cannot be met must notify creditors in advance to jointly consider a solution.

Guidelines of Directors, Executives and Employees follow include:

1. 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 and answering questions to shareholders, investors, creditors and other stakeholders. The Company has a policy to strictly comply with the conditions, contracts and obligations agreed upon with creditors whether it is about the purpose of using the money loan repayment Guarantee terms Guaranteeing the quality of collateral and any other matters that have been agreed upon with creditors.
2. The Company has never had any dispute in regard to the default on debt settlement. The Company pays the money to the creditors in accordance with the payment terms agreed in advance.
3. In the case, that the Company is unable to comply with any condition of the agreement, the Company will immediately inform the creditor so as to find a reasonable and mutually acceptable solution together.
4. The Company provides correct and honest status and financial reports to creditors periodically.
5. The Company has established a strategy in treasury function to promote security and strength in capital management to prevent the Company from experiencing difficulty in repaying creditors. There is also liquidity management to repay debt on maturity in a timely manner.

5) 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 2023, 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 of Corporate Governance, the risk of violating environmental and labor laws, etc., in order to contribute to sustainable business development.

Guidelines for Directors, Executives and Employees include as follows:

1. Not demanding, accepting and giving any wrongful benefits in any form to the partners.
2. Any bribes are offered or raised, disclosure to partners must be executed and a joint solution must be acted upon fairly and quickly.
3. The agreed commitment must be complied with strictly, the Company shall notify any concerned conditions to the partners in advance to jointly find solutions.

Guidelines and Regulations in Selecting the Business Partners

Criteria for Selecting Partners

Social responsibility and customers' treating

1. Deliver products on time
2. Not receiving any item or benefits
3. Maintain product image standards and claimable products
4. Feedback from customers is welcomed to improve and develop the products to meet customer demands

Social responsibility and treatment of employees of the vendors

Having well-managed human resource management services from partners will help reduce risks about the quality of products and services in order to deliver goods on time. For example, if a vendor gives poor care to employees such as paying unfair wages, the frequent impact will be the frequent turnover of employees of vendors. This causes risks in business operations in the future such as the risk of receiving items that are not on schedule, the risk of getting poor quality products due to insufficient staff and no expertise in the job.

Other social responsibilities

The contribution is made to society with the donation of money or things, creation of public benefits such as ambulances, schools, overpasses, donation of computers or things, etc.

Procedure

to Apply for Partner Business are as follows:

1. Submit copies of the company or individual registration certificates, other certificates and tax registration (if any).
2. Provide bank account information
3. Agreement signed by both parties (if any)

6) Policy and Guidelines for the Practices Towards Competitors

The Company attaches importance to treat competitors by conducting business within the framework of ethics, code of Conduct, good competition rules, complying with relevant rules and regulations, not damaging the reputation of competitors, not seeking for confidentiality, not taking advantages of competitors, not illegally obtaining confidential information, and not infringing copyrights or the intellectual property rights of competitors, including not supporting cooperation with competitors that is not beneficial to consumers and not to monopolize market share, nor to damage the reputation of business competitors through malicious accusations.

In the year 2023, there was no litigation dispute between the Company and its subsidiaries and competitors.

Guidelines for Directors, Executives and Employees

1. Comply with the good competition rules.
2. Do not seek for confidential information of competitors by means of dishonest or improper.
3. Do not sabotage the reputation of competitors with malicious accusation.

7) Policy and Guidelines for the Practices Towards Communities and Society

The Company commits to being a "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 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 projects.

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.

Guidelines for Supporting Various Activities and Participating in Community Development are as follows:

1. When the Company receives a letter of invitation to participate in community activities, the Human Resources and Administrative Department has a duty to present to the authorized person for approval according to the criteria set by the Company.
2. In case when society has a serious disaster, the Company will donate profits from operations to alleviate the suffering of those affected by the disaster and will always encourage employees to participate in such activities. However, donations or giving must not be against the anti-corruption policy.
3. Participate in donations to support activities on special occasions for nearby communities such as Children's Day, and Religious Day. Participating in community development and social assistance in the event of a serious disaster as the Company deems appropriate.

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.

The Company focuses on the effective use of resources and energy conservation practices, including:

1. Strictly abide by environmental laws and regulations.
2. Select technologies and operating procedures that meet environmental standards, and consider pollution control and treatment.
3. Support the reuse of double-sided paper and other materials.
4. Shut down the air conditioner and power supply the personnel are not in the office for a long time.
5. Garbage classification and reuse of some resources, such as plastic boxes and bags.

The Company encourages directors, executives and employees to raise an awareness of the effective use of resources. Although the Company's projects have no obvious digital effect, such as energy cost or cost reduction, it is helpful to cultivate personal habits, daily routine, and be good citizens of the society.

8) Policy and Guidelines for the Practices Towards Regulators

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.

The Company is aware of the importance of complying with the law, Regulations related to business at local, national and regional levels including compliance with international business Code of Conduct by requiring that directors, executives, and employees of the Company must conduct themselves within the framework of laws, rules, and regulations and must not be involved in, assist, or do anything that violates or violates laws, regulations, and other related regulations.

6.1.15 Policy and Guidelines for 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.

The Company establishes the policy and guidelines for non-infringement of intellectual property for the directors, executives and employees on the Company's Code of Conduct (www.muangthaicap.com > Investor Relations > Company Info > Policies > Handbooks > Code of Conduct Guidelines).

Guidelines for Directors, Executives and Employees include as follows:

1. Employees must comply with the laws, regulations and contractual obligations regarding intellectual property rights, and including patents, copyrights, trade secrets, and other information proprietary. Employees shall avoid violating the intellectual property of others.
2. Employees who bring works or information that is the right of third parties that have been obtained or to be used within the Company must be checked to be sure that

it will not infringe on the intellectual property of others.

3. Employees who use the Company's computers should use only the licensed software programs of the Company to avoid violating the intellectual property.
4. Upon termination of employment must deliver various intellectual properties including various works returned to the Company regardless of whether the data is stored in any form.

6.1.16 Occupational Health and Workplace Safety

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. Operational decisions and acts to protect the Company's concern about the environment and the responsibility to make sure the Company's products and business be in accordance with the regulations and standards.

In addition, The Company has set policies and guidelines for health and safety at the work process for the directors, executives, and employees on the Company website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Good Corporate Governance Policies > Safety policy).

In addition, the Company has organized occupational health and workplace safety training annually. Such as safety in driving traffic, fire evacuation, as well as practicing actual operations inside the headquarters building annually.

Guidelines for Directors, Executives and Employees include as follows:

1. To create a safe work culture for personnel of the Company by developing a management system of safety, occupational health and environment at work in accordance with laws and international principles.
2. To issue a regulation of compliance for all employees to be related to the Company's principles for safety engagement. The Company determines that all employees are required to always wear a helmet during operation.
3. To encourage employees and business partners to collaborate in safety, occupational health and environment at work.
4. To provide a risk assessment and potential hazard prevention in terms of safety. The risk prevention plan must be efficient and cautious.
5. The Company encourages all employees to prioritize safety, occupational health and the environment at work by providing a safety training course regularly such as fire drills.
6. To develop monitoring and evaluation plans according to the Company's safety, occupational health and work environment policies to ensure the skill level of employees.

7. The Company provides resource support for the development and operation of safety, occupational health and the environment at work.
8. The Company believes that safety, occupational health and environment at work are the responsibilities of all departments of the Company.

6.1.17 Human Rights Policy and Labor Practices

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

The Company therefore announced the policy to all personnel to acknowledge strictly. The operations are managed according to the United Nations Framework and Guiding Principles on Business and Human Rights): (UNGP) framework.

The Company therefore announces the human rights policy and practical guidelines for the directors, executive and employees at all levels on the Company website (www.muangthaicap.com > Investor Relations > Sustainability > Policies > Good Corporate Governance policies > Human Rights Policy and Labor Practices) and also communicate on the Company' monthly journal on its intranet (MTCU).

Guidelines for Directors, Executives and Employees include as follows:

1. Encourage employees to exercise their rights as citizens in accordance with the Constitution and laws.
2. Protect employees' personal information, such as resumes, health records, work records, etc. Only with the consent of the employees can be disclosed or transferred to the public. A disciplinary offense shall be deemed to be a disciplinary offense unless it is carried out in accordance with the Company's regulations or the order of the competent authority or law.
3. Do not support enterprises that violate universal human rights principles and corruption.
4. All employees shall not take any verbal or threatening behavior according to the culture, Race, gender, religion, education, age, marital status, sexual orientation, gender identity and/or expression, physical and mental disability. Including opinions, concepts and working modes. This will emphasize that each employee should not ignore the different opinions or new ideas of others because innovative ideas and innovative solutions are critical to the success of the Company.

6.1.18 Anti-Corruption Policy

The Company realizes that corruption has a negative effect and is an obstacle to the country's social and economic development. It's a bad business practice causing unfair business which will negatively affect the reputation of the Company both in terms of business ethics competitiveness and is not universally accepted as well as making shareholders, investors and all stakeholders lack confidence in the organization, the Company, therefore, regards it as an important principle in doing business to not support businesses, groups of people, or persons involved in pursuing undesirable benefits, whether directly or indirectly from the abuse of authority and ready to cooperate with the government, the private sector, the media and international organizations to demonstrate our commitment to fight against all forms of corruption. The Board of Directors has resolved to approve the Company's anti-corruption policy and measures. using the guidelines of official agencies including the "Collective Action Against Corruption" whereby the Company has set guidelines and operates with transparency to be regarded as clear guidelines for conducting business, which all of the directors, executives and employees must strictly adhere to as follows:

1. The Company prohibits the directors, executives and employees of the Company from soliciting, acting or accepting 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. 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 agencies of the Company and regularly reviews 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 cooperates with corruption will be considered punishable according to the Company's regulations.
2. The Company does not cooperate or support any activities, persons or organizations that violate the law related to corruption or a threat to society.
3. Do not perform any behavior that shows that it is accepting bribes or giving bribes to stakeholders in the matter that they are responsible for, both directly and indirectly to obtain benefits in a wrongful way.

Such policies and measures are published on the Company's website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Good Corporate Governance Policies > Anti-Corruption Policy)

The Company has been certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC) officially as part of business practices that are consistent with good Corporate Governance principles, the first renewal of the certificate from Thailand's Private Sector Collective Action Coalition Against Corruption was on 30th June 2022.

In addition, the Company has no issue or deficiency in relation to the litigation charges involving anti-competition, discredit, monopoly trading, discrimination, and corruption. The Company has no fine or non-monetary penalty due to the illegal action, not complying with the applicable law, or violation of business Code of Conduct.

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 review 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.



The Company will measure corruption risks within the organization including preparing for anti-corruption practice self-assessment. The Company believes that corruption can be controlled by having a good internal control system including setting a segregated organizational structure with a clear workflow; encouraging employee morale and promoting personal development to upkeep business ethics and the Code of Conduct; creating interdepartmental network; providing an communication channel for corruption complain; setting procedure for complaint's protection and keeping confidential information; having transparent, reliable and fair investigation, monitoring, and control process; and setting punishment method for directors, executives and employees who commit in corruption. The Company highly commits to compliance with its anti-corruption policy continuously.

6.1.19 Whistleblowing Policy

The Company recognizes the importance of strengthening the relationship and understanding between all stakeholders with the Company, including shareholders, customers, vendors, competitors, employees, regulators, communities and surrounding society as well as those affected by the Company's operations, can report complaints or provide information to the Company upon seeing or knowing or have questions or has reasonable grounds to believe in good faith that the Company or its employees have acted in violation of or failing to comply with the law, rules and regulations of good Corporate Governance, Code of Conduct policies and procedures that may cause damage to the Company.

1) Complaint and Whistleblowing Measures

The Company provides 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.

2) Scope of Whistleblowing or Complaints

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

1. Illegal acts against Policy/Principles of Corporate Governance or Code of Conduct.
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, and the Company's Articles of Association.
4. Exposure to unfairness in the performance of work or a defective internal control system of the Company until it is suspected that it may be a channel for corruption or make the Company lose benefits.

3) Channels for Complaint and Whistleblowing

Whistleblowers may report complaints or incidents to the Audit Committee or the Chairman of the Audit Committee via any of the following channels as they consider appropriate for the circumstances (without passing through the executives of the Company) as follow:

1. Send the letter by email
E-mail: whistleblower@muangthaicap.com
2. Send the letter by postage
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 +6681-751-1587
4. The use of personal information without consent from the owners, a whistleblower can send the complaints to the Data Protection Officer (DPO) via
E-mail: DPO@muangthaicap.com

4) Consideration of Whistleblowing or Complaints Processes

1. When whistleblowing occurs, the Company will receive the complaint and notify the process schedule to the whistleblower. The whistleblowing coordinator is required to register to receive the complaints and set the date to notify the whistleblowing progress to the whistleblower. If those complaints hazardously impact the Company's reputational image, related parties are required to take responsibility immediately. Other matters are also required to be managed as soon as possible.
2. The investigation and seeking of the facts of the complaint if such is proved the fact which impacts the Company's reputational image, a whistleblowing adviser shall provide advice on the matter. If the penalty tends to be a disciplinary offense, Human Resources shall proceed with punishment following the Company's disciplines and report the investigation, process or punishment to commanders and the Managing Director, respectively, for acknowledgment or consideration by case. If the respondent is not found guilty of the complaint, the process of such a complaint will be canceled.

3. In the report on the process and result of the complaint, the coordinator shall notify the result to the whistleblower and record the details of the process to report on whistleblowing to the Audit Committee for acknowledgment quarterly.

5) Process for considering clues or complaints

1. The received information is remained confidential and the name of the whistleblower or complainant is not publicly disclosed 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. The timeline for processing complaints depends on the complexity of the matter, document adequacy, and evidence received from the whistleblowers including documentary evidence and explanation of the whistleblowers but not later than 30 business days.
5. Whistleblowers or complainants will be entitled to protection whether they are employees or outsiders.
6. Complaint receivers and those involved in the investigation process must keep relevant information confidential and will disclose as necessary considering the safety and damage of the whistleblowers or those who cooperate in the investigation of facts or source of information or related persons.

6) Protection for Whistleblowers, Witnesses and Related Persons and Confidentiality

1. The Company will collect information and identity of the whistleblower or the complainant confidential.
2. Whistleblowers are entitled to be protected by no changes in duty or responsibilities, workplace, position or threat, unemployment or other unfair practices toward whistleblowers before the process of this action is completely finished although the action might impact on the Company's business opportunities.
3. Others involved with the complaint are required to remain confidential and not disclose the complaint information except requirement by law. In case of intentional violation of information disclosure, the Company will punish the violator as prescribed by its Articles of Association and take legal action by case.

4. The Company will disclose information as necessary considering 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.
5. 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.
6. 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.

7) Process and Procedures for Complaints and Whistleblowing Management

When witnessing an incident that has violated or does not comply with the laws and regulations, principles, and guidelines for anti-corruption policies including actions that may imply corruption of the 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 investigate and follow up on the progress to ensure action is taken appropriately to the complaints received.

8) Whistleblowing in Bad Faith

If complaints or Whistleblowing are an act of dishonesty or reporting false information due to intentional misrepresentation of facts or defamation of others. 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.

9) Measures to take action against those who do not comply with the 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 a warning to disciplinary punishment. The most serious is the 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.

In case the director does not comply with anti-corruption measures, the punishment must be fair compared to the penalties for employees.

6.1.20 Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Policy

The Company has aimed at preventing to become a source of money laundering and counter financing of terrorism which impacts the Company's reputation and stability. Therefore, it is important to comply with the law of Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) as well as laws, principles of Bank of Thailand (BOT) and other relevant laws.

The AML/CTPF policy is stipulated to be a practical guideline for the directors, executives and employees of the Company to operate business correctly according to Anti-Money Laundering (AML) B.E.2542 (1999) and as an amendment including relevant subordinate legislations. The main focused guidelines are:

1. The Company has a risk management policy, risk assessment procedures and effective risk mitigation measures in relation to AML/CTPF activities, which inclusive of the risk from the type of customers, loan and service products, service areas with high-risk, and the utilization of information technology.

2. Know-Your-Customer : KYC Policy The Company will proceed following the regulations and procedures relating to the KYC as well as store the KYC records of every customer used for the loan issuing process.
3. Client Due Diligence : CDD Policy The Company will proceed following the regulations and procedures relating to the CCD per the following procedures :
 - 3.1. Identify and verify the customer;
 - 3.2. Cross-check the customer data in ALMO's "List of designated persons" ;
 - 3.3. Establish the customer's transaction and data monitoring to maintain an up-to-date information ;
 - 3.4. Assess every customer's risk in accordance to their type (ex. occupation, use of fund) as well as areas of residency ;
4. Customer Denial and Termination in the case that the customer is having any of the following conditions :
 - 4.1. The customer is in ALMO's "List of designated persons" ;
 - 4.2. The customer conceals, fakes, and provides false information about his/her real name and document ;
 - 4.3. The customer does not provide sufficient information or evidence for the customer's identification ;
 - 4.4. The customer could potentially increase the Company's risk of AML/CTPF ;
 - 4.5. The Company must proceed to suspend all financial transactions of ALMO's list of designated persons related to customers to resist the AML/CTPF activities. If the previous or existing customer is found to be on ALMO's list of designated persons, the Company has a responsibility to report to ALMO immediately.
5. The Company has a responsibility to monitor that the customer's use of the loan is not having the potential to be related to AML/CTPF activities or having ALMO's designed person as an ultimate benefit holder. If found, the Company must report to ALMO within 7 days.
6. Use of technology to verify customer information. The Company manages to access sufficient

information and data to verify customer's information to ensure its accuracy in accordance with the regulations, such as the person listed in ALMO's list of designated persons or the UN's list of terrorists, by using information technology efficiently.

7. Management of risk of AML/CTPF. The Company establishes measures to assess the risk relating to AML/CTPF in compliance with the AML/CTPF regulations and global standards in order to ensure that the measures are able to prevent and mitigate the Company's risk of exposure to AML/CTPF activity effectively.

Hence, the Company has set the risk management procedures and will revise the data and information of customers regularly, especially the high-risk customers. If found, the customer's related transactions will be suspended immediately.

8. The Company stores all reports submitted to ALMO, as well as the document and identity verification document and any other required documents in accordance with the regulations.

The Company has stipulated regulations, disciplines and a manual of the Company's criteria and practical guidelines. Those are reviewed and improved to be recent regularly to be guidelines for employees to achieve the set goal of the policy. Employees are required to be trained in AML/CTPF knowledge sufficiently and continuously as the Company assigns. Hence, there are monitoring procedures and examinations on customers' bank account mutation frequently until the business relationship is terminated as prescribed by law to assess whether customers' transactions are related to their occupations and source of income which is notified to the Company.

The details of the AML/CTPF Policy are publicized on the Company's website (www.muangthaicap.com > Investor Relations > Sustainability > Policies > Good Corporate Governance Policies > Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Policy).

6.2 Business Code of Conduct

The Company is determined to manage and operate a business with due regard to social responsibility and

stakeholders such as shareholders, customers, vendors, competitors, employees, regulators, communities and surrounding society. This is to create sustainability in business and be 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 considering the benefits and impacts of business operations on stakeholders related to the Company focusing on social responsibility.

The Board of Directors has approved the guidelines for the business Code of Conduct consisting of key principles on significant issues which are : 1) Human Rights Policy and Labor Practices 2) Anti-Corruption policy 3) Whistleblowing Policy 4) Prevention of Conflict of Interests 5) Prevention of Internal Trading Policy 6) Personal Information Protection Policy (PDPA) 7) IT Security 8) Procurement Policy 9) Responsibilities toward the Stakeholders 10) Monitoring of Compliance with Code of Conduct.

The Company communicates and disseminates the guidelines for the Business Code of Conduct via its website and intranet so that directors, executives, and employees can acknowledge and comply with the guidelines. Furthermore, the Company arranges training courses on the Code of Conduct guidelines in the form of e-learning, which is a mandatory course for new employees and requires all executives and employees to review and pass the test with a 100 percent score on an annual basis to ensure their good standard of performance. In 2023, 14,873 executives and employees, or 100 of the total employees, passed the course.

The Corporate Governance and Sustainability Committee has the duty to supervise the directors, executives and employees to practice the Code of Conduct guidelines strictly and to ensure that all parties comply with the guidelines.

In the previous year, the Company did not commit violations of any business ethics or Code of Conduct. In addition, the Company assigned the Corporate Governance and Sustainability Committee to assess the performance of compliance with the guidelines for the business Code of Conduct to analyze and improve the compliance to be more efficient and effective.

The details of the business Code of Conduct are publicly disclosed on the Company's website (www.muangthaicap.com > Investor Relations > Sustainability > Policies > Handbooks > Code of Conduct Guidelines) and appear in Attachment No. 5 of the Annual Report.

6.3 Significant Changes and Developments of Policies, Practices and Corporate Governance Systems in the previous 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 have always adhered to the principles of Good Corporate Governance and business Code of Conduct for the Company to 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 and Sustainability 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.

The Board of Directors reviewed various policies such as 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. However, to achieve international governance standards and excel in ESG, the Board of Directors approved the following amendments to some practices for better consistency with relevant standards.

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 2023, 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. The Board sees that each director working with the Company will be considered a person with potential, knowledge, ability, and judgment in making decisions and experience in working with the Company. The directors will have a better understanding of the Company's business as well as be 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 Securities and Exchange Commission.

6.3.3 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 and international assessment.

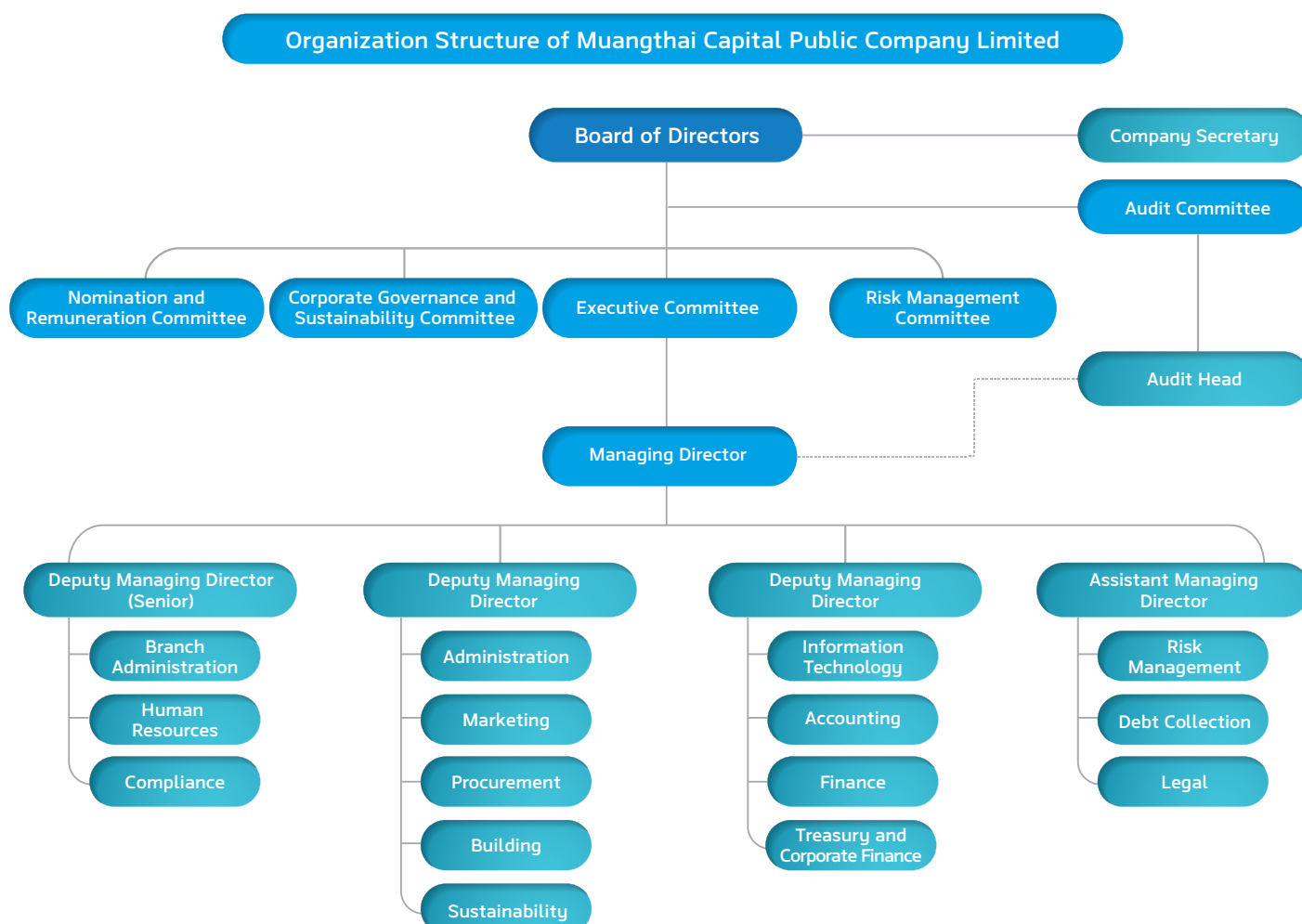
For the operation in 2023, the Company received awards and rankings for compliance with good Corporate Governance and sustainability both domestic and international as follows:

1. The Company has announced the result of the Corporate Governance assessment of listed companies in The Stock Exchange of Thailand for the year 2023 as being in the "Excellent" level (5 stars) for 6 consecutive years organized by the Thai Institute of Directors Association (IOD).
2. The Company has received an "Excellent" (4 coins) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2023 Annual General Meeting of Shareholders.
3. The Company received "A Rating" in the list of Thailand Sustainability Investment (THSI) 2023 by SET ESG Rating for 5 consecutive years.
4. The Company received an "AA Rating" 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 confirmed with a credit rating of BBB+ with a Stable outlook by Tris Rating Company Limited.

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7. Corporate Governance Structure and Essential Information about the Board, Sub-Committees, Executives, Employees and Others



7.1 Structure of the Board of Directors

The Company stipulates that the Directors of the Company comply with the Code of Best Practices of 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. They are obligated to carry out their responsibilities in accordance with the law, the Company's objectives, regulations, and resolutions from shareholders' meeting honestly considering the benefits of the Company and key stakeholders. The Board of Directors establishes policies for business objectives, business plans, and Company budgets while overseeing and monitoring management activities to ensure adherence to established procedures and specified directives, focusing on efficiency and effectiveness to maximize the Company's overall benefit.

7.1.1 Determination of the Board of Directors Structure for Good Corporate Governance

1. The Board of Directors consists of 7 members and all members are in residence in Thailand. The Board must consist of 4 Independent Directors for balance between Non-Executive Directors and Executive Directors. Independent Directors must remain independent apart from control of the executives, controlling shareholders and not being associated with or have interests of financial and business operations.
2. The Chairman of the Board of Directors is required to maintain independent and distinct individuals from the Chairman of the Executive Committee (CEO) and the Managing Director, performing the duty independent and ensuring a clear separation of duties and responsibilities between each other.

3. The Audit Committee is composed of 3 Independent Directors and includes 2 members, amounting to two-third or 66.66 percent of all Audit Committee members who have sufficient accounting knowledge and experience to thoroughly review the reliability of the Company's financial statements, namely Mrs. Kongkeaw Piamduaytham and Mrs. Nongnuch Dawasuwan. The Audit Committee bears the responsibility to inspect the internal control system of the Company through the internal audit department, ensuring their independent performance so that every stakeholder can be confident that the Company operates the business with transparency and has 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.
4. The Nomination and Remuneration Committee is comprised of 3 members encompassing 2 Independent Directors amounting to two-third or 66.66 percent of all Nomination and Remuneration Committee members and 1 Non-Executive Director with the duties and responsibilities of meticulously selecting directors based on their qualifications, knowledge, and experience, in accordance with the overarching strategy and goals of the organization. The nomination process shall adhere to legal mandates and pertinent regulatory requirements while upholding a standard of transparency. It is incumbent upon the committee to ensure that the nominated individuals can fulfill their duties in strict accordance with the two pivotal fiduciary duty principles, namely the duty of care and duty of loyalty, without contravening any legal or regulatory provisions. The Nomination and Remuneration Committee annually formulates and assesses the skill matrix to serve as the guideline for the judicious selection of a proficient committee. This selection aims to foster board diversity encompassing knowledge, experience, skills, expertise, gender, and age, thereby contributing to effective Corporate Governance and maximizing benefits for the Company. In addition to nominations facilitated by the Nomination and Remuneration Committee, the Company extends the opportunity for individual shareholders to proffer a roster of qualified candidates for directorial positions.

The nomination form for directorship consideration may be submitted through the Company Secretary email at monthon.o@muangthaicap.com or the original copy can be dispatched to the Company's Head Office by the 31st of December annually. The Nomination and Remuneration Committee will diligently assess the qualifications and suitability of the applicants by delineating a defined nomination period, allowing adequate time for screening according to the procedures established 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.

5. The Risk Management Committee comprises 3 directors, 2 Independent Directors representing two-third or 66.66 percent of all Risk Management Committee members and 1 Non-Executive Director. The committee is entrusted with the responsibility of determining the risk management policy and evaluating both external and internal risk factors impacting the objectives and business operations of the Company. Additionally, it is pivotal in designating individuals accountable for risk across various departments, allocating risk management responsibilities to each executive, articulating the risk appetite, and conducting quarterly oversight of risk management in multiple departments. The outcomes of these assessments will be presented to the Board of Directors, including disseminating knowledge and fostering risk management as an organizational culture for employees at all levels.
6. The Corporate Governance and Sustainability Committee comprises 3 members: 2 Independent Directors representing two-third or 66.66 percent of all Corporate Governance and Sustainability Committee members and 1 Non-Executive Director. This committee assisting the Board of Directors in formulating policies and strategic directions aligned with the principles of good governance and sustainability. Furthermore, it is responsible for the continuous development of governance and Code of business conduct, cultivating these principles as integral components of the corporate culture.
7. The Executive Committee comprises a total of 13 directors. The Executive Committee will determine the business approaches and strategies to meet the goals set by the Board of Directors.

7.1.2 Independence and Diversity Policy of the Board of Directors

The Company endeavors to uphold the independence of the its Corporate Governance structure, aspiring to serve as an exemplar of Corporate Governance within the Company. This commitment aims to instill the highest level of confidence among all stakeholders, ensuring their assurance in the transparency and auditability of the Company's management and business operations. The primary focus is on achieving maximum efficiency. The Board of Directors comprises Independent Directors, constituting more than half of the total number of directors, with the Chairman of the Board serving as an Independent Director.

Furthermore, the Company's human rights and labor practices policy encompasses all stakeholders, including the Board. Emphasis is placed valuing and respecting human rights and labor practices, ensuring equitable treatment of individuals or groups, irrespective of gender, race, religion, social status, and political affiliation. Consequently, directorial selection or discrimination is not based on human rights and labor practice policy and includes an appropriate representation of female directors, as detailed in the following Independent and Diversity Assessment Report of Directors:

Table of the Progress Report on Variety of the Directors as Goals and Indicators of 2023

Regarded Matter	Goals and Indicators	Progress	
		Yes	No
Chairman of the Board and Chairman of the Executive Committee	The Chairman of the Board is required to maintain independent.	✓	
	The Chairman of the Board and the Chairman of the Executive Committee are distinct individuals.	✓	
	There is a clear distinction in the roles and responsibilities of the positions.	✓	
Regarded Matter	Goals and Indicators	Progress	
		Ratio (person)	Percentage
Number of the Board of Directors	A minimum of 5 directors and a maximum of 12, depending on the scale, type and complexity of business	7	100
Non-Executive Director per all Directors	At least two-thirds of the total number of directors within the Company	5 : 7	71.42
Independent Directors per all Directors	More than half or 50 percent of the number of directors of the Company	4 : 7	57.14
Female directors per all Directors	At least 2 directors or 30 percent of the total number of directors	3 : 7	42.85

The Board of Directors comprises 7 members: 4 Independent Directors and 3 female directors. The Board of Directors has diverse skills (Board Diversity), in alignment with the Company's business strategy, encompassing expertise in areas such as loan business; financial, banking or insurance, to enhance directors to apply such skills and knowledge to develop strategy and long-term business plans of the Company to be effective on the process at most through the preparation of knowledge tables expertise (Board Skills Matrix). There is a wide variety of educational backgrounds and experiences without limiting other differences. The Company stipulates that at least 1 Non-Executive Director should possess qualifications in the financial industry, contributing to operational benefits and providing unrestricted commentary on the Company's business strategy.

7.1.3 Board Skills Matrix

Director's Name	Adm. Apichat Pengsritong	Mrs. Kongkeaw Piamduaytham	Mr. Chuchat Petaumpai	Mrs. Daonapa Petampai	Mr. Suchart Suphayak	Mrs. Nongnuch Dawasuwan	Dr. Suksit Patcharachai
Type of Directors	Independent Director	Independent Director	Executive Director	Executive Director	Independent Director	Independent Director	Non-executive Director
Age	75	71	70	70	66	69	42
Gender	M	F	M	F	M	F	M
Finance, Banking		✓		✓		✓	
Management and Strategic	✓		✓	✓	✓		✓
Human Resources Management	✓		✓		✓		✓
Information Technology Development							✓
Loans Insurance			✓	✓			✓
Risk Management		✓	✓		✓	✓	

The distribution of directors within the Company, each specializing in distinct skills and knowledge, is illustrated as follows:

- Directors specializing in finance and banking related to business operations, totaling 3 directors.
- Directors specializing in management and strategy relevant to the middle and long-term business plans of the Company, totaling 5 directors.
- Directors specializing in human resources, responsible for recruiting competent personnel to enhance the highly effective performance of the Company, totaling 4 directors.
- Directors specializing in technology development are responsible for offering insights on innovation and business developments to promote sustainability amid the swiftly evolving technology landscape, totaling 1 director.
- Directors specializing in loan and insurance, possessing knowledge and expertise related to the business, totaling 3 directors.
- Directors specializing in risk management, responsible for effectively managing both internal and external risks, totaling 4 directors.

7.1.4 Report of the Board of Directors

The Board of Directors is responsible for overseeing the consolidated financial statements of the Company and its subsidiaries, including financial information in Part 3 of the financial statements. The Company has instituted an effective internal control system to ensure and proper preparation of financial statements by the appropriate accounting policies, aligned accounting standard. The disclosure of adequate information to the public is ensured, consistent with the Company's objectives, primary goals, strategies and policies.

The Report of the Audit Committee of 2023 is as follows :

- The Audit Committee Report :
refers to the details on page 306–307

The Report of the Sub-Committees of 2023 is as follows :

- The Nomination and Remuneration Committee Report :
refers to the details on page 176–177
- The Corporate Governance and Sustainability Committee Report :
refers to the details on page 177–179
- The Risk Management Committee Report :
refers to the details on page 179

7.2 Information of the Board of Directors and the Company's Controller

7.2.1 Board of Directors Securities Holding

The Company stipulates policies, Code of Conduct and penalties regarding the use of inside information and trading activities in the Company's securities to prevent the directors, executives, and employees, along with their spouses and underage children, from leveraging undisclosed inside information for personal gain or on behalf of others. Specifically, the directors, executives, and employees are mandated to be restricted from trading the Company's shares when significant financial information is set to be disclosed or within the 45 days Blackout period established by the Company.

The Company Secretary will assume responsibility of disseminating information regarding the Blackout Period to the directors, executives, and all employees. Additionally, they will monitor news updates and facilitate the submission of reports on changes in securities and futures contract holdings by executives (Form 59-2) to the Securities and Exchange Commission (SEC) on the website (www.market.sec.or.th/public/idisc/th/r59).

In 2023, the Company did not identify any instances of the directors, executives, and employees engaging in securities trading using inside information or conducting trades during the Blackout period.

The Company discloses the direct and indirect shareholdings of directors and executives as follows:

Report on Changes in the Company's Shareholding of Directors in 2023

Name	On 31 st December 2023		On 31 st December 2022		Increase/ Decrease (number of shares)	Shareholdings (%)
	Direct (number of shares)	Indirect (number of shares)	Direct (number of shares)	Indirect (number of shares)		
Adm. Apichat Pengsritong The Chairman of the Board of Directors / Independent Director	500,000	–	500,000	–	–	0.0236
Mrs. Kongkeaw Piamduaytham Independent Director	800,000	–	800,000	–	–	0.0378
Mr. Chuchat Petaumpai CEO and Spouse of 4 th place	710,056,400	–	710,056,400	–	–	33.4932
Mrs. Daonapa Petampai Managing Director and Spouse of 3 rd place	720,000,000	–	720,000,000	–	–	33.9623
Mr. Suchart Suphayak Independent Director	–	–	–	–	–	–

Name	On 31 st December 2023		On 31 st December 2022		Increase/ Decrease (number of shares)	Shareholdings (%)
	Direct (number of shares)	Indirect (number of shares)	Direct (number of shares)	Indirect (number of shares)		
Mrs. Nongnuch Dawasuwan Independent Director	-	-	-	-	-	-
Dr. Suksit Patcharachai Director and Child of 3 rd and 4 th place	902,100	-	902,100	-	-	0.0426
Mr.Surapong Pechaumpai Deputy Managing Director (Senior)	980,100	-	980,100	-	-	0.0462
Mr. Parithad Petampai Deputy Managing Director and Child of 3 rd and 4 th place	3,650,000	50,000	3,650,000	50,000	695,000	0.1722
Mr. Surat Chayavoradech Deputy Managing Director / CFO	-	-	-	-	-	-
Miss Duangkhae Songnuy Assistant Managing Director	1,145,000	-	1,145,000	-	-	0.0540
Miss Vimonrat Nujul Assistant Managing Director	504,000	-	504,000	-	-	0.0238
Mr. Somkiat Ratsamee Assistant Managing Director	219,000	-	219,000	-	-	0.0103
Mr. Amnat Niamsee Assistant Managing Director	200,000	-	250,000	-	(50,000)	0.0094
Mr. Banyat Ninsiri Deputy Branch Manager	30,000	-	112,000	-	(82,000)	0.0014
Mr. Niyom Rodnoi Deputy Branch Manager	438,000	-	438,000	-	-	0.0207
Mr. Pradit Thongkhum Assistant Branch Manager	120,000	37,000	180,000	37,000	(60,000)	0.0057
Mr. Songkran Iamkai Assistant Branch Manager	8,900	37,000	8,900	37,000	-	0.0004

7.2.2 Qualifications of Directors

Individuals serving as the directors of the Company must be qualified as directors of financial institutions, as specified by law, and must go through the specified recruitment process. These individuals are required to possess skills, knowledge, and specified experience. They should have an understanding of the roles, duties and responsibilities of the directors and the business type, and be able to devote time to performing their duties as directors with total efficiency. At least 1 Independent Director must possess knowledge and experience in financial accounting and a minimum of 1 director must have expertise, knowledge and specialization in the industry relevant to the Company's business. The Company currently boasts 2 Independent Directors qualified with knowledge and experience in financial accounting (Mrs. Kongkeaw Piamduaytham and Mrs. Nongnuch Dawasuwan). Additionally, 3 directors possess qualification, experience, and expertise specific to the industry pertinent to the Company's business.

Qualifications of the Board of Directors

1. Possess comprehensive qualifications and are devoid of any prohibited characteristics in accordance with the pertinent rules and laws as follows:
 - (1) Public Limited Companies Act.
 - (2) Securities and Exchange Act.
 - (3) The Securities and Exchange Commission (SEC)
 - (4) The Stock Exchange of Thailand (SET)
 - (5) Article of Association of the Company
 - (6) Good Corporate Governance of the Company
2. Possess knowledge, expertise, and experience that are advantageous and suitable for the Company's business.
3. Demonstrating perseverance and the capability to dedicate ample time to fulfill their duties accordance with their responsibilities is essential. Regarding top executive, the nominations, adherence to the rules and regulations, it is imperative to consider knowledge and qualifications that align with the Company's culture, mission and vision. This should be executed through a straightforward, transparent process in adherence to the principles of good Corporate Governance.

Qualifications of Independent Directors

The qualification requirements for Independent Directors within the Company are more stringent than those stipulated in SEC notification No. TorChor. 4/2009 dated 20th February 2009.

1. Independent Directors are required to maintain ownership of voting rights not exceeding 0.5 percent in the Company, its parent company, subsidiary company, affiliate Company, major shareholder, or controlling person unless such conditions have been terminated for a period

of at least two years. This provision, however, does not apply to Independent Directors who previously served as civil servants or consultants to the government sector and held a majority of company shares or acted as a controlling person.

2. Independent Directors shall not be appointed to any directorial role involving in the Company operation, employee, staff, or as a consultant receiving fixed salary. Additionally, they shall not hold the position of controlling person in the Company, parent company, subsidiary company, affiliate company, subsidiary company at the same shareholding level, major shareholder, or controlling person of the Company, unless such condition have been terminated for a minimum of 2 years. This provision, however, does not extend to Independent Directors who were civil servants or consultants in the government sector, holding a majority of company shares or serving as a controlling person.
3. Independent Directors are precluded from having blood or legal marriage relations with any individuals, including parents, spouses, siblings, children, or spouses of children, who are associated with members of the management team, major shareholders, candidates for the management team, or authorized persons to the Company or subsidiaries.
4. Independent Directors shall not have any connection to the business of the Company, parent company, subsidiary company, affiliate company, major shareholder, or the controlling person that may compromise their independence or discretion. Additionally, they shall not be a significant shareholder or controlling person over any individuals related to the Company, parent company, subsidiary company, affiliate company, major shareholder or the controlling person, unless such conditions have been terminated for a minimum 2 years.
5. Independent Directors are strictly prohibited from assuming the roles of an auditor for the Company, parent company, subsidiary company, affiliate company, major shareholder, or the controlling person of the Company. Moreover, they shall refrain from holding significant shareholder, controlling person, or partner positions within the audit company associated with the Company, parent company, subsidiary company or where the major shareholder or the controlling person participates unless such condition have been terminated for a minimum 2 years.
6. Independent Directors are expressly prohibited from providing professional service, including legal and financial consultation, for which remuneration exceeds 2 million baht per year, to the Company, parent company, subsidiary company, affiliate company, a major shareholder or a controlling person of the Company. Additionally, they must not hold significant shareholder,

controlling person, or partner positions within such service-rendering companies, unless such conditions have been terminated for a minimum 2 years.

7. Independent Directors are precluded from being appointed as directors to represent company directors, major shareholders, or any shareholders related to major shareholders.
8. Independent Directors shall refrain from affiliating with any business or partnership that is similar to or competes with the Company or subsidiaries. Additionally, they shall not hold positions as Executive Director, employees, or consultants receiving a monthly salary, nor possess more than 1% of shares with voting rights in other companies engaged in the same business or competing with the Company and subsidiaries. No other conditions shall compromise the independence of discretion of company management.

Name List of the Board of Directors as of 31st December 2023

Name	Director's Type	Position
1. Adm. Apichat Pengsritong	Independent Director	Chairman of the Board / Chairman of the Nomination and Remuneration Committee
2. Mrs. Kongkeaw Piamduaytham	Independent Director	Director / Chairman of the Audit Committee / Chairman of the Corporate Governance and Sustainability Committee
3. Mr. Chuchat Petaumpai	Executive Director	Director / The Chairman of the Executive Committee / Member of the Risk Management Committee
4. Mrs. Daonapa Petampai	Executive Director	Director / Managing Director
5. Mr. Suchat Suphayak	Independent Director	Director / Member of the Audit Committee / Member of the Corporate Governance and Sustainability Committee / Member of the Risk Management Committee
6. Mrs. Nongnuch Dawasuwan	Independent Director	Director / Member of the Audit Committee / Member of the Corporate Governance and Sustainability Committee / Member of the Risk Management Committee
7. Dr. Suksit Patcharachai	Non-Executive Director	Director / Member of the Corporate Governance and Sustainability Committee / Member of the Nomination and Remuneration Committee

Authorized Signatory Directors to Bind the Company

The conditions are as follows: 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 Patcharachai

7.2.3 Information on the Roles, Duties and Responsibilities of the Directors

Scope of Authorities, Duties and Responsibilities of the Board of Directors

- 1) Supervise the Company's vision, mission, policies, operational plans, budgets and control the management's operational performance following the policies effectively and efficiently for stability, balance benefits and sustainability to all stakeholders as well as annually review and approve the vision and mission committing for sustainability goal following creating value of the business and for all stakeholders and overall society which shall be reviewed annually.

- 2) The Board of Directors possesses the authority, duties, and responsibilities to manage and operate the Company's business in accordance with the law, objectives, and regulations of the Company, as well as the resolutions of the shareholders' meeting with honesty, carefully protecting the Company's interests.
- 3) Prepare the Company's balance sheet and income statements with the auditor to audit at the end of the accounting period before presenting them to the shareholders' meeting for consideration and approval.
- 4) All directors must possess qualifications encompassing knowledge and work experience from many fields. The Board of Directors is entrusted with the responsibility of establishing the vision and mission of the Company, and considering and approving the business directions, policies, strategies and goals. These directives serve as a framework for the management to formulate annual business plans, support plans and budgets.
- 5) Consider, review and approve policies, visions, directions, strategies and business plans proposed by the Board of Directors on a quarter and annual basis. In the previous year, during the Board of Directors Meeting No. 6/2023 held on 12th September 2023, the Board considered and reviewed the Company's vision, mission and strategy to ensure alignment with business goals and strategies.
- 6) Engage in discussion, offering independent opinions on management matters to establish the organization's direction. Be prepared to address situations that may be influenced by changes in change the economy and other environments.
- 7) Follow up the operations consistently to ensure alignment with the established plan and budget.
- 8) Ensure the Company and subsidiaries maintain suitable and effective accounting systems, generate reliable financial reports, undergo thorough audits, and establish robust internal control and an internal audit system.
- 9) Prepare the committee's annual report and take responsibility for crafting and disclosing financial statements that reflect the financial status and operational performance of the preceding year. Present these reports to the shareholders' meeting for their consideration and approval.
- 10) Establishing risk management policies to encompass the entire organization and overseeing the implementation of a system or process for risk management, includes incorporating supporting measures and control methods to appropriately mitigate the impact on the Company's business impact appropriately.
- 11) Consider formulating policies on social, community and environmental responsibility, including guidelines for the directors, executives and employees to follow strictly.
- 12) Consider and determine the management structure, including the authority to appoint the Executive Committee, Managing Director, and other sub-committees as deemed appropriate. Define the Scope of authorities, 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 extend to empowering to authorize the Executive Committee, Managing Director, and various sub-committees to approve transactions that may pose a conflict of interest or have 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 from relevant agencies except for the approval of transactions adhering to the policies and criteria endorsed by the Board.
- 13) The Board of Directors is empowered to grant authorization to one or more directors or other individuals to act on behalf of the Board, subject to the Board's oversight. The Board may the delegation of specific authority to such individuals as deemed appropriate by the Board within a timeframe considered suitable by the Board. Furthermore, the Board of Directors retains the authority to cancel, revoke, modify, or amend such authorizations as deemed necessary.
- 14) Exercise, supervise and oversight over the management and operations of the Company and subsidiaries, ensuring compliance with the regulations and rules established by the Stock Exchange of Thailand and Notification of the Capital Market Supervisory Board, includes overseeing related transactions and the acquisition or disposal of significant assets, within the bounds of legality and consistency with other applicable laws.
- 15) Compile the report outlining the Board of Directors' accountability for the financial statements within the annual report.
- 16) Deliberate on the formulating of a conflicts of interest policy.
- 17) Formulate the Company's information security policy (IT Security)
- 18) Review and approve the Good Corporate Governance policy in accordance with established standards and guidelines for good Corporate Governance Additionally, oversee communicating and monitoring processes to ensure adherence to the prescribed policies.

Authority of the Company's Board of Directors in the Approval and Operation

- 1) Appoint, remove, and authorize the sub-committees, Executive Committee, and Managing Directors.
- 2) Appoint consultants or external experts in case of necessity, with expenses borne by the Company's expenses.
- 3) Approve loans exceeding the authority of the Executive Committee for the Company's working capital.
- 4) Approve acceptance or cancellation of credit limits beyond the authority of the Executive Committee.
- 5) Approve for establishment, merger or dissolution of subsidiaries.
- 6) Approve for investment, the sale of investment capital in ordinary shares, and/or any other securities exceeding the authority of the Executive Committee.
- 7) Propose capital increase or decrease, change of par value, amendment of the memorandum of association, articles of association, and/or objectives of the Company to the shareholders.
- 8) Authorize the substitution of management or employees at the Company's executive-level substitution.
- 9) Authorize to invitation management or relevant employees of the Company to clarify, provide opinions, attend meetings, and submit the documents as deemed appropriate and/or necessary.
- 10) Appoint and dismiss the Company's secretary. The authority of the mentioned committee, if related to the acquisition or disposition of assets and related transactions must comply with the notification of the Capital Market Supervisory Board.

Scope of Authorities, Duties and Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors has a vital role in ensuring that the Board of Directors performs its duties following the specified direction and strategic goal for the utmost benefit of the Company and the shareholders as a whole. The Chairman of the Board takes leading roles for the Board of Directors at least covering the following aspects:

- 1) Supervise, monitor and ensure the efficient execution of duties by the Board of Directors to attain its objectives and primary goal.
- 2) Ensure and manage key relationships between Executive Directors and Non-Executive Directors, as well as between the Board of Directors and the management department.
- 3) Convene a meeting of the Board of Directors, preside over the Board meeting and shareholders's meeting, and participate in formulating meeting agendas with the Managing Director.

- 4) Support and encourage the performance of the Board of Directors in achieving the Company's determined goals. Furthermore, the Board of Directors should operate at with full capacity in accordance with the Scope of authorities, duties and responsibilities, adhering to the principles of Good Corporate Governance.
- 5) Have a pivotal role in leading and controlling the meeting to be effective in compliance with the Company's regulations, supporting an environment that enables directors to freely express their opinions.
- 6) Cast the deciding vote in cases where the Board of Directors has a casting vote and the votes on both sides are equal.

Scope of Authorities, Duties and Responsibilities of the Chairman of the Executive Committee

- 1) Devise the Company's vision, mission, strategies, annual master operating plan, annual budget, goals and policies to propose to the Executive Committee for approval. Upon approval, present the proposal to the Board of Directors for approval.
- 2) Oversee and supervise business operations to optimize benefit and ensure alignment with the Company's pre-approved vision, mission, strategies and annual budget as sanctioned by the Board of Directors.
- 3) Monitor and audit the Company's performance to maximize benefit. Regularly report progress to management and the Board of Directors, while concurrently identifying avenues for sustainable business improvement and growth.
- 4) Ensure the establishment and maintenance of a transparent and accurate financial reporting system for the Company, compliant with all related regulations.
- 5) Manage corporate risks and consistently report on potential risks, along with proposed risk mitigate strategies, risks to the Audit Committee.
- 6) Authorize and approve contracts, operational documents, and business transactions within the monetary limits approved by the Board of Directors.
- 7) Ensure that all Company's business transaction adheres to the legal and legislative guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). This encompasses adherence to policies related to transactions involving related entities, asset transactions policy, and other policies approved by the Board.
- 8) Command and issue regulations, criteria, announcements, and internal records for the operations of the Company in order to align with the Company's policies and for the benefit of the Company, as well as maintain

- good order within the Company, including ensuring that the Company has a good corporate governance, complies with laws, Code of Conduct, and anti-corruption policies.
- 9) Provide support for the research of new projects and innovations, evaluating their financial through due diligence, presenting it to the Executive Committee or Board of Directors (in some cases) for approval.
 - 10) Represent the Company in communicating with the public, shareholders, customers and all stakeholders, with a focus on fostering a positive and reputable image of the Company.
 - 11) Support the Board of Directors in maintaining consistent and appropriate communication with shareholders, providing transparent and accurate information about the Company.
 - 12) Perform duties as assigned by the Board of Directors and/or sub-committees..

Scope of authorities, duties and Responsibilities of the Managing Director

The Managing Director assumes a multifaceted role in management, aligning operations with the policies, strategies, and goals established by the Board of Directors, including formulating operational regulations, approving loan within specified authorization limits, recruiting and appointing procurement personnel, and overseeing the general management of the Company.

7.2.4 Board of Directors Meeting

1. The Company has a policy that the Board's meetings shall be held regularly, not less than once every three months, and may have special meetings as needed to follow up on business performance. For each meeting, a complete set of agenda items, notices, and supporting documents is submitted to the Board of Directors at least 7 days or 5 business days in advance before the meeting. This allows the board members enough time to study the details before the meeting. The minutes of the meeting will be prepared and archived after being approved by the Board of Directors, ready for the Board or related persons to review.
2. The Company organizes an annual meeting exclusively for Non-Executive Directors, excluding any directors holding executive positions, and without the presence of management. This meeting serves as an opportunity for Non-Executive Directors to engage in discussions and deliberations on the Company's strategy and operations independently from the management. In 2023, there was 1 meeting held on 12th September to review business plans approved by the Board of Directors, including a thorough examination of the board's decision-making

authority. Budgets across various fields were also approved during this session, and the outcomes of the meeting were communicated to the Chairman of the Executive Committee for acknowledgment.

3. The Chairman of the Board of Directors and the Chairman of the Executive Committee have to jointly regard and 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 notice to the Board of Directors. If a director wishes to propose an agenda for the meeting, they can notify either the Chairman of Board of Directors, the Chairman of the Executive Committee or the Company's Secretary.
4. Directors are accountable for attending the Board meetings, with a requirement to attend at least 75 percent of all the Board of Directors' meetings throughout the year. The minimum number of directors needed to form a quorum is at least half of the total number of directors. For resolutions to pass, the quorum of the meeting should be at least two-thirds of all directors. In 2023, the attendance rate at the board of directors' meetings was 85.71 percent.
5. The minutes of the meeting include the date and time of the meeting's commencement and conclusion, a list of directors who participated and those who did not, a summary and conclusion of the presented agenda items discussions, and suggestions from the Board, including the management's explanations with clear and sufficiently detailed Board's resolutions. The minutes are signed by the Chairman of the meeting and the Company's Secretary, who records the minutes. In the event that a director has a stake in any agenda item, they will not participate in the consideration and will abstain from voting on that resolution. The Company Secretary will inform all directors of this before the meeting begins
6. Minutes of the meeting will be copied and delivered to internal departments and related external agencies within the specified time, serving as reference and verifiable record. The minutes of the meeting cannot be edited without approval from the meeting.
7. The Board of Directors establishes a schedule of meetings for the entire year and informs the Board at the beginning of each year, allowing them to plan their attendance, excluding special meeting agendas. In 2023, the schedule for the Board of Directors' meetings had been predetermined (subject to change) and is as follows:

Schedule of Meetings in Advance of 2023

Meeting	1 st meeting	2 nd meeting	3 rd meeting	4 th meeting	5 th meeting
Board of Directors	21/02/23	09/05/23	08/08/23	12/09/23	07/11/23
Audit Committee	21/02/23	09/05/23	08/08/23	07/11/23	
Risk Management Committee	13/02/23	14/03/23	07/08/23		
Corporate Governance and Sustainability Committee	14/02/23	04/11/23			
Nomination and Remuneration Committee	13/02/23	13/12/23			
Independent Director	12/09/23				

7.2.5 Report on the Board Meeting Attendance of 2023

The Board of Directors Meetings

Directors	Proportion of Meeting Attendance in 2023						
	The Annual General Meeting of Shareholders (1 meeting)	The Board of Directors (7 meetings)	The Audit Committee (4 meetings)	The Nomination and Remuneration Committee (2 meetings)	The Corporate Governance and Sustainability Committee (2 meetings)	Risk Management Committee	The Independent Director (1 meeting)
1. Adm. Apichat Pengsritong	1/1	7/7	-	2/2	-	-	1/1
2. Mr. Chuchat Petaumpai	-	-	-	-	-	-	-
3. Mrs. Daonapa Petampai	1/1	7/7	-	-	-	-	-
4. Mrs. Kongkaew Piamduaytham	1/1	7/7	4/4	-	2/2	-	1/1
5. Mrs. Nongnuch Dawasuwan	1/1	7/7	4/4	-	2/2	3/3	1/1
6. Mr. Suchart Suphayak	1/1	7/7	4/4	2/2	-	3/3	1/1
7. Dr. Suksit Patcharachai	1/1	7/7	-	2/2	2/2	-	-

The Meeting of the Board of Directors

Directors	Type of Director	Proportion of meeting attendance	Total	Physical Meeting (meeting)	E-Meeting (meeting)
1. Adm. Apichat Pengsritong	The Chairman of the Board of Directors / Independent Director	100%	7/7	6/6	1/1
2. Mr. Chuchat Petaumpai	Director	-	-	-	-
3. Mrs. Daonapa Petumpai	Director	100%	7/7	6/6	1/1
4. Mrs. Kongkaew Piamduaytham	Independent Director	100%	7/7	6/6	1/1
5. Mrs. Nongnuch Dawasuwan	Independent Director	100%	7/7	6/6	1/1
6. Mr. Suchart Suphayak	Independent Director	100%	7/7	6/6	1/1
7. Dr. Suksit Patcharachai	Director	100%	7/7	6/6	1/1

Remark : 1. The Board has the scope of authority and duties per the details in the caption of 7.2.3 Information on the Roles, Duties and Responsibilities of the Directors. Miss Monthon Onphan serves as the Company's Secretary and Secretary of the Board of Directors.

2. As of 31 December 2023, 7 Board meetings were convened and the proportion of attendance of the Board was 85.71 percent.

The Meeting of the Audit Committee

Directors	Position	Proportion of meeting attendance	Total	Physical Meeting (meeting)	E-Meeting (meeting)
1. Mrs. Kongkaew Piamduaytham	Chairman of the Audit Committee / Independent Director	100%	4/4	4/4	-
2. Mrs. Nongnuch Dawasuwan	Member of the Audit Committee / Independent Director	100%	4/4	4/4	-
3. Mr. Suchart Suphayak	Member of the Audit Committee / Independent Director	100%	4/4	4/4	-

Remark : 1. The Audit Committee shall serve a term of office lasting 3 years, in alignment with the director's term. Upon the expiration of the term of office, re-appointment may occur under the resolution of the Board of Directors' meeting. The Audit Committee has the scope of authority and duties as detailed in caption of 7.3.1 Audit Committee. Mr. Chaleom Inhom holds the position of Secretary of the Audit Committee and Deputy Manager of the Audit department.

2. As of 31st December 2023, 4 meetings of the Audit Committee were convened, and the committee achieved a 100 percent attendance rate

The Meeting of Nomination and Remuneration Committee

Directors	Position	Proportion of meeting attendance	Total	Physical Meeting (meeting)	E-Meeting (meeting)
1. Adm. Apichat Pengsritong	Chairman of the Nomination and Remuneration Committee / Independent Director	100%	2/2	1/1	1/1
2. Mr. Suchart Suphayak	Member of the Nomination and Remuneration Committee / Independent Director	100%	2/2	1/1	1/1
3. Dr. Suksit Patcharachai	Member of the Nomination and Remuneration Committee / Director	100%	2/2	1/1	1/1

Remark : 1. The Nomination and Remuneration Committee shall have a term of office lasting 3 years in alignment with the director's term. Upon the expiration of the term of office, re-appointment may occur under the resolution of the Board of Directors' meeting. The Nomination and Remuneration Committee has the scope of authority and duties detailed in the caption of 7.3.2 Nomination and Remuneration Committee. Miss Monthon Onphan holds the position of Secretary of the Nomination and Remuneration Committee.

2. As of 31st December 2023, 2 meetings of the Nomination and Remuneration Committee were conducted, with a 100 percent attendance rate.

The Meeting of Corporate Governance and Sustainability Committee

Directors	Position	Proportion of meeting attendance	Total	Physical Meeting (meeting)	E-Meeting (meeting)
1. Mrs. Kongkaew Piamduay-tham	Chairman of the Corporate Governance and Sustainability Committee / Independent Director	100%	2/2	-	2/2
2. Mrs. Nongnuch Dawasuwan	Member of the Corporate Governance and Sustainability Committee / Independent Director	100%	2/2	-	2/2
3. Dr. Suksit Patcharachai	Member of the Corporate Governance and Sustainability Committee / Director	100%	2/2	-	2/2

Remark : 1. The Corporate Governance and Sustainability Committee shall serve a term of office lasting 3 years, in alignment with the director's term. Upon the expiration of the term of office may be re-appointed under the resolution of the board of directors' meeting. The Corporate Governance and Sustainability Committee has the scope of authority and duties detailed in the caption of 7.3.3 Corporate Governance and Sustainability Committee. Miss Monthon Onphan holds the position of Secretary of the Corporate Governance and Sustainability Committee.

2. As of 31st December 2023, 2 meetings of the Corporate Governance and Sustainability Committee were conducted, achieving a 100 percent attendance rate.

The Meeting of the Risk Management Committee

Directors	Position	Proportion of meeting attendance	Total	Physical Meeting (meeting)	E-Meeting (meeting)
1. Mr. Suchart Suphapyak	Chairman of the Risk Management Committee / Independent Director	100%	3/3	–	3/3
2. Mr. Chuchat Petaumpai	Member of the Risk Management Committee / Director	0	–	–	–
3. Mrs. Nongnuch Dawasuwan	Member of the Risk Management Committee / Independent Director	100%	3/3	–	3/3

Remark : 1. The Risk Management Committee shall serve a term of office lasting 3 years, in alignment with the director's term. Upon the expiration of the term of office may be re-appointed under the resolution of the board of directors' meeting. The Risk Management Committee has the scope of authority and duties detailed in the caption of 7.3.4 Risk Management Committee. Miss Duangkhae Songnuay holds the position of Secretary of the Risk Management committee.

2. As of 31st December 2023, 3 meetings of the Risk Management Committee were conducted, achieving a 66.67 percent attendance.

7.3 Information of the Sub-Committees

The structure of the Company's Board of Directors consists of the Board of Directors and sub-committees, all fully qualified according to Section 68 of the Public Company Limited Act B.E. 2535 (1992) and related to Capital Market Commission Notifications. The 4 sub-committees include: 1. Audit Committee, 2. Nomination and Remuneration Committee, 3. Corporate Governance and Sustainability Committee, 4. Risk Management Committee.

Information of the Designated Sub-Committees

7.3.1 Audit Committee

List of the Audit Committee

Directors	Position
1. Mrs. Kongkaew Piamduaytham	Chairman of the Audit Committee / Independent Director
2. Mrs. Nongnuch Dawasuwan	Member of the Audit Committee / Independent Director
3. Mr. Suchart Suphayak	Member of the Audit Committee / Independent Director

- Mrs. Kongkaew Piamduaytham and Mrs. Nongnuch Dawasuwan are individuals with extensive knowledge and sufficient accounting experience, enabling them to review the reliability of the Company's financial statements.

Scope of Authority, Duties and Responsibilities of the Audit Committee

- 1) Review to ensure that the Company has accurate quarterly and annual financial reports and adequate disclosure of information to ensure equality of shareholders.
- 2) Review of the Company has a risk management system, internal control system, internal audit system is appropriate and efficient and considers the independence of the internal audit unit as well as approves the appointment, transfer, termination of employment, and assessment of the performance of the head of the internal audit department or other agencies responsible for internal audits.

- 3) Review the Company's compliance with the Securities and Exchange Act. requirements of the Stock Exchange and laws related to the Company's business.
- 4) Review the Company's operations to ensure compliance with the policy on the Collective Action Against Corruption (CAC)
- 5) Consider connected transactions or transactions that may have conflicts of interest to comply with the laws and regulations of the Stock Exchange of Thailand this is to ensure that the said transaction is reasonable and in the best interests of the Company.
- 6) Review and consider the major risks detected with the management. Including giving suggestions for improvements.
- 7) In compliance with the scope of authority and duties, the audit committee has the power to invite or order the management or supervisors to attend a meeting to clarify or submit relevant documents and has the power to hire or seek independent opinions from consultants or other professional experts when deemed necessary.
- 8) Prepare the Audit Committee's report to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and contains the following information.
 1. Comments on the correctness and completeness of the credibility of the Company's financial reports.
 2. Opinion on the adequacy of the Company's internal control system.
 3. Opinion on compliance with the Securities and Stock Exchange laws and regulations of the Stock Exchange of Thailand.
 4. Opinion on the suitability of the auditor
 5. Opinion on reports that may have conflicts of interest.
 6. Number of Audit Committee meetings and participation in audit meetings.
 7. Consensus or overall remarks received by the Audit Committee from the performance of duties in accordance with the charter.
 8. Other items that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
- 9) Consider, select, nominate, appoint and propose the Company's auditors' remuneration which is independent to act as the Company's auditor including attending a meeting with the auditor at least once a year without the management attending the meeting.
- 10) Considering the results of operations, budget and manpower of the internal audit department's.
- 11) Consider and approve the internal audit department's charter implementation plan and performance appraisal agreement.
- 12) Review the Audit Committee charter at least once a year.
- 13) Perform other acts as required by law and assigned by the Board of Directors and related operations to achieve the objectives of the Audit Committee.
- 14) In the performance of duties of the Audit Committee if found or suspected of an item or action which may have a significant impact on the financial position and operating results of the Company have the Audit Committee report to the Board of Directors to make improvements within the time the Audit Committee deems appropriate if the Board of Directors or the Executives fails to make improvements within the specified time. Any member of the audit committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 15) Act in accordance with Section 89/25 of the Securities and Exchange Act when the auditor reports suspicious behavior that may involve fraud. or violate the law related to the performance of duties of Directors and executives the Audit Committee shall conduct an audit without delay and report the audit results to the Securities and Exchange Commission and the auditor within 30 days after being notified.
- 16) Consider and comment on monitoring compliance with anti-corruption measures. Including a risk management system linked to risks that may arise from corruption to ensure that the operations of the Company are transparent, honest, fair, in accordance with moral and ethical principles and conduct business with anti-corruption in all forms.

- 17) Receive complaints, report clues, the act of corruption both inside and outside at the director executives or employees of the Company involved and check the facts as informed and present it to the Board of Directors to jointly consider the punishment or solve the problem according to the anti-corruption policy.
- 18) Summary of the missions of the Audit Committee to present to the Board of Directors.

7.3.2 Nomination and Remuneration Committee

List of the Nomination and Remuneration Committee

Directors	Position
1. Adm. Apichat Pengsritong	Chairman of the Nomination and Remuneration Committee / Independent Director
2. Mr. Suchart Suphayak	Member of the Nomination and Remuneration Committee / Independent Director
3. Dr. Suksit Patcharachai	Member of the Nomination and Remuneration Committee / Non-Executive Director

Scope of Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

Recruitment

- 1) Specify criteria and policies for nominating directors and sub-committees 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 appropriate.
- 2) Consider, select and propose a suitable person for the position to replace the directors who have completed their terms and/or in case of vacancy and/or additional appointment.
- 3) Perform any other operations related to the selection process as assigned by the Board of Directors.
- 4) Evaluate the performance of the top management of the Company to be proposed at the meeting of the Board of Directors for consideration 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 appropriate.

- 2) Set necessary and appropriate remuneration both monetary and non-monetary, for individual Board Member. Determine remuneration by considering duties, responsibilities, portfolios, and comparing with similar businesses. Proposals should be presented to the Board of Directors for consideration and then proposed to the shareholders' meeting for approval.
- 3) Responsible for the Board of Directors and responsible for providing clarification and answering questions about remuneration for directors at the shareholders' meeting.
- 4) Report on policies, principles and rationale for determining the remuneration of directors and executives, in accordance with the regulations of the SET, by disclosing in the annual registration statement 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.

7.3.3 Corporate Governance and Sustainability Committee

List of the Corporate Governance and Sustainability Committee

Directors	Position
1. Mrs. Kongkaew Piamduaytham	Chairman of the Corporate Governance and Sustainability Committee / Independent Director
2. Mrs. Nongnuch Dawasuwan	Member of the Corporate Governance and Sustainability Committee / Independent Director
3. Dr. Suksit Patcharachai	Member of the Corporate Governance and Sustainability Committee / Non-Executive Director

Scope of Authority, Duties and Responsibilities of the Corporate Governance and Sustainability Committee

- 1) Set goals, policies and action plans for the Sustainable Development (SD) of the Company, encompassing progress towards becoming a High-Performance Organization (HPO) and creating long-term value for stakeholders (Stakeholder Value Creation, SVC), including to communicate and present these to the Board of Directors.
- 2) Set policies on good Corporate Governance and Code of Conduct and present them to the Board of Directors for approval along with providing advice and encouraging practice for their implementation at all levels. Regularly review such policies for appropriateness, ensuring compliance with international laws and best practices annually. Supervise the evaluation and reporting of compliance with Corporate Governance and business ethics policies on a regular basis.
- 3) Advise and encourage the Company's operations to align with good Corporate Governance policies and sustainable development goals. Promote alignment with leading companies, and encourage the directors, executives, and employees to comply effectively with Corporate Governance and Sustainable Development guidelines.
- 4) Supervise the Company's operations align with Corporate Governance principles of regulatory institutions such as the Stock Exchange of Thailand and the Securities and Exchange Commission, ensuring compliance with international practices and recommendations from relevant institutions.
- 5) Supervise, monitor and evaluate the results of sustainable development operations for balance and efficiency, aiming for maximum benefit to the Company and its stakeholders.
- 6) Assess and review goals, policies and plans for sustainable development to suit the needs of the Board of Directors, business conditions, laws, international best practices, and recommendations from various institutions. Consider relevant shareholder proposals and responses to shareholders.
- 7) Review the Corporate Governance and Sustainable Development policy annually.
- 8) Review the Corporate Governance and Sustainability Committee charter annually.
- 9) Consider and review the anti-corruption policy, the policy on accepting gifts or other benefits, and the appointment of the anti-corruption management and monitor compliance with anti-corruption measures to ensure that the operations of the Company are transparent, honest, fair, based on morality and ethics and operates business with anti-corruption in all forms.
- 10) Raise the information disclosure of Corporate Governance and Sustainable Development of the Company to the stakeholders on the annual report (Form 56-1 One Report) and the annual Sustainable Development report.
- 11) Promote the dissemination of good Corporate Governance culture and participation in social activities.
- 12) Report on Corporate Governance progress and performance and sustainable development to the Board of Directors.
- 13) Other matters assigned by the Board of Directors.

7.3.4 Risk Management Committee

List of the Risk Management Committee

Directors	Position
1. Mr. Suchart Suphayak	Chairman of the Risk Management Committee / Independent Director
2. Mr. Chuchat Petaumpai	Member of the Risk Management Committee / Executive Director
3. Mrs. Nongnuch Dawasuwan	Member of the Risk Management Committee / Independent Director

Scope of Authority, 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, goal and changing circumstances.
- 3) Consider the organization's risk management report and comment on possible risks as well as provide guidelines of control measures or mitigation plan and system development for the risk management working group to manage the system effectively and continually.
- 4) Report the risk management result of the organization to the Board for acknowledgement. In case of factors or important events occurring and impacting on the Company significantly must be reported to the Board for acknowledgement and consideration immediately.
- 5) Supervise the risk management policy and scope of risk appetite of the Company presenting to the Board for consideration of the risk management overall covering other risks: strategic risks, risks from lack of liquidity, marketing risks, operational risks or other matters which might be significant to the Company.
- 6) Supervise the organization's strategies, structures and resources utilization for risk management following the Company's risk management policy to be effective in analyzation, assessment, evaluation and motoring the process of risk management.
- 7) Supervise, review and provide an advice to the Board about the risk management policy consisting of the operational standard, strategies and overall risk evaluation to ensure the strategy of risk management applying on the operation properly.
- 8) Other matters assigned by the Board of Directors.

7.4 Information of the Executives

7.4.1 Names and Positions of the Executives

As of 31st December, 2023, the Company has 13 executives including:

Name	Position
1. Mr. Chuchat Petaumpai	Chairman of the Executive Committee (CEO)
2. Mrs. Daonapa Petampai	Executive Committee / Managing Director
3. Mr. Surapong Pechaumpai	Executive Committee / Senior Deputy Managing Director
4. Mr. Parithad Petampai	Executive Committee / Deputy Managing Director
5. Mr. Surat Chayavoradech	Executive Committee / Deputy Managing Director
6. Ms. Duangkhae Songnuay	Executive Committee / Assistant Managing Director
7. Ms. Vimonrat Nujul	Executive Committee / Assistant Managing Director
8. Mr. Somkiat Ratsamee	Executive Committee / Assistant Managing Director (Branch)
9. Mr. Amnat Niamsee	Executive Committee / Assistant Managing Director (Collection)
10. Mr. Banyat Ninsiri	Executive Committee / Deputy Branch Manager
11. Mr. Niyom Rodnoi	Executive Committee / Deputy Branch Manager
12. Mr. Pradit Thongkhum	Executive Committee / Assistant Branch Manager
13. Mr. Songkran Eiamkai	Executive Committee / Assistant Branch Manager

Remark : Chief Financial Officer (CFO) : Mr. Surat Chayavoradech
Accounting Supervisor : Ms. Vimonrat Nujul

Scope of Authorities, Duties and Responsibilities of the Executive Committee

- 1) Propose the Company's goals, policies, business plans, and annual budget to the Board of Directors for approval.
- 2) Control the Company's business operation to adhere to the approved policies, plans, and budget set by the Board.
- 3) Consider and approve the Company's operations which are regular business transactions such as investments within the capital expenditure budget or in accordance with the approved budget. The amount of each transaction must align with the approval authority.
- 4) Consider and approve the definition and any

amendments to the rule and criteria for loan approval, credit determining table as well as the definition and any amendments of penalty fee and discounts.

- 5) Propose an organizational structure that suits the Company's business operation for the Board's approval. Consider and approve the additional hiring of employees not included the approved annual budget.
- 6) Review the Company's profit and loss, propose the payment of interim or annual dividends, and present the proposals to the Board.
- 7) The Executive Committee may appoint or hire a consultant for the Company's internal administration and management 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 grant the person authority as the committee deems appropriate and within the approved timeframe. Such authorization may be canceled, revoked or amended as deemed appropriate by the Committee.
- 9) Other matters assigned by the Board of Directors.

Designated Approval Authority

The Company has designated an approval authority for business operations as below:

Table of Executive's Approval Authority

Approval Authority Issue	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 center	-	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 fixed 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 the 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 fixed assets did not exceed 50,000 baht per time.

7.4.2 Policy of Director and Executive Remuneration

The Company has established remuneration for directors and executives at an appropriate level, sufficient to retain quality directors and executives without paying excessive remuneration. This level 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 for directors must be approved by the shareholders' meeting of the Company. As for executive's remuneration, it will be following 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 an evaluation of the Company's performance.

Remuneration for Directors and Executives

The Company has established the remuneration policy for directors and executives. The Nomination and Remuneration Committee reviewed the remuneration of the directors and executives to propose to the Board of Directors for consideration and approval, with remuneration aligned with strategies and short-term goals (salary, annual bonus and welfare), experience, Scope of Authority, duties and responsibilities at a competitive level. The Company has set remuneration for directors and executives at an appropriate level, ensuring equality without excessive remuneration. It is at a level comparable to other companies in the same industry. The remuneration of directors required approval at the AGM. As for the remuneration of executives, it will be following the principles and policies set by the Board of Directors considering the duties, responsibilities and performance of each executive together with the consideration of the Company's operational performance (The Company has no other remuneration forms in both monetary and non-monetary).

Composition of Remuneration

The Company has set the remuneration for directors and executives divided into 3 parts ;

1. Monthly remuneration: Allocated based on the duties and responsibilities of the Board of Directors or sub-committees
2. Meeting allowance: the remuneration of meeting attendance per meeting for Non-Executive Directors
3. Annual bonus: Linked to the Company's profit and number of dividends from the shareholders

Criteria of Director and Executive Remuneration Consideration consisting as follows:

- The remuneration of directors and executives directly is tied to the Company's performance result.
- The evaluation of operation is based on key performance indicators (KPIs) including financial such as net profits, revenues from the operation, the related financial indicators comparing to the same industry (i.e. monthly remuneration), sustainability, and other indicators, as well as considerations of experiences, duties and the scope of roles and responsibilities.
- Roles, duties and responsibilities of directors and executives.

Objectives of Remuneration Payment

1. To motivate and attract directors and executives possess knowledge and expertise to work in roles that align with their qualifications and expertise.
2. To create satisfaction among directors and executives in terms of performance and remuneration for effectively carrying out their duties and responsibilities within their positions. This strategy aims to retain directors and executives and to create loyalty to the Company.
3. To create stability and safety for directors and all executives to enhance work efficiency.

In 2023, the Company paid remuneration to the Board of Directors and executives totaling 44,397,104 baht.

Remuneration for the Board of Directors and Sub-Committee in 2023

Position	Remuneration							
	Monthly Remuneration		Meeting Allowance (per meeting)		Annual Bonus		Other Benefits	
	2023	2022	2023	2022	2023	2022	2023	2022
Chairman of the Board of Directors	48,000	40,000	-	-	810,000	810,000	None	None
Directors	42,000	35,000	-	-	580,000	580,000	None	None
Chairman of the Independent Director	-	-	36,000	30,000	580,000	580,000	None	None
Member of the Independent Director	-	-	30,000	25,000	580,000	580,000	None	None
Chairman of the Audit Committee	-	-	33,000	27,500	580,000	580,000	None	None
Member of the Audit Committee	-	-	24,000	20,000	580,000	580,000	None	None
Chairman of the Risk Management Committee	-	-	30,000	25,000	580,000	580,000	None	None
Member of the Risk Management Committee	-	-	24,000	20,000	580,000	580,000	None	None
Chairman of the Corporate Governance and Sustainability Committee	-	-	30,000	25,000	580,000	580,000	None	None
Member of the Corporate Governance and Sustainability Committee	-	-	24,000	20,000	580,000	580,000	None	None
Chairman of the Remuneration and Nomination Committee	-	-	30,000	25,000	580,000	580,000	None	None
Member of the Remuneration and Nomination Committee	-	-	24,000	20,000	580,000	580,000	None	None

Remarks : 1. Remuneration of any other benefits: None
 2. The annual bonus equaled to the last year.

The Company proposed to the 2023 Annual General Meeting of Shareholders on 18th April, 2023 and at the shareholders' meeting, it was approved to remuneration of the Board of Directors and sub-committees with a total amount of not exceeding 12,000,000 baht (twelve million Baht)

In 2023 and 2022, the Company paid the total cash remuneration to the Board of Directors, comprising 7 members, as detailed below:

Director's name	2023 (Baht)	2022 (Baht)
1. Adm. Apichat Pengsritong	1,482,000	1,370,000
2. Mrs. Kongkaew Piamduaytham	1,306,000	1,267,500
3. Mr. Chuchat Petaumpai	1,084,000	1,040,000
4. Mrs. Daonapa Petampai	1,084,000	1,000,000
5. Mrs. Nongnuch Dawasuwan	1,330,000	1,245,000
6. Mr. Suchart Suphayak	1,348,000	1,255,000
7. Dr. Suksit Patcharachai	1,180,000	1,080,000

Proportion of Director Remuneration Dividing by Gender

Director's Remuneration	2023 (Baht)	2022 (Baht)
Average remuneration for female directors	3,720,000	3,512,500
Average remuneration for male directors	5,094,000	4,745,000

In 2023, the Company paid remuneration to the Board of Directors dividing into female : male accounting for 0.42 : 0.58

Remuneration Form for Directors and Executives

Position	Types of Remunerations				
	Salary	Meeting Allowance (per meeting)	Annual Bonus	Benefit	
				Insurance	Provident Fund
The Board of Directors	✓	✓	✓	-	-
CEO	✓	-	✓	-	-
Top Executives	✓	-	✓	✓	✓

Remark : The Company has no other forms of remuneration for the directors and executives in both monetary and non-monetary.

7.5 Information about Employees

As of 31st December, 2023, the Company and its subsidiaries have a total of 14,873 employees categorized into main divisions as follows:

Department	Number of Employees (persons)		
	Head Office	Branch	Total
1. Branch Affairs Department	27	352	379
2. Credit Analysis Department	-	12,330	12,330
3. Debt Collection Department	-	477	477
4. Accounting Department	28	789	817
5. Financial Department	15	287	302
6. IT Department	27	-	27
7. Lawyer Department	9	-	9
8. Administrative Department	27	337	364
9. Human Resource Department	11	-	11
10. Internal Audit Department	84	-	84
11. Purchasing Department	9	-	9
12. Secretary Department	4	-	4
13. Treasury and Corporate Finance	4	-	4
14. Car Auction Center	-	29	29
15. Building and Sustainability	24	-	24
16. Compliance	3	-	3
Total	272	14,601	14,873

Remark : The employees of the Company and the subsidiaries are the same.

Form of Remuneration Payment for Employees

Position	Types of Remunerations				
	Salary	Commission Fee	Annual Bonus	Benefit	
				Insurance	Provident Fund
Employees at all levels	✓	✓	✓	✓	✓

Remark : The Company provides the commission payment to all employees except for the employees at the headquarter.

Objectives of Remuneration Payment

1. To attract knowledgeable and skilled employees to work in positions that align their expertise and abilities.
2. To create stability, safety, and to encourage a good quality of life for employees.
3. To motivate employees to work efficiently and be rewarded for performing their duties and responsibilities within their position.

In 2023, the Company incurred expenses related to employees which consist of salary, commission, annual bonus and other compensation benefits, totaling 6,085 million baht Compared to the amount of 4,745 million baht in 2022.

7.5.1 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 internal promotions and performance evaluations to effectively develop employees, which is a crucial factor for the sustainable and robust growth of the business. This training development policy aligns with the nature of business and the departments within the Company, and is consistent with the consultation from external consultants.

7.5.2 Provident Fund Program

The Company establishes a provided fund with the participation of 8,051 employees, equivalent to a ratio of 54.13 per total employees.

In 2023, the Company contributed to the provident fund for employees, for the executives and employees totalling 62.30 million baht.

7.5.3 Claw back Provision

The Company has stipulations that the directors, executives, and employees must comply with relevant laws, including the Securities and Exchange Act of B.E.2535 (1992) in Section 89/7, which outlines the duties of directors and executives with responsibility, diligence, and integrity. They must also comply with the law, objectives, regulations of the company, and resolutions of the Board of Directors and shareholders' meetings. In the event that directors, executives, or employees fail to perform their duties under Section 89/7, the company may bring legal action to hold these individuals responsible for returning any benefits received, as per Sections 89/18 and 89/19.

In the event that it is found that the executives fail to perform their duties with responsibility, caution, and integrity, the Company may call for damages and benefits received (claw back of bonuses) from the executives. This is determined based on the executives' performance that does not meet the Company's criteria and standards. The executives may be held liable for both civil and criminal penalties.

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 and Head of Compliance

Name list of persons who are directly responsible for accounting and financial supervision

1. Mr. Surat Chayavoradech, Deputy Managing Director (Chief Financial Officer: CFO)
2. Ms. Vimonrat Nujul, Assistant Managing Director (Accounting Supervisor) (Profile and qualifications appear in Attachment No. 1.3)

Company Secretary

The Board of Directors resolved to appoint Miss. Monthon Onphan as the Secretary of the Company effective from 14th May, 2014 who possesses the necessary qualifications and has successfully completed studies in accounting, and/or received training in courses related to the duties of the Company Secretary and/or other relevant courses with skills, knowledge, and understanding of business, laws, and various regulations. Serving as the Company Secretary, responsibilities and scope of duties are provided by the Securities and Exchange Act, including providing advice on compliance with various standards that the Board of Directors must be aware of and comply with. The Company Secretary will participate in and maintain records of all board meetings, ensuring that the board's processes are carried out. The appointment and removal of the Company Secretary require approval from the Board of Directors. (The profile and qualifications of the Company Secretary appear on Attachment No. 1.4)

Head of Internal Audit Department

The Board of Directors resolved to appoint Mr. Chaleom Inhom as a Deputy Internal Audit Manager at the Audit Committee meeting. This decision is based on his excellent understanding of the Company's businesses, combined with knowledge, skills, and experience in internal auditing and internal control at both the business and overall levels. It is deemed appropriate and sufficient for him to perform the duties effectively. The appointment, removal, or transfer of the department of the Company must be approved from the Audit Committee. (The profile and qualifications of the head of the internal audit department appear on Attachment No.3)

Head of Compliance

Mr. Kanechchan Santisombutkasam, Assistant Compliance Specialist (Profile and qualifications appear in Attachment No. 3)

7.6.2 Head of Investor Relations and Contact Information

Investor Relations Department Contact

Contract Persons	: Mr. Parithad Petampai / Mr. Kitsada Kuruchitkosol / Ms. Yanabhaksinee Seehaampai
Address	: Muangthai Capital Public Company Limited 332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700
Tel.	: +662-483-8888
E-mail	: parithad.p@muangthaicap.com kitsada.k@muangthaicap.com yanabhaksinees@muangthaicap.com
Website	: www.investor.muangthaicap.com

7.6.3 Remuneration of Auditor

At the Annual General Meeting of shareholders for 2023, a resolution was passed approving the determination of the remuneration for the auditor for the fiscal year 2023, totaling an amount of 5,050,000 baht. This includes the audit fee and fee for reviewing the financial statement of the Company and its subsidiaries, as well as the consolidated financial statements for each quarter. The Company does not have any other service fees (Non-Audit Fee) payable to the auditor's office where the auditor is affiliated and/or person and/or any business related to the auditor and the auditor's office where the auditor is affiliated.

8. Report on Key Performance in Corporate Governance

8.1 Nomination, Development and Assessment of the Board's Performance of Duties

8.1.1 Nomination of Directors and Top Executives

The Board of Directors will consider qualifications, job-related knowledge, and necessary skills that are still lacking in the board and ensure alignment with the Company's business strategy. This is to establish the qualifications of the directors to be recruited, including the use of director databases such as the Thai Institute of Directors Association or consulting company, as applicable. These sources are utilized for recruiting new directors. The Nomination and Remuneration Committee will assess individuals who meet the qualifications specified in the Company's charter, in accordance with the law and the Skill Matrix established by the Company to align with business strategy.

Each year, the Nomination and Remuneration Committee will recruit individuals to be elected as a director when their terms expire. The consideration of individuals nominated for election as a director is based on their qualifications, and it must adhere to the Company's good Corporate Governance guidelines, the Public Company Limited Act, and the Securities and Exchange Act. The appointment of each director must receive approval from more than half of the total number of votes from shareholders who attended the meeting and voted.

Criteria for considering a person to be nominated as a director in the Company must not hold a directorship position in the Company that are registered in excess of 5 companies. Independent directors must possess qualifications of an independent director as required by law. When the Nomination and Remuneration Committee has thoroughly and comprehensively considered the candidates, the name will be presented to the Board of Directors' meeting for consideration. The Board of Directors will carefully review and screen the candidates to ensure that the individuals proposed for appointment as directors have qualifications suitable for the Company's business to approve the appointment, then propose to the shareholders' meeting for further approval.

Succession Plan Policy

The Board of Directors requires a succession plan of the Chairman of the Executive Committee and the Managing Director to maintain confidence to all stakeholders that the Company will adhere to and continue operate the business in accordance with policies for stable and sustainable growth, under the

principles of good Corporate Governance and business ethics, with transparency and efficiency, ensuring that the Company has knowledgeable executives with sufficient competence to carry out the succession duties. Consequently, guidelines for succession plans are set.

1. Regulations and Rules for Succession Plan

The Company has established rules and regulations for selecting personnel responsible for important management positions to ensure appropriateness and transparency. The objective is to ensure that the Company has qualified executives with professional skills, experience, and competencies. This is achieved through the efforts of the Nomination and Remuneration Committee and/or the Managing Directors, along with succession planning according to employee level, as follows:

1.1 The Managing Director or the Chairman of the Executive Committee (CEO) level

- The Management is responsible for preparing a succession plan at the level of the managing director or the Chairman of the Executive Committee level to propose to the Nomination and Remuneration Committee for consideration and presentation to the Board of Directors for approval.
- The Nomination and Remuneration Committee ensures the monitoring of the succession plan's progress, starting from identification of successors (personal notification), capacity development, and ongoing performance evaluations.
- When the position of the Chairman of the Executive Committee/Managing Director become vacant or unable to perform the duties, the Nomination and Remuneration Committee is responsible for selecting a new Chairman of the Executive Committee/Managing Director to propose to the Board of Directors for consideration and approval, appointing a suitable person to assume the position going forward.

The Basic Qualifications of the Managing Director or the Chairman of the Executive Committee are as follows.

1. Education is not lower than the Bachelor's degree level and proficient in management, marketing, finance, and accounting.
2. Having experience in management in the position of line director or a minimum of 5 years of managerial experience or equivalent, and experience in the business of the Company.
3. Having leadership, far-sighted vision and positive attitude towards the Company.
4. Possess the ability to strategize and manage

the Company in alignment with the Company's vision and mission.

5. Demonstrate effective decision-making and problem-solving skills while considering the maximum benefit to the Company."
6. Capable of analyzing business situations and trends to develop appropriate and efficient strategies, policies, and plans for the Company.

1.2 Executive level from Deputy Managing Director to Assistant Managing Director level

- The Management is responsible for preparing a succession plan at the Executive level, from Deputy Managing Director to Assistant Managing Director level, to propose to the Nomination and Remuneration Committee for consideration and presentation to the Board of Directors for approval.
- The Managing Director ensures the monitoring of the succession plan's progress, starting from identification of successors (personal notification), capacity development, and ongoing performance evaluations.
- When executive position ranging from Deputy Managing Director to Assistant Managing Director become vacant or unable to perform the duties, the Managing Director is responsible for selecting and appointing a new executive to fill the vacant position.

The Basic Qualifications of Executive from Deputy Managing Director to Assistant Managing Director level are as follows.

1. Education is not lower than the Bachelor's degree level.
2. Having experience in management in a manager position or above.
3. Having leadership and far-sighted vision.
4. Having the capability of strategic planning.
5. Integrity and recognizing the importance of the organization's benefits.

2. The Company's Succession Plan includes the following processes.

- 2.1 Creating a training and development plan for employee in advance before employees retire or leave their positions prematurely.
- 2.2 Specifying qualifications and competencies refers to the desirable knowledge, skills, personality and attitudes of employees in those positions and creating an individual development plan.
- 2.3 Selecting, evaluating work performance, and assessing the competencies of the individual who will be the candidate to ensure suitability.

2.4 Identify at least 2 successors through the assessment and analysis of employees' performance, with advance notification to employees (personal notification) to prepare for succession and job learning.

2.5 Develop and evaluate employees expected to be successors to ensure they can progress and achieve results as expected. If their performance does not meet expectation, the following action must be taken as follows.

2.5.1 Selecting and planning for new succession and developing replacement successors (if any) or

2.5.2 Nomination and selection from outsiders

2.6 When the successors possesses the qualifications required for a higher-responsibility positions and there is a vacancy or a new higher-level positions, propose promotion and retention in accordance with the Company's policy.

2.7 Report the progress of the succession plan to the Board of Directors at the quarterly board meeting.

8.2 Supervision of Subsidiaries and Associated Companies

The Company manages and controls the operations of its subsidiaries, including strategic planning, policies, and goals, by appointing individuals as directors or executives of the subsidiaries. This is for maintaining the benefits of the Company's investments. The Company also mandates its subsidiaries to comply with the Company's requirements and policies, such as financial reporting, and compliance with the good Corporate Governance policy, etc. The Company arranges for annual reviews and audits of the internal control system of the subsidiaries' operations to ensure that the subsidiary maintains an adequate and concise internal control system. The Company's Internal Audit Department is responsible of being the internal audit administers and reports to the Audit Committee, overseeing the subsidiaries to operate under an internal control system that is adequate and appropriate.

In the past year, The Company has improved the management guidelines of the Company and its subsidiaries, including policies and notifications related to the oversight of the Company's operations and subsidiaries. This is to ensure efficient work processes, prevent potential conflicts of interest, and comply with the laws and regulations prescribed by regulatory agencies such as the Bank of Thailand, the Office of the Insurance Commission, the Securities and Exchange Commission and the Stock Exchange of Thailand.

Additionally, rules and regulations related to good Corporate Governance, such as connected transactions, have been enhanced. The Company and its subsidiaries have improved their practices regarding the giving and receiving gifts or other expenses related to third parties, aligning with the guidelines set by the regulators.

The Company has established a policy for the supervision of subsidiaries and associated companies to determine direct and indirect measures and mechanisms through which the Company oversees and manage its subsidiaries and associated companies. It also monitoring and supervising to ensure that the subsidiaries and associated companies adhere to the Company's rules, including the public company law, securities laws, as well as announcements, rules, and regulations relevant to the regulations of The Capital Market Supervisory Board (CMSB), The Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET). This is conducted as if it were the Company's department to maintain the benefits of the investment in the subsidiaries and associated companies.

The Company appoints individuals as directors in subsidiaries and/or associated companies according to the proportion of shareholding in each company, as far as possible. The person who is appointed as a director in the subsidiaries and/or associated companies will be responsible for supervising subsidiaries and/or associated companies to operate in accordance with the law and the good Corporate Governance policy, including other policies of the Company, while considering the suitability of each company.

In case of entering into a transaction or any action of the subsidiaries which is in the scope of an acquisition or disposition of assets according to the notifications on acquisition and disposition of assets, or connected transactions according to the notifications on related transactions must be approved by the Board of Directors or at the shareholders' meeting of the Company (case by case). The directors are responsible for organizing the Board of Directors meeting and/or the shareholders' meeting to consider and approve such matters before the subsidiaries and/or associated companies conduct their own meetings of the Board of Directors and/or shareholders for consider and approve and/or before making a transaction or acting. In this regard, the Company shall ensure that the subsidiaries disclose information and comply with the rules, conditions, procedures, and methods related to the matter to be approved as specified in the Public Company Law, securities laws, as well as announcements, rules, and regulations of the Capital Market Supervisory Board (CMSB), the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), completely and accurately.

1. Transaction or action of the subsidiaries and/or associated companies in the following cases must be approved by the Board of Directors or at the shareholders' meeting of the Company (case by case)

(1) Transaction or action that must be approved by the Board of Directors

(a) Appointing or nominating a person to be a director or executive in subsidiaries and/or associated companies at least in proportion to the Company's shareholding in subsidiaries and/or associated companies. The directors and executives nominated or appointed by the Company have discretion in voting in subsidiaries and/or associated companies' meetings regarding general management and normal business operations of subsidiaries and/or associated companies according to the director and executives of subsidiaries and/or associates will deem appropriate for the best interest of the Company, subsidiaries and/or associates except in matters where such directors and executives have special interests in such matters.

However, the aforementioned directors or executives must be listed in the EDS info (White List) and possess qualifications, roles, duties and responsibilities as well as having no untrustworthy characteristics as announced by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in the determination of untrustworthy characteristics of the Company's directors and executives.

(b) Consideration and approval of annual dividend payment and interim dividends (if any) of subsidiaries companies.

(c) Amendment to the Articles of Association of subsidiaries companies, excluding significant matters under clause (2)

(d) Consideration and approval of the annual budget of subsidiary companies. Items from item (e) to item (m) are deemed significant and entering into transactions will have a substantial effect on the financial position and performance of subsidiary companies. Therefore, it must be approved by the Board of Directors. In this regard, it must be the case that when calculating the size of the transaction that the subsidiary will enter into compared to the size of the Company (by applying the criteria for calculating transactions as specified in the Notification of the Capital Market Supervisory Board (CMSB) and the SET Board of Governors regarding acquisition and disposition of assets

- and/or connected transactions (case by case) shall apply mutatis mutandis).
- (e) In the event that a subsidiary company agrees to enter into a transaction with a related person of the subsidiary or transactions related to the acquisition or disposition of assets of subsidiary company.
 - (f) Transfer or waiver of benefits, including the waiver of claims against those who cause damage to the subsidiary company.
 - (g) Sale or transfer of the entire business or significant parts of the subsidiary company to other.
 - (h) Purchase or acceptance of the business of other companies to be owned by subsidiary company.
 - (i) Entering into, amending or terminating contract related to the lease of all or significant parts of the subsidiary's business. This also includes the assignment of other persons to manage the business or the merger of subsidiary companies with another entity.
 - (j) Lease or hire purchase the business or assets of the entire subsidiary company or the significant parts.
 - (k) Borrowing or lending money, granting credits, guarantees, making in legal acts that bind subsidiary companies to bear additional financial burdens or providing financial assistance in any other manner to other persons and abnormal business transactions of the subsidiary companies.
 - (l) Dissolution of subsidiary companies.
 - (m) Any other transactions that an abnormal business transaction of the subsidiary companies and transactions that will have a significant impact on the subsidiary companies.
- (2) Transaction or action that must be approved at the Shareholders' Meeting of the Company.
- (a) In the event that a subsidiary company agrees to enter into a transaction with a related person of the subsidiary or transactions related to the acquisition or disposition of assets of subsidiary company. In this case, it must be the case that when calculating the size of the transaction that the subsidiary will enter into compared to the size of the Company. (by applying the criteria for calculating transactions as specified in the Notification of the Capital Market Supervisory Board (CMSB) and the SET Board of Governors, which shall apply mutatis mutandis), it falls within the criteria that must be considered and approved by the shareholders' meeting of the Company.
 - (b) Increasing capital by issuing additional shares of subsidiary companies and allocating shares, including registered capital reduction, which does not follow the shareholding proportion of the shareholders. This may result in a direct and/or indirect reduction of the Company's exercise of voting rights at the shareholders' meeting of any subsidiary by more than ten percent (10%) of the total number of votes at the shareholders' meeting of that subsidiary. As a result, the proportion of the Company's voting rights, both directly and/or indirectly, at the shareholders' meeting of the subsidiary at any level, could decrease to less than fifty percent (50%) of the total number of votes at the shareholders' meeting of that subsidiary.
 - (c) Any other transactions that result in a reduction of the proportion of the Company's exercise of voting rights, both directly and/or indirectly, at the shareholders' meeting of any subsidiary by more than ten percent (10%) of the total number of votes at the shareholders' meeting of that subsidiary. As a result, transactions that result in the proportion of the Company's voting rights, both directly and/or indirectly, at the shareholders' meeting of the subsidiary at any level decreasing to less than fifty percent (50%) of the total number of votes at the shareholders' meeting of that subsidiary. These transactions are those not considered normal business activities of the subsidiary.
 - (d) The dissolution of subsidiary companies must be a case where, when calculating the size of the transaction that the subsidiary will enter into compared to the size of the Company (by applying the criteria for calculating transactions as specified in the Notification of the Capital Market Supervisory Board (CMSB) and the SET Board of Governors regarding the acquisition and disposition of assets), it falls within the criteria that must be considered and approved by the shareholders' meeting of the Company.
 - (e) Any other transactions that are not normal business activities of the subsidiary company and transactions that will have a significant impact on the subsidiary company. In this case, it must be the case that when calculating the size of the transaction compared to the size of the Company (by applying the criteria for calculating transactions as specified

in the Notification of the Capital Market Supervisory Board (CMSB) and the SET Board of Governors regarding acquisition and disposition of assets, which shall apply mutatis mutandis), and falls within the criteria that must be considered and approved by the shareholders' meeting of the Company.

- (f) Amendment to the Articles of Association of subsidiary companies that might have a significant effect on the financial position and performance, including but not limited to amendments that affect the voting rights of the Company at the Board of Directors' meeting and/or the shareholders' meeting, or the dividend payment of subsidiaries companies, etc.

2. The Board of Directors is responsible for ensuring that the subsidiary has an internal control, risk management and fraud prevention system and establish appropriate measures for monitoring the performance of subsidiaries and associated companies to ensure that their operations align with other policies, law, good Corporate Governance policies, and relevant rules and regulations specified by the Capital Market Supervisory Board (CMSB), the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Additionally, they should follow up on subsidiaries and/or associated companies to disclose information on connected transactions, acquisition or disposition of assets, and/or other significant transactions to the Company, in accordance with the rules of the supervision of subsidiaries and associated companies' policy and the Articles of Association.

8.3 Monitoring to Ensure Compliance with Corporate Governance Policies and Guidelines

8.3.1 Compliance of Code of Conduct

The Company is committed to managing its operations and conducting business with a responsibility to the environment and stakeholders including customers, employees, shareholders/investors/creditors, vendors, competitors, regulators, communities and the surrounding society. This is to create sustainable business and to grow the business steadily and be socially accepted. Additionally, the Company aims efficiently generate returns for shareholders/investors by considering the benefits and impacts of business on those involve with the Company. The Company has a policy for its operations, emphasizing responsibility to the environment and stakeholders, adhering to ethical and fair business practices. The Company has developed a Code of Conduct as a written guideline for the Board, executives, and all employees to understand the ethical standards that the Company use in its business operations. It serves as a practical guide to demonstrate the

commitment to transparent and ethical business operations, responsibility to stakeholders, and environmental responsibility for the sustainable growth of the Company.

The Corporate Governance and Sustainability Committee is responsible for ensuring compliance with, monitoring the implementation of Code of Conduct guidelines and policies. The directors, executives and employees are obligated to strictly adhere to the guidelines of the Code of Conduct. The Company has monitored 100 percent of all cases of the practice.

The executives are responsible for enhancing employees under their command to understand and practice the Code of Conduct guidelines. The Company shall not violate any laws or regulations of good Corporate Governance. In this case, the directors, executives or employees violating those aforementioned principles will be punished with disciplinary action. If there is any action that is against the laws or the Company's Code of Conduct, the issue can be report through the whistleblowing channel, and the complaint will be handled by the audit department, and the process of the complaints will be managed respectively.

In 2023, the Company's directors, executives and employees did not commit any wrongdoing of business ethics and Code of Conduct.

8.3.2 Human Rights and Labor Practices

The execution of the policy aligns with the Company's commitment to treating employees with fairness, integrity, respect, and equal opportunity. The Company takes a strong stance against discrimination and harassment in any form that may occur within the subsidiaries, customers, and business partners. The Company is dedicated to providing opportunities while taking responsibility for the welfare of the community and society, based on the principle of safety and a quality of life. This commitment includes business partners growing together responsibly and respecting the fundamental human rights of all stakeholders equally, following international practical guidelines. This is aimed at the sustainable growth of both the community and the Company.

The Company educated directors, executives and employees by providing a training course about human rights and labor practices, achieving 100 percent compliance rate, including signing their acknowledgment to practice the policy completely and appreciably. Hence, the Company has monitored the operational results and reports of the compliance with human rights and labor practices policy and reported at the meeting of the Corporate Governance and Sustainability Committee and the Board of Directors quarterly.

In addition, the Company is aware of the impact arising from its operation. Therefore, the Company place importance on impact remedial procedures by establishing a whistleblowing channel for complaints. And the Company ensures appropriate measures for redressing those affected, both in monetary forms

such as remuneration payments and non-monetary forms like providing opportunities for feedback and offering consultation to the affected party through various channels.

In 2023, the Company did not receive any complaint or have any cases of violation of human rights and labor practice stemming from the Company's business operations, both within the Company and external. Furthermore, there were no legal disputes related to labor issues, forced labor, slave labor, child labor, consumer rights, or any business operations.

8.3.3 Anti-Corruption

The Company has established and communicated the anti-corruption policy and measure, including relevant laws and regulations, to directors, executives and employees. This is aimed at fostering understanding and raising awareness, and preventing corruption and raise awareness of the penalties for action through the Company's intranet (MTCU) and website, achieving a 100 percent compliance rate. The Company strictly prohibits directors, executives and employees from using authority improperly to obtain undue benefits, such as giving gifts or services, offering cash or non-cash items, or engaging in bribery with government officers refraining from demanding, conducting, or accepting any form of corruption, whether directly or indirectly, whether monetary or non-monetary, with government agencies, private entities or business partners with whom the Company operates or is in contact for the benefit of the Company, oneself, family, friends, acquaintance or business, encompassing all businesses and related units associated with the Company. The Company conducts regularly assessments of compliance with the Company's anti-corruption policy and measure, ensuring that practices and operating align with changes in business, regulations, laws and legal requirements. Any violation or cooperating with corruption will be subject to disciplinary action according to the Company's regulations. The policy and measure mentioned have been publicly disclosed on the Company's website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Good Corporate Governance Policies > Anti-Corruption Policy).

The Company operates the business with a firm commitment to anti-corruption in all forms. Establishing process for assessing risk of corruption, managing risk, and conducting monitoring to prevent and eradicate corruption and misconduct. The Company also supports the cultivation of an organizational culture that adheres to honesty and ethical conduct. In addition, The Company establishes mechanisms for tracking performance and reporting on the Company's anti-corruption policy, as well as reporting cases of corruptions and providing monthly guidelines for solution to the audit department. This includes reporting to the Board of Directors at the Board's meeting every quarter.

In 2023, The Company did not engage in any acts of corruption, such as giving gifts, services, offering cash or non-cash items, or engaging in bribery with government officers in any way.

8.3.4 Whistleblowing and Complaint Management

In case an employee wishes to file a complaint, report a violation, or disclose inappropriate, unlawful, or unethical behavior that goes against company rules or ethical standards, The Company provides channels for employees to submit the matters through various channels as follows:

- 1) E-mail : whistleblower@muangthaicap.com
- 2) Send the letter by post to the following address:
Mrs. Kongkaew Piamduaytham
Chairman of the Audit Committee
Muangthai Capital Public Company Limited
332/1 Jaransanitwong Road, Bangplad,
Bangplad, Bangkok 10700
- 3) Telephone to the whistleblowing department:
+6681-751-1587
- 4) Unauthorized use of personal data without consent from the owner,
E-mail : DPO@muangthaicap.com

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 treated malicious for their whistleblowing or providing clues. If the whistleblowing or clue is done with good intentions without any malicious intent to harm the Company or related persons, the Company will compensate for reasonable damages if an improper incident occurs with the whistleblowers. In addition, policies and measures are publicized on the Company's website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Good Corporate Governance Policies > Whistleblowing Policy)

In addition, the Company provides training for all employees, including probation employees, regular employees and contract employees, to raise awareness and emphasize the importance of excellent service. This serves as a guideline for practice that help establishing good customer relations or external organizations, as well as reducing potential complaints that may cause damage or negative impact on the Company. The responsible department is required to report complaints or the progress of complaint resolution to relevant parties on a monthly basis.

The Company establishes mechanisms for tracking performance and reporting on Whistleblowing policy, as well as reporting cases of complaints and providing monthly guidelines for solution and remedy to the audit department. This includes reporting to the Board of Directors at the Board's meeting every quarter.

In 2023, the Company did not receive any complaint or whistleblowing through the whistleblowing channel and the Company's social media platforms.

8.3.5 Prevention of Conflict of Interest

The Company establishes a policy that prohibit directors, executives and employees including those related to such persons, from seeking personal benefits that conflict with the interests of the Company. Actions that cause conflicts of interest should be avoided, and those involved or with an interest related to the considered matters must disclose to the Company about any relationship or associations they have with the said transaction. Individuals involved in such matters shall not participate in any decision-making processes related to the mentioned transaction.

The Company mandates that the Company's directors and executives have the responsibility to report their Securities Holding in the Company, as well as those of their spouse and underage children, along with reporting the changes in securities and derivatives holding to of the Securities and Exchange Commission following Section 59 and penalties under the Securities and Exchange Act B.E.2535 (1992). This information should be provided in the Annual Registration Statements.

The Company has established and communicated its conflict of interest policy to directors, executives, and employees by disseminating and promoting understanding through the Company's intranet (MTCU) and website, achieving a 100 percent compliance rate. This includes ensuring that individuals sign an acknowledgment to fully and substantially adhere to the policy. Therefore, the Company places high importance on the conflict of interest policy. The Audit Committee has developed practical guideline for managing conflict of interests, monitors operational performance and reports on compliance with the mentioned guideline to the directors at the Board's meeting every year. The guidelines were approved at the Board's meeting and shall be regularly reviewed to ensure that the control system is well-established, standardized, transparent, and aligned with good Corporate Governance principles.

The company has prepared a report on the interests of directors and executives according to the specified criteria. By reporting when taking office for the first time and on a quarterly and annual basis The directors and executives have prepared a complete report. Calculated as 100 percent

In 2023, the Company did not identify any case of conflict that violated the Conflict of Interest policy.

8.3.6 Prevention of Insider Trading

The Company has established a system to track performance and report on the operational performance of the Prevention of Insider Trading to the directors at the Board's meeting annually. Each year, directors, executives and employees undergo a review of business ethical, anti-corruption policy, and IT security covering the use and protection of internal information and the protection of confidentiality of the Company.

This includes communicating information about internal data usage as a precaution to all employees, who are required to sign an acknowledgment of their responsibilities upon joining the Company. The details are specified in the employment contract for each employee to acknowledge, and the communication is conducted through the Company's intranet (MTCU) as well as other suitable channels, ensuring 100 percent compliance rate. Currently, the review is conducted online, and employees can sign the acknowledgment after reviewing and comprehension test.

In 2023, the Company did not identify any instances of using internal information to seek personal benefits that conflict with the Prevention of Insider Trading policy. The Company ensures compliance with laws and good Corporate Governance principles regarding the use of internal information and the trading of the Company's securities. Additionally, the Company Secretary department will notify related parties in advance in writing of the blackout period and found no cases where directors, executives, or employees engaged in securities transactions during the Company's designated blackout periods.

8.3.7 Personal Information Protection (PDPA)

The Company is responsible for the collection, use and disclosure of personal data in accordance with Personal Data Protection Act (PDPA) B.E.2562 (2019). The Company is aware of the importance of the personal data security of customers, employees, vendors or partnerships and other relevant data owners, in order to prevent a breach of personal data. It serve as an internal control measure of the processing of personal data and as a proactive measure for standardized personal data protection in compliance with laws and regulations of the Office of the Personal Data Protection Committee (PDPC) and other regulatory agencies as supervised by the government. This includes aligning with policies, practices, and other orders established by the company. In this regard, all personnel in the Company, including executives and employees, as well as those involved shall have comprehensive knowledge of personal data protection and prioritize compliance with the practical guidelines strictly.

The Company educated directors, executives and employees by providing a training course and a comprehension test about Personal Data Protection, with a passing rate of 98.92 percent including signing their acknowledgment to practice the policy completely and appreciably. Hence, the Company has monitored the results of the compliance and annually reported on the practice of the prevention of personal data at the meeting of the Audit Committee and the Board of Directors.

In 2023, the Company did not receive any complaint or found a breach of personal data.

8.3.8 IT Security

The Company aims to provide and manage services cohesively, aligning with the Company's business policy. This includes addressing and preventing issues that may arise in the IT network system due to user misconduct and threats. Therefore, the Company has established an Information Security Policy, serving as a practical guideline for IT examination and security maintenance. This approach ensures the creation of a secure environment, allowing for continuous service to customers while effectively reducing potential IT risks.

The Company has provided education and dissemination information to directors, executives and employees about IT security, encompassing the content of cyber security knowledge. This has been done through the Company's intranet (MTCU) and website, achieving a 100 percent compliance rate. Additionally, the Company has organized a signing process for their acknowledgment to practice the policy completely and appreciably. The Company has implemented procedures to monitor and report on the operation performance of information security, encompassing IT security matters. These reports are presented regularly at quarterly meetings attended by executives, the Risk Management Committee, and the Board of Directors. Additionally, the Company arranges for an annual external auditor of the information system, and the findings are reported to both the Audit Committee and the executives.

In 2023, the Company did not identify any breaches of the Company's internal information. However, recognizing the escalating frequency and expanded scope of cyber threats nowadays, the Company acknowledges the critical significance of cyber security which has to be examined and continuously developed. Therefore, the Company has strived for a higher standard of cyber security with concise and cautious procedures. The security measures consist of improvement in preparing for defending against and responding to threats as well as system recovery to be functional as usual to defend against the threats in every dimension and in time.

8.3.9 Procurement

The procurement of goods and services is an important process that supports the Company's business. Therefore, the procurement process is stipulated to adhere to the practice. The process is fair, reasonable, transparent and can be verified that there is no conflict of interest and treat partners equally with fair competition to achieve the most beneficial operations for the Company. The Company has monitored the results of

the compliance and reported at the meeting of executives and the Board of Directors quarterly. Hence, the Company provides education and dissemination information to directors, executives and employees about procurement knowledge and comprehension through the Company's intranet (MTCU) and website, achieving a 100 percent compliance rate. Additionally, the Company has organized a signing process for their acknowledgment to practice the policy completely and appreciably.

8.4 Legal Dispute of the Board of Directors in 2023

As of 31st December 2023, the Board of Directors has not involved in any news, legal dispute, fines, blame or legal actions taken against them by the regulators such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) as followed matters:

1. There have been no cases of fraudulent activities (Fraud) committed.
2. There was no incident of the Company's directors, whether as Independent Directors or Non-Executive Directors, resigning due to issues related to the oversight of the Company's operations. Additionally, there was no case of the Audit Committee or Independent Committee resigning collectively.
3. There have been no actions violating ethics that pose a serious threat to regulations committed.

8.5 Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of Muangthai Capital Public Company Limited has prepared financial statements to demonstrate the financial position and the Company's operating results for the year 2023 in accordance with the Public Limited Companies Act B.E.2535 (1992), the Accounting Act B.E.2543 (2000) and the Securities and Exchange Act B.E.2535 (1992). This also includes adherence to the announcement of the Capital Market Supervisory Board on Rules, Conditions and methods for reporting the disclosure of information about the financial position and operating results of the issuing Company.

The Board of Directors is well aware of the duties and responsibilities associated with being a director of a listed company, which involves overseeing the Company's financial statements and those of

the Company's subsidiaries. This responsibility includes the financial information presented in the 2023 annual report. The financial statements are prepared in accordance with generally accepted accounting standards, utilizing appropriate accounting policies. Additionally, discretion is exercised carefully and reasonably in the preparation of the Company's financial statements. Furthermore, important information is adequately disclosed in the notes to the financial statements to benefit shareholders and general investors with transparency.

In addition, the Board of Directors has established and maintained a risk management system and effective internal controls to reasonably ensure the accuracy and completeness of accounting records. This is done to sufficiently maintain the Company's assets and to prevent fraud or a materially abnormal operation.

In this regard, the Board of Directors has appointed the Audit Committee of the Company comprising independent directors, to review the quality of financial reports and assess the adequacy of the internal control system. The Audit Committee's opinion on these matters is presented in the report included in this annual report.

The Board of Directors hold the opinion that the Company's overall internal control system is at satisfactory level, instilling reasonable confidence in the financial statements of the Company and its subsidiaries for the year ending 31st December, 2023. The financial position, operating result, and cash flows are accurately presented in accordance with the relevant financial reporting standards.

Adm. Apichart Pengsritong
Chairman of the Board of Directors

Review of Strategy, Vision and Mission

The Company's Board of Directors, in conjunction with the Executive Committee, periodically reviews the Company's vision and mission to align them with the business targets and strategies for the future. Additionally, the Board of Directors sporadically monitors the management's business operations, ensuring alignment with the Group's strategic direction. In the previous year, during Meeting No.6/2023 held on 12th September 2023, the Board of Directors reviewed the vision, mission, and corporate principles to ensure consistency with the business targets and strategies.

8.6 Summary of the Operational Performance of Sub-Committees

8.6.1 Report of the Audit Committee of 2023

The details appear in Attachment No. 6.

8.6.2 Report of the Nomination and Remuneration Committees of 2023

The Nomination and Remuneration Committees of Muangthai Capital Public Company Limited have been appointed by the Board of Directors to be responsible for recruiting qualified individuals according to established rules and procedures for proposed director appointment. Their duties include proposing appointments to the position of director and selecting company directors to serve on sub-committees. This Committee also considers the form and criteria for director's remunerations and propose them to the Board of Directors and shareholders' meeting for approval. The Nomination and Remuneration Committee consists of 3 members appointed by the Board of Directors.

In 2023, the Nomination and Remuneration Committee held a total of 2 meetings and regularly reported on the operations to the Board of Directors every quarter. The reports encompassed essential information regarding the fulfillment of duties assigned by the Board of Directors, ensuring comprehensive adhering to the principles of good Corporate Governance, aiming for a balanced and sustainable benefit of all stakeholders. Each member of the Nomination and Remuneration Committee actively participated in the meeting as following details below:

Name	Position	Proportion of Meeting Attendance
Adm. Apichart Pengsritong	Chairman of the Nomination and Remuneration Committee (Independent Director)	2
Mr. Suchart Suphayak	Member of the Nomination and Remuneration Committee (Independent Director)	2
Dr. Suksit Patcharachai	Member of the Nomination and Remuneration Committee (Director)	2

The summary of the Nomination and Remuneration Committee's performance in 2023 is as follows:

1. Consider and nominate a qualified person to assume the position of directors, filling vacancies due to the expiration of directorship of the Board members and propose them to the Board of Directors for appointment. This ensures an adequate number of Board members and alignment with the Company's growth.
2. Provide an opportunity for minority shareholders to propose agendas and a list of individuals for nomination as company directors, 3 months before the Annual General Meeting (AGM) scheduled for the year 2024 (from 2nd October 2023 – 31st December 2023), This initiative, guided by the principle of good Corporate Governance, aims for the overall benefit of the Company and stakeholders. However, during the 2024 Annual General Meeting (AGM), no shareholders proposed any individuals for the director nomination process.
3. Consider, scrutinize and propose the remunerations for the Board of directors and sub-committee, aligning with the scope of duties and responsibilities, in accordance with the Company's performance. The criteria for consideration are based on comparison to other companies in the same industry, ensuring suitability for their duties, and linkage to the overall performance of the Company. The proposals will be presented to the Board of Directors for approval before being submitted to the shareholders for consideration and approval at the Annual General Meeting (AGM).
4. Consider and propose qualified directors as member of the sub-committee. This proposal will be presented to the Board of Directors for their consideration in appointing members based on their suitability.

In summary, the Nomination and Remuneration Committee has diligently fulfilled its duties and responsibilities assigned by the Board of Directors with caution, prudence, transparency, and fairness.

The Committee has an opinion that in the year 2023, the Board members and sub-committees possessed knowledge, skills, and expertise. The remuneration, along with other benefits disclosed in the annual report, was carefully considered and deemed appropriate for their duties and responsibilities, aligning with economic conditions and in accordance with the Company's overall performance.

Adm. Apichart Pengsritong
Chairman of the Nomination and Remuneration
Committee

8.6.3 Report of the Corporate Governance and Sustainability Committee of 2023

The Corporate Governance and Sustainability Committees of Muangthai Capital Public Company Limited are comprised of members appointed by the Board of Directors. This committee has the responsibility of conducting business operations in accordance with good Corporate Governance principles, with the Code of Conduct since such operation aligning with good Corporate Governance principles and Code of Conduct is one of the foremost policies and crucial mission of the Company. It holds a priority for the Board of Directors, executives, and all employees to ensure adherence to these policies. Hence, the Board of Directors has appointed and assigned the Corporate Governance and Sustainability Committee to encourage complying with the Corporate Governance policy and guidelines, as well as Code of Conduct. The Corporate Governance and Sustainability Committees consist of 3 members.

In 2023, the Corporate Governance and Sustainability Committee held a total of 2 meetings for consideration with the essence of adhering to the principles of good the Corporate Governance for all stakeholders. The number of Corporate Governance and Sustainability Committee members attending the meetings is as following details below :

Name	Position	Proportion of Meeting Attendance
Mrs. Kongkeaw Piamduaytham	Chairman of the Corporate Governance and Sustainability Committee (Independent Director)	2
Mrs. Nongnuch Dawasuwan	Member of the Corporate Governance and Sustainability Committee (Independent Director)	2
Dr. Suksit Patcharachai	Member of the Corporate Governance and Sustainability Committee (Director)	2

The Corporate Governance and Sustainability Committee has continuously reported the meeting results and opinions to the Board of Directors for consideration with the essence of performing duties as assigned by the Board of Directors as follows:

1. Approve the review and improvement of Corporate Governance policies and Code of Conduct to comply with current business operations and related criteria.

2. Approve the review and improvement of the anti-corruption policy.

3. Approve social, environmental and stakeholder responsibility policies.

4. Review and monitor the operational performance in accordance with the Good Corporate Governance Plan and the Social, Community, and Environmental Responsibility Plan to comply with the Corporate Governance Code for Listed Companies (CG Code), as regulated by the Securities and Exchange Commission (SEC).

5. Support and promote the Company's activities related to Corporate Social Responsibility by establishing a childcare center building annually, which rotates within the branch's area. This project has been ongoing since 2012. In 2023, the children development centers, under the "Ban Mai Khong Noo" project, were delivered; the 25th children development center at Wat Wongphatthana, Trat Province, and the 26th children development center at Wat Saramaideang, Chai Nat Province.

6. Support the "Muangthai Communities Together" project to increase an access to healthcare systems and reduce inequality among rural communities. There were 20 modified motorcycles provided to 20 health centers in sub-districts in Sukhothai Province. This initiative benefits patients as well as medical personnel who conduct regular check-ups, particularly for bedridden patients and elderly patients, with over 200 individuals served monthly.

7. Support the "Muangthai Communities Together: Blood Donation" project. In 2023, the Company set a target of 8,400 participants (60% of all employees) for blood donation. As of the end of the 3 months period (July – September), there were 7,226 participants. The blood from the donation was able to help over 21,000 patients.

8. Support the "Climate Change Management Model Project". The Company is selected by the Stock Exchange of Thailand and ERM-SIAM CO., LTD. to participate in the "Climate Change Management Model Project" to be a leading organization in climate change management and to enhance transparency in disclosing information for the registered companies in the the Stock Exchange of Thailand.

The Corporate Governance and Sustainability Committees are confident that the Corporate Governance policies, and Code of Conduct, along with contributions to the development of the economy, society and environment in Thailand, are not only the key factors to propel the Company to become the leading company with stable and sustainable growth but also instill confidence to shareholders and investors. Moreover, the Company is aware that corruption is a barrier to social development and the country's economy. Presently, the Company is a member of the Collective Action Coalition which is a part of compliance to good Corporate Governance.

For the Company's operations in 2023, the Company received awards and ratings for compliance with good Corporate Governance principles and sustainability, both domestically and internationally, as follows:

1. The Company has been announced the result of Corporate Governance assessment of listed companies in the Stock Exchange of Thailand for the year 2023 as being in the "Excellent" level (5 stars) for 6 consecutive years by Thai Institute of Directors Association (IOD).

2. The Company received "Excellent" (4 coins) rating for a quality assessment from the Thai Investors Association in evaluating the quality of organizing the 2023 Annual General Meeting of Shareholders.

3. The Company was rated BBB+ with a Stable outlook in terms of credibility for both the Company and its bonds by a Tris Rating.

4. The Company has received “A Rating” in the Thailand Sustainability Investment (THSI) by SET ESG Rating List from the Stock Exchange of Thailand for 5 consecutive years.

5. The Company has been evaluated by MSCI for its environmental, social and corporate governance performance, known as ESG, and has received “AA” rating for 2 consecutive years in the Consumer Finance sector.

Performance and assessment mentioned above signify the Company’s operations under the principles of good Corporate Governance. The Corporate Governance and Sustainability Committee believes that conducting business with transparency and continuously developing good Corporate Governance will make the organization grow sustainably and build confidence in shareholders and stakeholders as a listed company. The Company continues to improve and develop guidelines for good Corporate Governance to align with the Company’s business operations and adhere to international practice.

Mrs. Kongkeaw Piamduaytham

Chairman of the Corporate Governance and Sustainability Committee

8.6.4 Report of the Risk Management Committee of 2023

The Risk Management Committee of Muangthai Capital Public Company Limited, appointed by the Board of Directors, has a responsibility for policy formulation, a framework for risk management, supervising and supporting the implementation of risk management to reduce the impact of various risk factors both external and internal factors, including the roles and responsibilities assigned by the Board of Directors. The Risk Management Committee consists of 3 directors as follows:

In 2023, The Risk Management Committee had a total of 3 meetings and quarterly reported the meeting results to the Board of Directors for consideration. The number of Risk Management Committee members attending the meetings is as following details below:

Name	Position	Proportion of Meeting Attendance
Mr. Suchart Suphayak	Chairman of Risk Management Committee (Independent Director)	3
Mrs. Nongnuch Dawasuwan	Member of Risk Management Committee (Independent Director)	3
Mr. Chuchat Petaumpai	Member of Risk Management Committee (Director)	–

The Risk Management Committee has prioritized the risk management, especially managing risks that impact the achievement of business objectives and goals, as well as satisfying responsibilities delegated by the Board of Directors. Throughout the year, the Risk Management Committee held continuous performance monitoring meetings and observed that the Company effectively addressed significant risk issues across various areas, reducing them to generally acceptable levels. Additionally, recommendations were made for the working group to analyze new emerging risks, such as increased operational capital risk from domestic price adjustments of goods and policies to increase minimum wage, heightened risk from increased debt, personnel risk, and risk of the Company’s image and reputation. It was found that the Company systematically controlled risk issues, operated with caution, thoroughness, and efficiency.

The Risk Management Committee had indicated that the Company had risk management with discretion and efficiency.

Mr. Suchart Suphayak

Chairman of the Risk Management Committee

9. Internal Control and Related Items Report on the Conformity to the Corporate Governance Code of Conduct for the Year 2023

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:

1. Mrs. Kongkaew Piamduaytham
Chairman of the Audit Committee/
Independent director
2. Mr. Suchart Suphayak
Member of the Audit Committee / Independent
director
3. Mrs. Nongnuch Dawasuwan
Member of the Audit Committee / Independent
director

In addition, the fiscal year 2023, the Audit Committee held a total of 4 meetings, with all Members of the Audit Committee attending each meeting. Within this number, there was 1 meeting held jointly with the auditors without the Management, aimed at addressing issues identified during the audit and matters deemed important by the auditors. This was intended to promote Good Corporate Governance and enhance transparency in financial reporting to the Company. The meeting outcomes were summarized and reported to the Board of Directors quarterly. The summary of key operational practices is as follows:

Review of Financial Reports

The Audit Committee has examined and reviewed the quarterly financial statements, the annual financial statements for the fiscal year 2023 and the consolidated financial statements. They have identified any potentially conflicting items to ensure that the Company's financial reports are accurately prepared in accordance with financial reporting standards. The preparation of the Company's financial statements has been reliable and trustworthy, with adequate and timely disclosure of significant information to financial statement users. It has complied with relevant laws and regulations, the Stock Exchange of Thailand (SET) regulations and the Securities and Exchange Commission (SEC)

Review of Internal Control and Internal Audit System

The Audit Committee has considered and approved the annual audit plan for the year 2023 of the Internal Audit department, and regularly monitored the progress every quarter. They have reviewed significant risk areas and provided recommendations, as well as valuable insights to ensure that the internal control processes are capable of preventing or reducing errors in operations. Additionally, they have assessed the adequacy and

sufficiency of human resources and the independence of the internal audit department. Furthermore, they have evaluated the performance of the Management being audited by the internal audit department. The Audit Committee was of the opinion that the Company's internal control and internal audit systems are adequately suitable, effective, and continuously improving. Moreover, the internal audit department has carried out its duties independently, transparently, and fairly.

Review of Compliance

The Audit Committee has reviewed the Company's operations and observed that the Company has complied with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, and other relevant laws or regulations pertaining to the Company's business, such as the Debt Collection Act. and the Personal Data Protection Act. Additionally, the Company adheres to anti-corruption policies and changes in various standards that impact the Company's business operations.

Consideration of Related-Party Transactions or Transactions Potentially Creating Conflicts of Interest

The Audit Committee has examined transactions that may be related-party transactions or transactions that could potentially create conflicts of interest for the Company. They have done so while adhering to principles of fairness, reasonableness, transparency, and considering the benefits of all parties involved. The Company has ensured adequate disclosure of information in accordance with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Consideration of nomination and appointing of the auditors and the audit fee

The Audit Committee has considered the performance of the previous year. Including knowledge experience ability credibility and the sufficiency of resources, including assessing the independence and quality of the auditor's work in the previous year for the remuneration of the auditor has considered the scope of the auditor's responsibilities. Remuneration of auditors from other firms deem appropriate therefore proposed to the Board of Directors for approval at the Shareholders' Meeting, in 2023, the shareholders resolved to appoint KPMG Phoomchai Audit Co., Ltd. to be the auditor of the Company's and subsidiaries of the Company with the list of auditors as follows;

1. Mr. Chanchai Sakulkoeds
Certified Public Accountant No. 6827 and/or
2. Mr. Choekchai Ngamwutikul
Certified Public Accountant No. 9728 and/or
3. Ms. Sureerat Thongarungsang
Certified Public Accountant No. 4409 and/or
4. Ms. Orawan Chunhakitpaisan
Certified Public Accountant No. 6105

The Company paid an accounting audit fee of 5,050,000 Baht, excluding other expenses.

Reviewed of the Audit Committee's Charter

The Audit Committee performed its duties as assigned by the Board of Directors and in accordance with the responsibilities specified in the Audit Committee Charter. With caution, prudence, independence, expressing opinions straightforwardly. It is transparent and verifiable according to Good Corporate Governance principles as well as giving honest opinions and suggestions for the utmost benefit of the Company and fairness to shareholders, stakeholders without restriction in obtaining information, resources and cooperation from the Company. The Audit Committee is of the opinion that Company financial statements and disclosure. It is complete, reliable, in line with accounting standards according to generally accepted accounting principles. The auditors are independent and perform their duties as a professional. Risk management and internal control system are effective and appropriate enough. Internal audit is independent, covering high-risk operational processes and auditing processes that are in line with internal audit standards as well as supervising the operation to be in accordance with the law or regulations appropriately consistent with the current business nature.

9.1 Internal Control

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 executives 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:

9.1.1 Event Identification and Analysis

The Company must clearly define its objectives as a framework for identifying and analyzing risks, aligning with strategic goals, and assessing acceptable risks. Identifying and analyzing risks is crucial in understanding the causes of risk occurrences,

indicating events or activities in operational processes that may lead to errors, damages, or failure to achieve organizational objectives or goals. This involves the Company's method of risk identification as disclosed in the Company's Enterprise Risk Management (ERM) guidelines (www.muangthaicap.com > Investor Relations > Sustainability > Policies > Handbook > Enterprise Risk Management (ERM) guidelines). The Company communicates to the Board of Directors and executives, ensuring widespread acknowledgment.

9.1.2 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 working group 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 Company's Enterprise Risk Management (ERM) guidelines (www.muangthaicap.com > Investor Relations > Sustainability > Policies > Handbook > Enterprise Risk Management (ERM) guidelines). The Company communicates to the Board of Directors and executives, ensuring widespread acknowledgment.

9.1.3 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 authority, 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. Establish policies, regulations, and operational manuals in written form.
2. Implement monitoring, tracking, and supervision of operations in accordance with plans, regulations, rules, and various operational manuals, as well as ensuring compliance with laws and external requirements.
3. Clearly define roles and responsibilities and grant approval authority that can be efficiently verified.

4. Establish a policy for Related Parties Transactions that prioritizes the Company's utmost benefit, considering transactions as if they were conducted with external parties (At Arms' Length Basis).
5. Implement Key Performance Indicators (KPIs) linked to the Company's objectives.
6. Safeguard the Company's assets against personal benefit.
7. Implement an appropriate and efficient information technology control system.
8. Provide continuous knowledge and training on internal controls to employees.

9.1.4 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 executives 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 quarterly.

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 Company which are effective such as e-mails, public relations through various activities as well as having meetings together to create coordination and can work effectively.

Since 2023, the Company has established a policy to protect personal information (updated in 2023) to ensure transparency and fairness to stakeholders with more concise information system.

9.1.5 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 and report the operations at the Board of Director's meeting quarterly.

The evaluation by KPI is the evaluation on the operational performance by the Executives, Head of all departments and Employees. This includes holding the Executive Committee meeting to monitor the operational performance in accordance with the goals regularly. The duties of The internal audit department and compliance department are comprised of:

1. Internal Audit Department

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. Compliance Department

The Compliance Department 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 Internal 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 2023, the Head of Internal Audit Department ordered 3 internal audit employees to be trained on the programs related to internal audit standards and code of conduct of the internal auditors.

3.2 Number of Internal Audit Staffs

As the Company has the business growth and expansion of 869 branches in 2023, the Company had a total of 7,537 branches by the end of 2023 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 2023, the Internal Audit Department had a total of 87 employees. This number is deemed

appropriate and sufficient by the Audit Committee and the executives.

4. Control and Improvement of Audit Quality

In 2023, the Board of Directors had the resolution to appoint the outsource consultant, Dharmniti Public Company Limited, the leading professional organization in law, accounting, taxation, auditing, and internal audit for assessing the quality of the Company's internal audit. 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).

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 Executives to be an intermediary in their performance. The Board and the Executives have confidence in the code of conduct 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 fraud caused by an employee, etc.

Opinion of the Board of Directors on Internal Control

The Board of Directors have emphasized the importance of effective governance and internal control at both management and operational levels. The internal control system is a crucial mechanism to instill confidence in Management by helping to mitigate business risks, ensuring efficient business operations, achieving the vision, mission, and objectives. This is accomplished through proper resource allocation, safeguarding assets against leakage, loss, or fraudulent activities, ensuring accurate and reliable financial reporting, ensuring compliance with relevant laws and regulations, and protecting shareholders' investments. Therefore, the Company has clearly defined roles, responsibilities, and authorities of employees and managers in various aspects. There is a system in place for controlling and managing the Company's assets for the benefit of the Company. Responsibilities are divided among employees, supervisors and assessment results to ensure a balanced approach and appropriate oversight.

The Board of Directors has assigned the Audit Committee with the responsibility of ensuring the adequacy and effectiveness of the internal control system managed by the Management. Additionally, they have overseen the development and review of both the internal control system and internal audit functions concerning operations, financial reporting, compliance with rules, regulations, policies, and supervision of operations, as well as risk management. Moreover, they prioritize early warning signals and anomalies. They have developed a framework based on the COSO (The Committee of Sponsoring Organizations of The Treadway Commission) international internal control system guidelines.

Furthermore, the Company has engaged independent external individuals to oversee its internal control. They are tasked with ensuring that the Company has a sufficient and appropriate internal

control system in place. This arrangement ensures that the internal auditors are independent and able to perform their auditing and oversight duties effectively. The internal auditors report their findings directly to the Audit Committee. Additionally, the Company conducts regular performance evaluations to ensure confidence in the effectiveness of the established systems. This includes assessing the adequacy of the internal control system and reviewing key systems at least once a year, with the results disclosed in the Company's Annual Report.

During the Board of Directors meeting, the adequacy of the internal control system was assessed based on the evaluation model provided by the Securities and Exchange Commission (SEC), as conducted by the internal audit department. The evaluation report was submitted to the executives and passed through the scrutiny of the Audit Committee. The Board of Directors concluded that both the Company and its subsidiaries have sufficient and appropriate internal control systems in place. The Audit Committee did not have any dissenting views from the Board of Directors, and the auditors did not have any significant observations regarding the internal controls. Furthermore, the Company's transactions with related parties, which might pose conflicts of interest, were conducted within the normal course of business, deemed necessary and reasonable, and priced at market rates. These transactions have been disclosed in the related-party transactions section and notes of the financial statements.

9.2 Related Transaction

Regarding the details of connected transactions in 2023, 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 January – December 2023 (million baht)	Necessity and reasonableness of the transaction
Muangthai Leasing Insurance Broker Co., Ltd. (MTB) <ul style="list-style-type: none"> Registered capital of 2,000,000 Baht Paid-up for 2,000,000 Baht 	MTB is a subsidiary of the Company, the Company holds 99.99 percent of the total shares sold.	Support service income	63.95	The Company provides services to MTB, including accounting consulting fees, customer data service fees, internal audit fees, etc. Additionally, the Company receives commission fees from MTB due to the Company's employees at Head level being required to obtain a license as insurance agents to sell insurance policies, including vehicle insurance and personal accident insurance, to customers applying for loans from the Company.
		Rental income	0.59	MTB rents some space from the Company for use as an office with a total area of 140 square meters. rental rate at 350/sq.m./month
		Accounts receivable	27.08	Consists of service income from supporting work and accrued rental income of each month.
		Accounts payable	37.51	The Company act on cars, motorcycles and personal accident insurance for MTB every month
Muangthai Leasing Co., Ltd. (MTLS) <ul style="list-style-type: none"> Registered capital of 1,000,000,000 Baht Paid-up for 1,000,000,000 Baht 	MTLS is a subsidiary of the Company the Company holds 99.99 percent of the total shares sold.	Support service income	198.11	The Company provides services to MTLS including account advisory fees. Customer service fee internal audit fees, etc.
		Rental income	0.59	MTLS rents some space from the Company to be used as an office with a total area of 140 square meters. rental rate at 350/sq.m./month
		Interest income	24.89	The Company provides loans to MTLS as working capital for doing business. The interest is charged at a fixed percentage per year.

Persons possibly causing conflicts	Nature of relationship	Nature of transaction	Value of transactions as of January – December 2023 (million baht)	Necessity and reasonableness of the transaction
		Accounts receivable	2,717.75	Consists of service income from supporting work Accrued rental income and car purchase receivables for hire purchase to Muang Thai Leasing of each month.
		Accounts payable	764.20	The Company has an obligation to remit installments, down payments and stamp duty of motorcycles to MTLS every month.
		<ul style="list-style-type: none"> Loan 1.1 1st Loan amount Loan 600.00 million baht Paid (337.50) million baht. Remaining 262.50 million baht. 1.2 2nd Loan amount Loan 400.00 million baht. Paid (175.00) million baht Remaining 225.00 million baht 	487.50	<p>The Company provides MTLS loans for working capital as follows:</p> <p>1.1 1st Loan amount Loan of 600 million-baht, contract started on August 30, 2021, due on August 29, 2025, interest rate 3.95% per year, paid in installments 16 installments with principal payment every 3 months and interest every month</p> <p>1.2 2nd Loan amount Loan of 400 million-baht, contract started on March 1, 2022 due on February 27, 2026, interest rate 3.95% per year, payable in 16 installments. The principal payment is made every 3 months and interest is paid every month.</p>
		Accrued interest	0.16	Accrued interest as of 31 December 2023 from MTLS loan.
<p>Muangthai Pay Later Co., Ltd. (MTPL)</p> <ul style="list-style-type: none"> Registered capital of 1,000,000,000 Baht Paid-up for 550 million Baht 	<p>MTPL is a subsidiary of the Company the Company holds 99.99 percent of the total shares sold.</p>	Support service income	137.34	The Company provides services to MTPL including account advisory fees. Customer service fee internal audit fees, etc.
		Rental income	0.59	MTPL rents some space from the Company for use as an office with a total area of 140 square meters. rental rate at 350/sq.m./month

Persons possibly causing conflicts	Nature of relationship	Nature of transaction	Value of transactions as of January – December 2023 (million baht)	Necessity and reasonableness of the transaction
		Interest income	25.91	The Company provides loans to MTPL as working capital for doing business. The interest is charged at a fixed percentage per year.
		Accounts receivable	1,865.66	Consisting of the monthly loan receivables from Muangthai Pay Later.
		Accounts payable	870.69	The Company has an obligation to deliver the installments. And personal loan stamp duty to MTPL every month
		● Loan Loan 1,000.00 million baht Paid (125.00) million baht. Remaining 875.00 million baht.	875.00	The Company provides MTPL loans for working capital as follows: Loan amount 1,000 million-baht, contract started on June 15, 2023 due on June 15, 2027, interest rate 4.90% per year, payable in 16 installments. The principal payment is made every 3 months and interest is paid every month.
		Accrued interest	0.35	Accrued interest as of 31 December 2023 from MTPL loan.
Mr. Chuchat Petaumpai	Chairman of the shareholder of the Company. Holding 33.49 percent of the total number of shares sold	Office rent	2.65	The Company rented 8 commercial buildings and warehouses from Mr. Chuchat Petaumpai to be used as branch offices and car auction centers of the Company. Such rental fee is in accordance with the fair rental rate appraised 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 January – December 2023 (million baht)	Necessity and reasonableness of the transaction
Mrs. Daonapa Petampai	Managing Director and controlling shareholder of the Company. Holding 33.96 percent of the total number of shares sold	Office rent	1.68	The Company has leased 6 commercial buildings from Mrs. Daonapa Petampai to be used as branch offices and storage. The rental rates for buildings used as branch offices and storage locations are in accordance with the fair rental value appraised by American Appraisal (Thailand) Company Limited, an independent appraiser approved by the Securities and Exchange Commission. and for the rental rate of the building used as the storage of the Company's documents is the same rate as the price the Company Rent buildings in the vicinity of each other from outsiders.
Mr. Wasin Dechgitvigrom	A Shareholder of the Company. Holding 0.06 percent of the total shares sold as of November 8, 2023 and is a younger brother of Mrs. Daonapa Petampai who holds the position of the Managing Director	Agent commission	2.42	The Company paid the agent's commission to Mr. Wasin Dechgitvigrom based on the number of loan contracts each month at the rate the Company agreed which is a normal business operation of the Company as a service channel for the customers of the Company as for the commission rate paid to Mr. Wasin, it is an appropriate rate since it is the same rate that the Company had paid to other agents. The Company has no policy to accept additional agents in the future.
Executive ● Mr. Banyat Ninsiri	Mr. Banyat Ninsiri is a Member of the Executive Committee and Deputy Branch Manager (Phitsanulok district)	Loan Receivable Balance brought forward as of January 1 ● Additional borrowing during the period ● Repayment during the period ● Outstanding balance at the end of the period ● Accrued interest	(thousand baht) 170 120 50 2.60	This the a benefit provided by the Company to all employees, with the same conditions that the Executives have received, including an interest rate of 8.00 percent per year.

Remark : In the year 2023, the Company did not have any transactions requiring approval at the Annual General Meeting of Shareholders for the fiscal year, for any reason.

As of 31st December 2023, the Company the several office space rental agreements with the subsidiaries. The lease period is 3 years from March 1, 2021 to December 31, 2024. The subsidiary has the right to extend the lease upon expiration of the contract. The Company received the rental as specified in the agreement. The rent will be reviewed every time when the contract expires.

MTB, MTLS and MTPL have rented some areas from the Company for use as offices with a total area of 140 square meters. Rental rate is 350/sq.m./month Based on the rental rate of commercial buildings in nearby areas. Details of the rental of nearby commercial buildings are as follows:

1. Location : Soi Jaran sanitwong 42, Bang Yi Khan, Bangkok, next to MRT-Bang Yi Khan station, Size : 40 – 60 sq.m. of 12,000 baht/month Rental rate : 300 baht/sq.m.
2. Location: 666 Boromarajonani Road, Bang Bamru Sub-district, Bangplad District, Bangkok 10700
Rental rate for the 1 floor : 600 baht/sq.m.
Rental rate for the 2 floor : 400 baht/sq.m.

As of 31st December 2023, the Company had multiple lease agreements with related parties for office building rentals. The lease term is 3 years, starting from January 2021 and ending in October 2525 (each lease agreement having different start and end dates). The Company has a right-of-use asset of 12 million baht and lease liabilities of 13 million baht recorded in the financial statements, both in the consolidated financial statements and the separate financial statements. Additionally, the Company and its subsidiaries incurred expenses amounting to 3.50 million baht recorded in the comprehensive income and the income statement for the year ended December 31, 2023.

The Company leases a total of 6 commercial buildings from Mrs. Daonapa Petampai for branch offices, asset storage and employee residences. The lease term is 3 years, from March 1, 2021 to February 28, 2024. There are 2 employee residences, including No. 13 with 4 stories, 2 units space rented at a rate of 20,000 baht/month, and No. 44 with 4 stories, 1 unit space rented at a rate of 10,000 baht/month. These rental rates are based on the commercial building rental rates in nearby areas. Details of the rental rates for neighboring commercial buildings are as follows:

1. Location : Soi Jaransanitwong 83/1, Jaran sanitwong Road, Bang Or Sub-district, Bangplad District, Bangkok 10700
Size : 4 floors, 4 units at 40,000 baht/month
Rental price : 10,000 baht/unit

The Company leases a total of 8 commercial buildings from Mr. Chuchat Petaumpai for branch offices and the Company's vehicle auction center. Phichai Songkram Road sub-branch (the lease term is 3 years, from November 1, 2022 to October 31, 2025). has 4 floors and 2 units, rented at a rate of 25,000 baht/month. This rental rate is based on the commercial building rental rates in nearby areas. Details of the rental rates for neighboring commercial buildings are as follows:

1. Location : 811/41-42 Mittraphap Road, Nai Mueang Sub-district, Mueang Phitsanulok District, Phitsanulok Province 65000 (Mittraphap Road branch)
Size : 3 floors, 2 units 30,000 baht/month
Rental rate : 15,000 baht per unit

Comments of the Audit Committee

Resolution of the Board of Directors Meeting No. 1/2024, held on February 20, 2024, with the participation of the Audit Committee, who are independent directors attending the meeting, expressed the opinion that engaging in transactions between related parties is necessary for conducting general business. The terms and conditions of such transactions are in line with market prices, contract prices, and agreed-upon prices, which are reasonable and consistent with normal business practices.

In 2023, the Audit Committee reviewed the internal control system to examine the scope of activities, responsibilities, and resources, including personnel involved in the internal control process. Additionally, the Audit Committee assessed the adequacy and effectiveness of the internal control process, examined the internal audit plan and reports covering key issues identified during the audit, remediation of internal control deficiencies identified by the audit team, and Management's follow-up process to address control deficiencies within an appropriate timeframe.

The Audit Committee was of opinion that the internal control process was adequate and effective and the actions by the Management for correcting the identified control issues were effective.

In 2023, the Company has not been subjected to fines, accusations or civil actions by regulators such as the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET) about related transactions.

Procedure of Approval Related Transactions

For the normal business, the Company's policy defines that their transactions should be considered by the Audit Committee or External Auditor or Independent Specialist about reasonable price and transactions.

For the related transactions that may occur in the future, the Board of Directors should consider and control to comply with the laws and regulations of The

Securities and Exchange Act or the announcement and regulations of The Stock Exchange of Thailand. As well as compliance with the disclosure of related transactions and the acquisition or disposal of significant assets of the Company or the subsidiaries in accordance with the Accounting Standards of Federation of Accounting Professions (FAP).

For the abnormal business of related transactions, the Audit Committee considers appropriation of the transactions. If the related transactions are complex, the Audit Committee is able to invite the professional person or the external auditor of the Company to consider together. Furthermore, the Company had disclosure related transactions in note of financial statement which was certified by external auditor. Stakeholders who have benefit in the transactions cannot vote or approve such transactions.

The Company shall have verification process regarding transactions which may cause conflicts of interest to ensure that there is a fair transaction which is normal in trading business. (Fair and at arms' length)

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 21st 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 anticorruption 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 Whistleblowing Policy and clearly disclosed including disclosing the Whistleblowing 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 the channel for complaint and whistleblowing, the mentioned policy also has guidelines for the protection of whistleblowers.
- **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.



3

FINANCIAL STATEMENTS

Muangthai Capital Public Company Limited
and its Subsidiaries

Financial statements for the year ended
31 December 2023 and Independent Auditor's Report

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 2023, 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 2023 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 including Independence Standards* issued by the Federation of Accounting Profession (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated 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 allowance for expected credit loss on loan receivables	
Refer to Note 3 (j) (1), 7.2.1, and 22 (b.1) to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2023, the Group and the Company have loan receivables amounted to Baht 138,594 million and Baht 136,865 million, respectively, against which allowances for expected credit losses are Baht 4,668 million and Baht 4,506 million, respectively, and represent 89.19% of total assets in the consolidated financial statements and 87.09% of total assets in the separate financial statements.</p> <p>Management estimates allowance for expected credit loss on loan receivables measured at amortised cost based on complex 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, consideration of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of allowance for expected credit loss and estimation of management overlay / underlay.</p> <p>The loans receivables balance is material and the measurement of allowance for 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, repayment and monitoring processes including the policies and consideration of allowance for expected credit loss; - evaluating the design and implementation and operating effectiveness of key controls surrounding the credit and allowance for expected credit loss 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, consideration of the forward-looking macroeconomic variables and probability-weighted scenarios; - 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 allowance for expected credit loss 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, actions taken to eliminate threats or safeguards applied.

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
20 February 2024

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements 31 December		Separate financial statements 31 December	
Assets	Note	2023	2022	2023	2022
		(in Baht)			
Current assets					
Cash and cash equivalents	6	2,821,517,433	3,212,861,932	2,677,354,320	2,930,049,491
Current portion of loan receivables and hire purchase receivables	7	66,915,926,894	60,165,005,296	63,715,012,958	57,183,440,941
Other receivables - related parties	5	-	-	4,609,725,099	5,481,807,948
Short-term loans	5	209,972,612	144,916,108	209,972,612	144,916,108
Current portion of long-term loans - related parties	5	-	-	500,000,000	250,000,000
Other current assets		521,011,347	279,494,714	488,407,384	209,716,929
Total current assets		70,468,428,286	63,802,278,050	72,200,472,373	66,199,931,417
Non-current assets					
Restricted bank deposits	6	13,000,000	12,000,000	-	-
Loan receivables and hire purchase receivables	7	71,233,445,515	56,762,661,722	67,890,867,489	52,646,421,214
Investments in subsidiaries	8	-	-	1,552,000,000	1,552,000,000
Long-term loans - related parties	5	-	-	862,500,000	487,500,000
Land, buildings and equipment	9	2,134,090,992	2,037,331,400	2,134,078,445	2,037,307,704
Right-of-use assets	5, 10	4,878,133,992	4,386,164,093	4,878,133,992	4,386,164,093
Intangible assets		64,660,114	47,398,477	64,635,174	47,357,937
Deferred tax assets	19	1,153,531,645	826,643,292	1,035,286,130	751,708,939
Other non-current assets		210,655,474	191,720,293	210,655,474	191,720,293
Total non-current assets		79,687,517,732	64,263,919,277	78,628,156,704	62,100,180,180
Total assets		150,155,946,018	128,066,197,327	150,828,629,077	128,300,111,597

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements 31 December		Separate financial statements 31 December	
Liabilities and equity	Note	2023	2022	2023	2022
(in Baht)					
Current liabilities					
Short-term borrowings from financial institutions	11	12,691,208,194	7,945,298,642	12,691,208,194	7,945,298,642
Derivative liabilities		715,901,602	431,960,804	715,901,602	431,960,804
Other payables	12	1,678,014,941	1,211,027,294	1,637,030,041	1,185,902,942
Current portion of long-term borrowings from financial institutions	13	9,148,284,521	6,515,087,977	9,148,284,521	6,515,087,977
Current portion of debentures	14	24,859,214,784	17,338,677,995	24,859,214,784	17,338,677,995
Current portion of lease liabilities	5, 10	1,122,927,552	918,782,605	1,122,927,552	918,782,605
Income tax payable		750,832,106	892,935,845	675,181,765	819,985,129
Other current liabilities	5	115,205,067	135,903,652	1,785,514,374	914,244,488
Total current liabilities		51,081,588,767	35,389,674,814	52,635,262,833	36,069,940,582
Non-current liabilities					
Long-term borrowings from financial institutions	13	14,584,107,159	17,541,032,547	14,584,107,159	17,541,032,547
Debentures	14	48,581,279,283	42,386,633,918	48,581,279,283	42,386,633,918
Lease liabilities	5, 10	3,783,068,787	3,497,309,728	3,783,068,787	3,497,309,728
Provisions for employee benefits	15	209,102,675	160,944,680	209,102,675	160,944,680
Total non-current liabilities		67,157,557,904	63,585,920,873	67,157,557,904	63,585,920,873
Total liabilities		118,239,146,671	98,975,595,687	119,792,820,737	99,655,861,455
Equity					
Share capital					
Authorised share capital (2,120,000,000 ordinary shares, par value at Baht 1 per share)		2,120,000,000	2,120,000,000	2,120,000,000	2,120,000,000
Issued and paid-up share capital (2,120,000,000 ordinary shares, par value at Baht 1 per share)		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	16	212,000,000	212,000,000	212,000,000	212,000,000
Unappropriated		27,381,906,007	24,502,110,402	26,500,915,000	24,055,758,904
Other components of equity		(176,950,022)	(123,352,124)	(176,950,022)	(123,352,124)
Total equity		31,916,799,347	29,090,601,640	31,035,808,340	28,644,250,142
Total liabilities and equity		150,155,946,018	128,066,197,327	150,828,629,077	128,300,111,597

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2023	2022	2023	2022
		(in Baht)			
Revenue					
Interest income from loans receivables and hire purchase receivables		23,500,467,966	19,199,062,224	22,254,739,251	18,021,054,182
Fees and service income	5	920,922,216	791,527,127	791,882,403	696,234,593
Other income	5	104,786,152	77,899,194	555,439,130	423,751,273
Total revenue	17	24,526,176,334	20,068,488,545	23,602,060,784	19,141,040,048
Expenses					
Services and administrative expenses	5, 18	9,702,062,843	8,068,791,532	9,602,568,275	8,027,127,408
Total expenses		9,702,062,843	8,068,791,532	9,602,568,275	8,027,127,408
Profit from operating activities		14,824,113,491	11,999,697,013	13,999,492,509	11,113,912,640
(Loss) gain arising from derecognition of financial assets measured at amortised cost and hire purchase receivables		(906,744,503)	(393,680,878)	(889,703,490)	(177,251,568)
Finance costs	5	(3,856,806,649)	(2,813,045,700)	(3,856,806,649)	(2,813,045,700)
Expected credit loss	7.3	(3,934,320,643)	(2,433,232,268)	(3,670,753,789)	(2,033,470,265)
Profit before income tax		6,126,241,696	6,359,738,167	5,582,228,581	6,090,145,107
Income tax	19	(1,219,773,677)	-1,266,645,971	(1,110,400,071)	-1,211,827,483
Profit for the year		4,906,468,019	5,093,092,196	4,471,828,510	4,878,317,624
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
(Loss) gain on cash flow hedges		(66,997,373)	(154,190,155)	(66,997,373)	(154,190,155)
Income tax relating to items that will be reclassified subsequently to profit or loss	19	13,399,475	30,838,031	13,399,475	30,838,031
Total items that will be reclassified subsequently to profit or loss		(53,597,898)	(123,352,124)	(53,597,898)	(123,352,124)
Items that will not be reclassified subsequently to profit or loss					
(Loss) gain on remeasurements of defined benefit plans	15	(15,840,517)	45,951,266	(15,840,517)	45,951,266
Income tax relating to items that will not be reclassified subsequently to profit or loss	19	3,168,103	(9,190,253)	3,168,103	(9,190,253)
Total items that will be reclassified subsequently to profit or loss		(12,672,414)	36,761,013	(12,672,414)	36,761,013
Other comprehensive income for the year, net of tax		(66,270,312)	(86,591,111)	(66,270,312)	(86,591,111)
Total comprehensive income for the year		4,840,197,707	5,006,501,085	4,405,558,198	4,791,726,513
Profit attributable to:					
Owners of parent		4,906,468,019	5,093,092,196	4,471,828,510	4,878,317,624
Non-controlling interests		-	-	-	-
		4,906,468,019	5,093,092,196	4,471,828,510	4,878,317,624
Total comprehensive income attributable to:					
Owners of parent		4,840,197,707	5,006,501,085	4,405,558,198	4,791,726,513
Non-controlling interests		-	-	-	-
		4,840,197,707	5,006,501,085	4,405,558,198	4,791,726,513
Earnings per share					
Basic earnings per share	20	2.31	2.40	2.11	2.30

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 on ordinary shares	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated (in Baht)	Hedging reserve	
Year ended 31 December 2022		2,120,000,000	2,379,843,362	212,000,000	20,156,657,193	-	24,868,500,555
Balance at 1 January 2022							
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	21	-	-	-	(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		-	-	-	5,093,092,196	-	5,093,092,196
Other comprehensive income for year		-	-	-	36,761,013	(123,352,124)	(86,591,111)
Total comprehensive income for the year		-	-	-	5,129,853,209	(123,352,124)	5,006,501,085
Balance at 31 December 2022		2,120,000,000	2,379,843,362	212,000,000	24,502,110,402	-123,352,124	29,090,601,640

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					Other components of equity		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Retained earnings (in Baht)	Unappropriated	Hedging reserve		
Year ended 31 December 2023		2,120,000,000	2,379,843,362	212,000,000	24,502,110,402		(123,352,124)		29,090,601,640
Balance at 1 January 2023									
Transactions with owners, recorded directly in equity									
Dividends	21	-	-	-	(2,014,000,000)		-		(2,014,000,000)
<i>Total distributions to owners of the parent</i>		-	-	-	(2,014,000,000)		-		(2,014,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(2,014,000,000)		-		(2,014,000,000)
Comprehensive income for the year									
Profit for the year		-	-	-	4,906,468,019		-		4,906,468,019
Other comprehensive income for year		-	-	-	(12,672,414)		(53,597,898)		(66,270,312)
Total comprehensive income for the year		-	-	-	4,893,795,605		(53,597,898)		4,840,197,707
Balance at 31 December 2023		2,120,000,000	2,379,843,362	212,000,000	27,381,906,007		(176,950,022)		31,916,799,347

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	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated (in Baht)	Hedging reserve	
Year ended 31 December 2022							
Balance at 1 January 2022		2,120,000,000	2,379,843,362	212,000,000	19,925,080,267	-	24,636,923,629
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends	21	-	-	-	(784,400,000)	-	(784,400,000)
<i>Total distributions to owners</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		-	-	-	4,878,317,624	-	4,878,317,624
Other comprehensive income for the year		-	-	-	36,761,013	(123,352,124)	(86,591,111)
<i>Total comprehensive income for the year</i>		-	-	-	4,915,078,637	(123,352,124)	4,791,726,513
Balance at 31 December 2022		2,120,000,000	2,379,843,362	212,000,000	24,055,758,904	(123,352,124)	28,644,250,142

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							
	Note	Retained earnings			Other components of equity		
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated reserve (in Baht)	Hedging reserve	Total equity
Year ended 31 December 2023							
Balance at 1 January 2023							
		2,120,000,000	2,379,843,362	212,000,000	24,055,758,904	(123,352,124)	28,644,250,142
Transactions with owners, recorded directly in equity							
Distributions to owners							
Dividends	21	-	-	-	(2,014,000,000)	-	(2,014,000,000)
Total distributions to owners							
Total transactions with owners, recorded directly in equity		-	-	-	(2,014,000,000)	-	(2,014,000,000)
Comprehensive income for the year							
Profit for the year		-	-	-	4,471,828,510	-	4,471,828,510
Other comprehensive income for the year		-	-	-	(12,672,414)	(53,597,898)	(66,270,312)
Total comprehensive income for the year		-	-	-	4,459,156,096	(53,597,898)	4,405,558,198
Balance at 31 December 2023							
		2,120,000,000	2,379,843,362	212,000,000	26,500,915,000	(176,950,022)	31,035,808,340

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

Muangthai Capital Public Company Limited and its Subsidiaries**Statement of cash flows**

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit before income tax	6,126,241,696	6,359,738,167	5,582,228,581	6,090,145,107
<i>Adjustments to reconcile profit before income tax to cash received (paid)</i>				
Depreciation and amortisation	1,442,814,590	1,356,958,234	1,442,787,841	1,356,931,485
Loss (gain) arising from derecognition of financial assets measured at amortised cost and hire purchase receivables	906,744,503	393,680,878	889,703,490	177,251,568
Expected credit loss	3,934,320,643	2,433,232,268	3,670,753,789	2,033,470,265
Impairment loss of assets held for sales	4,266,920	-	-	-
Loss (gain) on sales of land, building and equipment	(821,377)	8,112,735	(821,377)	8,112,735
Loss (gain) on sales of assets held for sales	75,055,903	20,961,699	7,507,035	(1,561,287)
Provisions for employee benefit	33,770,411	55,512,290	33,770,411	55,512,290
Loss (gain) on exchange rate	330	-	330	-
Loss (gain) on lease modification	(49,763,302)	(32,028,051)	(49,763,302)	(32,028,051)
Interest income from loan receivables and hire purchase receivables	(23,500,467,966)	(19,199,062,224)	(22,254,739,251)	(18,021,054,182)
Interest income received from loan receivables and hire purchase receivables	23,259,001,256	18,667,796,811	21,990,723,105	17,566,728,748
Other interest income	(19,010,851)	(9,933,921)	(69,412,575)	(41,676,002)
Finance costs	3,856,806,649	2,813,045,700	3,856,806,649	2,813,045,700
	<u>16,068,959,405</u>	<u>12,868,014,586</u>	<u>15,099,544,726</u>	<u>12,004,878,376</u>
<i>Changes in operating assets and liabilities</i>				
Loan receivables and hire purchase receivables	(25,777,366,661)	(29,146,225,105)	(26,028,880,160)	(25,675,178,217)
Other receivables - related parties	-	-	872,505,588	(2,329,451,758)
Short-term loans - employees and related parties	(65,056,504)	(56,538,755)	(65,056,504)	(56,538,755)
Other current assets	(345,766,098)	(78,427,705)	(311,164,509)	(139,114,477)
Other non-current assets	(18,940,381)	(12,546,364)	(18,940,381)	(12,546,364)
Other payables	340,460,570	(41,896,061)	324,600,024	(51,521,066)
Other current liabilities	(20,698,585)	4,624,772	871,269,886	359,142,966
Provisions for employee benefits paid	(1,452,933)	(4,599,716)	(1,452,933)	(4,599,716)
Net cash used in operating	<u>(9,819,861,187)</u>	<u>(16,467,594,348)</u>	<u>(9,257,574,263)</u>	<u>(15,904,929,011)</u>
Income taxes paid	<u>(1,672,198,191)</u>	<u>(1,427,869,359)</u>	<u>(1,522,213,047)</u>	<u>(1,342,745,950)</u>
Net cash used in operating activities	<u>(11,492,059,378)</u>	<u>(17,895,463,707)</u>	<u>(10,779,787,310)</u>	<u>(17,247,674,961)</u>
<i>Cash flows from investing activities</i>				
Increase in restricted bank deposits	(1,000,000)	(1,000,000)	-	-
Long-term loans to related parties	-	-	(1,000,000,000)	(400,000,000)
Proceed from repayment of long-term loans to related parties	-	-	375,000,000	225,000,000
Interest income received	-	-	50,377,260	31,921,952
Investments in subsidiaries	-	-	-	(500,000,000)
Acquisition of land, building and equipment	(502,068,555)	(426,020,751)	(502,068,555)	(426,020,751)
Acquisition of intangible assets	(28,995,481)	(7,178,780)	(28,995,481)	(7,178,780)
Proceed from sales of land, buildings and equipment	10,817,680	16,501,069	10,817,680	16,501,069
Proceed from sales of intangible assets	439	1,085	439	1,085
Net cash used in investing activities	<u>(521,245,917)</u>	<u>(417,697,377)</u>	<u>(1,094,868,657)</u>	<u>(1,059,775,425)</u>

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 2023	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2022
		(in Baht)			
Cash flows from financing activities					
Net proceed of short-term borrowings from financial institutions		4,641,689,124	3,672,508,097	4,641,689,124	3,672,508,097
Proceed from long-term borrowings from financial institutions		6,767,500,000	19,787,610,000	6,767,500,000	19,787,610,000
Repayment of long-term borrowings from financial institutions		(6,865,116,667)	(11,408,276,667)	(6,865,116,667)	(11,408,276,667)
Proceed from debentures issuance		31,165,600,000	27,187,600,000	31,165,600,000	27,187,600,000
Repayment of debentures redemption		(17,426,500,000)	(14,456,200,000)	(17,426,500,000)	(14,456,200,000)
Dividends paid to shareholders of the Company	21	(2,014,000,000)	(784,400,000)	(2,014,000,000)	(784,400,000)
Payment of lease liabilities		(1,197,346,322)	(1,081,789,844)	(1,197,346,322)	(1,081,789,844)
Interest paid		(3,449,865,339)	(2,697,328,440)	(3,449,865,339)	(2,697,328,440)
Net cash from financing activities		11,621,960,796	20,219,723,146	11,621,960,796	20,219,723,146
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents at 1 January		(391,344,499)	1,906,562,062	(252,695,171)	1,912,272,760
Cash and cash equivalents at 31 December	6	2,821,517,433	3,212,861,932	2,677,354,320	2,930,049,491
Non-cash transactions					
Accounts payable on purchase of assets		21,731,596	10,406,954	21,731,596	10,406,954

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

Muangthai Capital Public Company Limited and its Subsidiaries
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Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 authorised for issue by the Board of Directors on 20 February 2024.

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, 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 2023 are given in note 8.

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. The accounting policies disclosed in note 3 have been applied consistently to all periods presented in these financial statements.

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.

3 Significant accounting policies

(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, any related non-controlling interests and other components of equity of the subsidiary. 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 in preparing the consolidated financial statements.

Muangthai Capital Public Company Limited and its Subsidiaries
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(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 Company's right to receive payment is established.

(c) Foreign currencies

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. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss for the period. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge is effective are recognised in other comprehensive income.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits but exclude restricted bank deposits.

(e) Financial instruments

(1) Classification and measurement

Debt securities issued by the Group and the Company are initially recognised when they are originated. Other financial assets and financial liabilities (except other receivables) are initially recognised when the Group and the Company becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issuance.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI"); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured 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.

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.

Financial assets and financial liabilities in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions, and the balances at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss, except for differences arising from the translation of a financial liability qualifying cash flow hedges to the extent the hedge is effective, are recognised in other comprehensive income.

(2) Derecognition and offset

The Group and the Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers 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 transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023**

The Group and the Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and the Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the amounts and the Group and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case, recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3 (e) (4)).

(4) Hedging

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.

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.

For all hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect 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 cash flow 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 held for sale

Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Gain or loss on disposal of assets held for sale is difference between the proceeds from disposal and the carrying amount of assets held for sale, and is recognised in profit or loss.

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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

(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 or on modification 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 are recognised as an expenses on a straight-line basis over the respective lease terms.

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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 of 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.

The Group and the Company derecognise and determine impairment on the lease receivables as disclosed in note 3 (e) (2) and 3 (j) (1), 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 / Underlay" framework, such as identified model deficiencies, debtors' risk 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.

Muangthai Capital Public Company Limited and its Subsidiaries
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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.

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 that their 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’ 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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 as 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.

Loan receivables 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 loan receivables 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 a SICR which are classified as stage 2 which have never been classified as asset credit-impaired, these can be transferred to stage 1 when the debtors execute new contract requirements by repaying 3 consecutive months or 3 consecutive dues, whichever is longer.

For receivables that are credit-impaired which are classified as stage 3, these can be transferred to stage 2 when the debtors 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 the ECL rates. 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.

Muangthai Capital Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

(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.

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.

An impairment loss of asset 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.

(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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(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.

(o) *Interest*

Effective interest rate (“EIR”)

Interest income and 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 purchased or originated credit-impaired financial 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.

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.

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(p) Revenue from contracts with customers

Revenue recognition

Revenue is 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.

Insurance commission income

For the contracts that the Group and the Company is arranging for the provision of the services on behalf of their customers and do not control the services before the primary service providers will provide the 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 when its obligation to arrange for the provision of the specified source is fulfilled.

(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 it relates to 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.

(r) Earnings per share

Basic 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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

4 Impact of Covid-19 outbreak

Due to the Covid-19 outbreak situation since 2020, the Bank of Thailand (“BoT”) has provided measures, which are intended to support the financial institutions and finance businesses to help the affected debtors. Additional measures continue to be provided.

In 2022 and 2023, the Group and the Company applied the accounting guideline no. 37/2564 dated 3 December 2021, “*Guideline regarding the provision of financial assistance to the debtors affected by the Covid-19*”. This guideline is applied to the affected debtors during 1 January 2022 to 31 December 2023 or as further updated by the BoT. For debt restructuring under the specified criteria from 1 January 2021 to 31 December 2021, the entity can apply the relevant staging and provisioning guideline under this accounting guideline to the debtors from 1 January 2022 to 31 December 2023. The guideline of staging and provisioning depends on debt restructuring method which can be categorised into 2 groups below. The accounting guideline is in line with the 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

Guideline of staging and provisioning

1. Non NPL modified loans can be classified as stage 1 performing immediately once they are identified as being likely to repay

2. NPL modified loans can be classified as stage 1 performing only if they can repay 3 consecutive months or 3 consecutive dues, whichever is longer

3. Revision of effective interest rate (EIR) at the date of modification.

Apply in accordance with the relevant financial reporting standard.

The Group and the Company prepared the financial statements by applying the *Guidance regarding the provision of financial assistance to debtors affected by the Covid-19* on the staging and provisioning. As the guidance was effective up to 31 December 2023, the Group and the Company have assessed that the potential impact to the financial statements in the first subsequent period after the effective period of guidance ended is immaterial.

5 Related parties

Relationships with subsidiaries is described in note 8. Other related parties that the Group and the Company had significant transactions with during the year were as follows:

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 Group and the Company
Muangthai Leasing Insurance Broker Company Limited	Thailand	Subsidiary, 100% shareholding
Muangthai Leasing Company Limited	Thailand	Subsidiary, 100% shareholding
Muangthai Pay Later Co., Ltd.	Thailand	Subsidiary, 100% shareholding

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Notes to the financial statements

For the year ended 31 December 2023

<i>Significant transactions with related parties</i> <i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Fee income on support services	-	-	399,395	313,261
Rental income	-	-	1,764	1,764
Other interest income	-	-	50,800	31,823
<i>Key management personnel</i>				
Other interest income	3	4	3	4
Finance cost - Interest expenses on lease liabilities	659	655	659	655
Key management personnel compensation				
Short-term employee benefits	44,397	49,214	44,397	49,214
Post-employment benefits	1,881	2,394	1,881	2,394
Total key management personnel compensation	<u>46,278</u>	<u>51,608</u>	<u>46,278</u>	<u>51,608</u>
<i>Other related parties</i>				
Commission expense	2,423	2,434	2,423	2,434

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Other receivables	-	-	4,609,725	5,481,808
Long-term loan	-	-	1,362,500	737,500
Other current liabilities	-	-	1,671,123	778,695
<i>Key management personnel</i>				
Short-term loan	50	-	50	-
Right-of-use assets	11,854	15,647	11,854	15,647
Lease liabilities	12,565	16,224	12,565	16,224
<i>Other related parties</i>				
Other current liabilities	191	205	191	205

Significant agreements with related parties

As at 31 December 2023, interest rates on short-term loans to key management personal were 8% per annum (31 December 2022: 8% per annum).

As at 31 December 2023, long-term loan to subsidiaries were Baht 1,362.5 million (2022: Baht 737.5 million) where the principal is repayable every 3 months and the interest is repayable monthly until June 2027 (2022: February 2026). The interest rates are as specified in the contracts.

As at 31 December 2023, the Company had the several service agreements 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 2023, the Company had the several office space rental agreements with subsidiaries for periods of 3 years starting from 1 March 2021 to 31 December 2024 (2022: 3 years commencing from 1 March 2021 and ending on 31 December 2024). 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.

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023**

As at 31 December 2023, the Company had the several office building lease agreements with related parties. The lease period was 3 years starting from 1 January 2021 to 31 October 2025 (2022: 3 years commencing from 1 January 2021 to 31 October 2025). The Company pays rental fees as specified in the agreements.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	10,646	36,082	10,627	36,059
Cash at banks - current accounts	102,534	258,105	79,959	108,577
Cash at banks - savings accounts	2,708,337	2,918,675	2,586,768	2,785,413
Total	2,821,517	3,212,862	2,677,354	2,930,049

All cash and cash equivalents of the Group and the Company was in Baht.

As at 31 December 2023, the Group had restricted deposits pledged as collateral with a commercial bank for Baht 12 million (2022: Baht 11 million), and as reserve fund in accordance with the Office of Insurance Commission's announcement for Baht 1 million (2022: Baht 1 million).

7 Loan receivables and hire purchase receivables**7.1 Classified by type**

	Consolidated financial statements					
	2023			2022		
	Portion due within one year ⁽¹⁾	Portion due over one year	Total	Portion due within one year ⁽¹⁾	Portion due over one year	Total
	<i>(in thousand Baht)</i>					
Loan receivables	66,398,687	70,226,213	136,624,900	58,954,787	54,347,448	113,302,235
Add accrued interest receivables and undue interest income	1,969,440	-	1,969,440	1,674,772	-	1,674,772
Total	68,368,127	70,226,213	138,594,340	60,629,559	54,347,448	114,977,007
Less allowance for expected credit loss	(3,484,810)	(1,183,631)	(4,668,441)	(2,656,345)	(650,697)	(3,307,042)
Loan receivables, net	64,883,317	69,042,582	133,925,899	57,973,214	53,696,751	111,669,965
Hire purchase receivables	3,317,571	2,777,861	6,095,432	3,546,113	3,963,226	7,509,339
Less unearned interest income	(875,019)	(496,551)	(1,371,570)	(1,071,259)	(801,627)	(1,872,886)
	2,442,552	2,281,310	4,723,862	2,474,854	3,161,599	5,636,453
Less allowance for expected credit loss	(409,942)	(90,446)	(500,388)	(283,063)	(95,688)	(378,751)
Hire purchase receivables, net	2,032,610	2,190,864	4,223,474	2,191,791	3,065,911	5,257,702
Total loan receivables and hire purchase receivables, net	66,915,927	71,233,446	138,149,373	60,165,005	56,762,662	116,927,667

⁽¹⁾ The balance of loan receivables and hire purchase receivables due within one year includes receivables that are credit-impaired.

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	Separate financial statements					
	Portion due within one year ⁽¹⁾	2023 Portion due over one year	Total (in thousand Baht)	Portion due within one year ⁽¹⁾	2022 Portion due over one year	Total
Loan receivables	64,964,157	68,963,016	133,927,173	57,895,892	53,021,768	110,917,660
Add accrued interest receivables and undue interest income	1,937,819	-	1,937,819	1,653,648	-	1,653,648
Total	66,901,976	68,963,016	135,864,992	59,549,540	53,021,768	112,571,308
Less allowance for expected credit loss	(3,340,546)	(1,165,292)	(4,505,838)	(2,624,784)	(638,526)	(3,263,310)
Loan receivables, net	63,561,430	67,797,724	131,359,154	56,924,756	52,383,242	109,307,998
Hire purchase receivables	272,748	115,830	388,578	378,409	324,798	703,207
Less unearned interest income	(49,669)	(15,109)	(64,778)	(82,297)	(50,538)	(132,835)
	223,079	100,721	323,800	296,112	274,260	570,372
Less allowance for expected credit loss	(69,496)	(7,578)	(77,074)	(37,427)	(11,081)	(48,508)
Hire purchase receivables, net	153,583	93,143	246,726	258,685	263,179	521,864
Total loan receivables and hire purchase receivables, net	63,715,013	67,890,867	131,605,880	57,183,441	52,646,421	109,829,862

⁽¹⁾ The balance of loan receivables and hire purchase receivables due within one year includes receivables that are credit-impaired.

As at 31 December 2023 and 2022, maturity analysis of lease payment on hire purchase contracts, showing undiscounted is shown below.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Portion due within one year	3,317,571	3,546,113	272,748	378,409
Portion due over one year but within two years	1,529,028	1,998,027	72,822	187,279
Portion due over two years but within three years	834,920	1,162,968	36,453	87,188
Portion due over three years but within four years	315,840	594,965	6,555	42,672
Portion due over four years but within five years	86,984	187,251	-	7,659
Portion due over five years	11,089	20,015	-	-
	6,095,432	7,509,339	388,578	703,207
Less unearned interest income	(1,371,570)	(1,872,886)	(64,778)	(132,835)
Net investment on hire purchase contracts	4,723,862	5,636,453	323,800	570,372

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023****7.2 Credit quality analysis****7.2.1 Loan receivables**

The following tables set out information about the credit quality as at 31 December 2023 and 2022 of loan receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements				
2023				
	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>				
Current	96,455,858	-	-	96,455,858
Overdue 1 - 30 days	24,948,493	-	-	24,948,493
Overdue 31 - 60 days	-	9,213,096	-	9,213,096
Overdue 61 - 90 days	-	4,072,977	-	4,072,977
Overdue more than 90 days	-	-	3,593,167	3,593,167
Litigation receivables	-	-	310,749	310,749
Total	121,404,351	13,286,073	3,903,916	138,594,340
Less allowance for expected credit loss	(1,162,023)	(994,772)	(2,511,646)	(4,668,441)
Net carrying amount	120,242,328	12,291,301	1,392,270	133,925,899

Consolidated financial statements				
2022				
	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>				
Current	82,398,119	-	-	82,398,119
Overdue 1 - 30 days	18,371,262	-	-	18,371,262
Overdue 31 - 60 days	-	7,904,829	-	7,904,829
Overdue 61 - 90 days	-	3,205,112	-	3,205,112
Overdue more than 90 days	-	-	2,803,191	2,803,191
Litigation receivables	-	-	294,494	294,494
Total	100,769,381	11,109,941	3,097,685	114,977,007
Less allowance for expected credit loss	(704,351)	(580,949)	(2,021,742)	(3,307,042)
Net carrying amount	100,065,030	10,528,992	1,075,943	111,669,965

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	Assets that are not significant increase in credit risk	Separate financial statements 2023		Total
		Assets that are significant increase in credit risk (in thousand Baht)	Assets that are credit-impaired	
Loan receivables				
Current	94,531,210	-	-	94,531,210
Overdue 1 - 30 days	24,548,485	-	-	24,548,485
Overdue 31 - 60 days	-	9,077,631	-	9,077,631
Overdue 61 - 90 days	-	3,992,700	-	3,992,700
Overdue more than 90 days	-	-	3,404,707	3,404,707
Litigation receivables	-	-	310,259	310,259
Total	119,079,695	13,070,331	3,714,966	135,864,992
Less allowance for expected credit loss	(1,144,238)	(975,660)	(2,385,940)	(4,505,838)
Net carrying amount	117,935,457	12,094,671	1,329,026	131,359,154

	Assets that are not significant increase in credit risk	Separate financial statements 2022		Total
		Assets that are significant increase in credit risk (in thousand Baht)	Assets that are credit-impaired	
Loan receivables				
Current	80,516,858	-	-	80,516,858
Overdue 1 - 30 days	18,053,436	-	-	18,053,436
Overdue 31 - 60 days	-	7,789,567	-	7,789,567
Overdue 61 - 90 days	-	3,145,857	-	3,145,857
Overdue more than 90 days	-	-	2,771,096	2,771,096
Litigation receivables	-	-	294,494	294,494
Total	98,570,294	10,935,424	3,065,590	112,571,308
Less allowance for expected credit loss	(693,513)	(569,475)	(2,000,322)	(3,263,310)
Net carrying amount	97,876,781	10,365,949	1,065,268	109,307,998

The credit term granted by the Group and the Company is 3 to 80 months.

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023****7.2.2 Hire purchase receivables**

The following tables set out information about the credit quality as at 31 December 2023 and 2022 of hire purchase receivables without taking into account collateral or other credit enhancement.

	Consolidated financial statements			
	2023			
	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 ⁽¹⁾				
Current	2,746,978	-	-	2,746,978
Overdue 1 - 30 days	722,416	-	-	722,416
Overdue 31 - 60 days	-	334,601	-	334,601
Overdue 61 - 90 days	-	362,624	-	362,624
Overdue more than 90 days	-	-	468,440	468,440
Litigation receivables	-	-	88,803	88,803
Total	3,469,394	697,225	557,243	4,723,862
Less allowance for expected credit loss	(63,043)	(120,170)	(317,175)	(500,388)
Net	3,406,351	577,055	240,068	4,223,474

	Consolidated financial statements			
	2022			
	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 ⁽¹⁾				
Current	3,475,264	-	-	3,475,264
Overdue 1 - 30 days	852,753	-	-	852,753
Overdue 31 - 60 days	-	490,830	-	490,830
Overdue 61 - 90 days	-	408,725	-	408,725
Overdue more than 90 days	-	-	408,634	408,634
Litigation receivables	-	-	247	247
Total	4,328,017	899,555	408,881	5,636,453
Less allowance for expected credit loss	(62,532)	(101,374)	(214,845)	(378,751)
Net	4,265,485	798,181	194,036	5,257,702

⁽¹⁾ Hire purchase receivables, net of unearned interest income

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	Separate financial statements 2023			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk (in thousand Baht)	Assets that are credit-impaired	
Hire purchase receivables ⁽¹⁾				
Current	115,553	-	-	115,553
Overdue 1 - 30 days	54,464	-	-	54,464
Overdue 31 - 60 days	-	27,728	-	27,728
Overdue 61 - 90 days	-	39,236	-	39,236
Overdue more than 90 days	-	-	86,790	86,790
Litigation receivables	-	-	29	29
Total	170,017	66,964	86,819	323,800
Less allowance for expected credit loss	(5,082)	(14,232)	(57,760)	(77,074)
Net	164,935	52,732	29,059	246,726

	Separate financial statements 2022			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk (in thousand Baht)	Assets that are credit impaired	
Hire purchase receivables ⁽¹⁾				
Current	319,708	-	-	319,708
Overdue 1 - 30 days	109,061	-	-	109,061
Overdue 31 - 60 days	-	56,255	-	56,255
Overdue 61 - 90 days	-	45,362	-	45,362
Overdue more than 90 days	-	-	39,986	39,986
Total	428,769	101,617	39,986	570,372
Less allowance for expected credit loss	(7,557)	(14,259)	(26,692)	(48,508)
Net	421,212	87,358	13,294	521,864

⁽¹⁾ Hire purchase receivables, net of unearned interest income

The credit term granted by the Group and the Company is 6 to 72 months.

7.3 Expected credit loss

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Loan receivables	(3,728,415)	(1,942,138)	(3,608,611)	(1,898,368)
Hire purchase receivables	(180,939)	(404,519)	(37,176)	(48,527)
Other receivables	(24,967)	(86,575)	(24,967)	(86,575)
Total	(3,934,321)	(2,433,232)	(3,670,754)	(2,033,470)

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements For the year ended 31 December 2023

8 Investments in subsidiaries

	Type of business	Country of operation	Ownership interest		Separate financial statements	
			2023	2022	2023	Cost
				(%)		(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	1,000,000
Muangthai Pay Later Co., Ltd.	Installment loan	Thailand	100	100	550,000	550,000
Total					1,552,000	1,552,000

None of the investment in subsidiaries is publicly listed and consequently do not have published price quotations.

Details of the increase of investments in subsidiaries during the year ended 31 December 2023 and 2022 were as follows:

2023

There is no increase in investments in subsidiaries during the year.

2022

At the Board of Directors' meeting of Muangthai Pay Later Co., Ltd. ("MTPL"), a subsidiary, held on 5 October 2022, the Board of Directors had resolutions passed a resolution to approve a calling of remaining 50% of paid-up ordinary shares, totaling amount of Baht 50 million. MTPL received a share subscription in October 2022.

At the Extraordinary General Meeting of the shareholder of MTPL, held on 25 November 2022, the shareholder had resolutions to increase the authorised share capital of MTPL from the amount of Baht 100 million (1 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 450 million to MTPL in November 2022.

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9 Land, buildings and equipment

	Consolidated financial statement				
	Land	Buildings	Building improvements (in thousand Baht)	Furniture, fixtures, equipment, and computers	Construction in progress
Cost					Total
At 1 January 2022	257,471	370,351	784,050	2,008,948	18,675
Additions	-	313	62,732	332,957	3,842
Transfer in (out)	-	-	1,075	14,590	(15,665)
Disposals / write-off	-	-	(5,692)	(70,573)	-
At 31 December 2022 and 1 January 2023	257,471	370,664	842,165	2,285,922	6,852
Additions	8,554	18,361	78,749	384,795	1,554
Transfer in (out)	-	333	455	1,213	(2,001)
Disposals / write-off	-	-	(4,423)	(59,393)	-
At 31 December 2023	266,025	389,358	916,946	2,612,537	6,405
Accumulated depreciation					
At 1 January 2022	-	11,614	238,072	1,135,989	-
Depreciation charge for the year	-	7,925	104,148	280,189	-
Disposals / write-off	-	-	(3,528)	(48,666)	-
At 31 December 2022 and 1 January 2023	-	19,539	338,692	1,367,512	-
Depreciation charge for the year	-	8,393	102,731	274,810	-
Disposals / write-off	-	-	(3,153)	(51,344)	-
At 31 December 2023	-	27,932	438,270	1,590,978	-
Net book value					
At 31 December 2022	257,471	351,125	503,473	918,410	6,852
At 31 December 2023	266,025	361,426	478,676	1,021,559	6,405

1,385,675
392,262
(52,194)
1,725,743
385,934
(54,497)
2,057,180

2,037,331
2,134,091

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Land	Buildings	Building improvements (in thousand Baht)	Separate financial statement Furniture, fixtures, equipment, and computers	Construction in progress	Total
Cost						
At 1 January 2022	257,471	370,351	784,050	2,008,808	18,675	3,439,355
Additions	-	313	62,732	332,957	3,842	399,844
Transfer in (out)	-	-	1,075	14,590	(15,665)	-
Disposals / write-off	-	-	(5,692)	(70,573)	-	(76,265)
At 31 December 2022 and 1 January 2023	257,471	370,664	842,165	2,285,782	6,852	3,762,934
Additions	8,554	18,361	78,749	384,795	1,554	492,013
Transfer in (out)	-	333	455	1,213	(2,001)	-
Disposals / write-off	-	-	(4,423)	(59,393)	-	(63,816)
At 31 December 2023	266,025	389,358	916,946	2,612,397	6,405	4,191,131
Accumulated depreciation						
At 1 January 2022	-	11,614	238,072	1,135,884	-	1,385,570
Depreciation charge for the year	-	7,925	104,148	280,177	-	392,250
Disposals / write-off	-	-	(3,528)	(48,666)	-	(52,194)
At 31 December 2022 and 1 January 2023	-	19,539	338,692	1,367,395	-	1,725,626
Depreciation charge for the year	-	8,393	102,731	274,800	-	385,924
Disposals / write-off	-	-	(3,153)	(51,344)	-	(54,497)
At 31 December 2023	-	27,932	438,270	1,590,851	-	2,057,053
Net book value						
At 31 December 2022	257,471	351,125	503,473	918,387	6,852	2,037,308
At 31 December 2023	266,025	361,426	478,676	1,021,546	6,405	2,134,078

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

10 Leases

As a lessee

As at 31 December 2023, 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 0.5 years to 6 years (2022: 3 years 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 (in thousand Baht)	Total
At 1 January 2022	3,883,316	104,664	3,987,980
Addition	1,301,077	52,045	1,353,122
Depreciation charge for the year	(934,328)	(20,185)	(954,513)
Write-off	-	(425)	(425)
At 31 December 2022 and 1 January 2023	4,250,065	136,099	4,386,164
Addition	1,486,842	50,942	1,537,784
Depreciation charge for the year	(1,024,439)	(20,508)	(1,044,947)
Write-off	-	(867)	(867)
At 31 December 2023	4,712,468	165,666	4,878,134

Lease liabilities

	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Maturity analysis - contractual undiscounted cash flows		
Within one year	1,238,336	1,100,462
Over one year but within five years	4,120,918	3,711,200
Over five years	221,657	206,223
Total undiscounted lease liabilities	5,580,911	5,017,885
Lease liabilities included in the statement of financial position	4,905,996	4,416,092

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Amount recognised in profit or loss

<i>For the year ended 31 December</i>	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Depreciation of right-of-use assets		
- Buildings and office space	(1,024,439)	(934,328)
- Vehicles	(20,508)	(20,185)
Interest expense on lease liabilities	(223,376)	(189,254)

In 2023, total cash outflow for leases of the Group and the Company were Baht 1,197.35 million (2022: Baht 1,081.79 million).

As a lessor

Operating lease

The Company has office space lease agreements to its subsidiaries as disclosed in note 5.

The following table sets out a maturity analysis of lease collection under operating lease, showing undiscounted, as at 31 December 2023 and 2022.

	Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Portion due within one year	784	1,764
Portion due over one year but within two years	-	784
Total	784	2,548

Finance lease

Leases which are classified as finance leases are hire purchase contracts as disclosed in note 7.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

11 Short-term borrowings from financial institutions

As at 31 December 2023 and 2022, 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	
		2023	2022
		<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	2,000,000	2,000,000
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	2,000,000	1,270,000
3	Promissory notes under credit facilities amounting to Baht 500 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	-	450,000
4	Promissory notes under credit facilities amounting to Baht 1,000 million, with principal repayment and interest charged at a fixed rate within the specific date of promissory note	700,000	-
5	Promissory notes under credit facilities amounting to Baht 800 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	800,000	800,000
6	Promissory notes under credit facilities amounting to Baht 500 million, with principal repayment at call, and interest charged at a fixed rate, payable monthly	300,000	300,000
7	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	-	1,000,000
8	Bill of exchange, with principal repayment at the date specified on each bill of exchange	6,891,208	2,125,299
Total		12,691,208	7,945,299

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 2023, the bank overdrafts and short-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 3,830 million (2022: Baht 3,560 million).

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023****12 Other payables**

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Accrued employee expenses	952,949	686,422	952,949	686,422
Accrued interest expenses	441,982	314,470	441,982	314,470
Accrued special business tax expenses	131,054	111,041	128,857	109,264
Accrued expenses	31,616	18,098	30,566	17,492
Others	120,414	80,996	82,676	58,255
Total	1,678,015	1,211,027	1,637,030	1,185,903

13 Long-term borrowings from financial institutions

As at 31 December 2023 and 2022, the following are long-term borrowings from financial institutions.

Loan facility / Repayment schedule		Consolidated and Separate financial statements	
		2023	2022
		<i>(in thousand Baht)</i>	
1	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	-	41,667
2	Credit facility amounting to Baht 500 million, repayable principal within April 2024, and interest charged at a fixed rate, payable monthly	500,000	500,000
3	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	83,333	250,000
4	Credit facility amounting to Baht 500 million, repayable principal within May 2024, and interest charged at a fixed rate, payable monthly	500,000	500,000
5	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	-	50,000
6	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	-	487,500
7	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	-	187,500
8	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	750,000	1,750,000
9	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	332,800	666,400
10	Credit facility amounting to Baht 500 million, repayable principal within November 2024, and interest charged at a fixed rate, payable monthly	500,000	500,000
11	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	500,000	1,000,000
12	Credit facility amounting to Baht 1,500 million, repayable principal within March 2025, and interest charged at a fixed rate, payable every 3 months	1,500,000	1,500,000
13	Credit facility amounting to Baht 2,000 million, repayable principal equally every 3 months within March 2024, and interest charged at a fixed rate, payable monthly	250,000	1,250,000

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Loan facility / Repayment schedule		Consolidated and Separate financial statements	
		2023	2022
		(in thousand Baht)	
14	Credit facility amounting to Baht 800 million, repayable principal equally every 3 months within March 2025, and interest charged at a fixed rate, payable monthly	333,310	599,990
15	Credit facility amounting to Baht 1,500 million, repayable principal equally every 3 months within June 2025, and interest charged at a fixed rate, payable monthly	750,000	1,250,000
16	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within July 2025, and interest charged at a fixed rate, payable monthly	583,333	916,667
17	Credit facility amounting to Baht 4,958 million, repayable principal within July 2025, and interest charged at MLR minus a fixed rate, payable monthly	4,958,000	4,958,000
18	Credit facility amounting to Baht 1,000 million, repayable principal within September 2024, and interest charged at a fixed rate, payable monthly	1,000,000	1,000,000
19	Credit facility amounting to USD 95 million, repayable principal equally every 12 months within September 2025, and interest charged at SOFR plus a fixed rate, payable every 3 months	2,177,882	3,299,683
20	Credit facility amounting to JPY 9,900 million, repayable principal equally every 6 months after 2 years from the first utilisation date within September 2028, and interest charged at a fixed rate, payable every 6 months	2,432,945	1,963,809
21	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within October 2025, and interest charged at a fixed rate, payable monthly	666,400	1,000,000
22	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within December 2024, and interest charged at a fixed rate, payable monthly	250,000	500,000
23	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within April 2026, and interest charged at a fixed rate, payable monthly	833,200	-
24	Credit facility amounting to Baht 458 million, repayable principal equally every 3 months within June 2026, and interest charged at a fixed rate, payable every 3 months	419,833	-
25	Credit facility amounting to EUR 35 million, repayable principal equally every 6 months after 2 years from the first utilisation date within December 2028, and interest charged at EURIBOR plus a fixed rate, payable every 6 months	1,343,958	-
26	Credit facility amounting to USD 67 million, repayable principal equally every 12 months within September 2026, and interest charged at SOFR plus a fixed rate, payable every 3 months	2,303,969	-
27	Credit facility amounting to Baht 900 million, repayable principal equally every 3 months within November 2025, and interest charged at a fixed rate, payable monthly	900,000	-
Total		23,868,963	24,171,216
Less deferred issuing costs		(136,571)	(115,095)
Net		23,732,392	24,056,121
Current portion		9,148,285	6,515,088
Non-current portion		14,584,107	17,541,033
Total		23,732,392	24,056,121

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023**

	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Thai Baht	15,605,002	18,898,731
United States Dollar (USD)	4,408,379	3,239,788
Japanese Yen (JPY)	2,394,774	1,917,602
Euro (EUR)	1,324,237	-
Total	23,732,392	24,056,121

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, loan loss provision to non-performing loan receivables (NPL Coverage ratio), net profit being greater than zero and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 December 2023, there were no long-term credit facilities from financial institutions of the Group and the Company which have not yet been drawn down (2022: JPY 2,475 million).

To hedge interest rate risk and foreign exchange rate risk, as at 31 December 2023, the Group and the Company had outstanding commitment under cross currency interest rate swap agreements with a local commercial bank. Under such agreements, the Group and the Company are charged at fixed interest rate in Baht in exchange for interest rate at SOFR plus a fixed percent per annum in USD, interest rate at EURIBOR plus a fixed percent per annum in EUR, and interest rate at a fixed percent per annum in JPY, and will pay the principal in Baht in exchange for principal in USD, EUR and JPY. The cross currency interest rate swap agreements have the critical term matched with the borrowing repayment terms.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

14 Debentures

As at 31 December 2023 and 2022, these debentures are registered, unsubordinated and unsecured debentures. Details are as follow:

Facility / Repayment schedule		Consolidated and Separate financial statements	
		2023	2022
		(in thousand Baht)	
1	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
2	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
3	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
4	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
5	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
6	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
7	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
8	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
9	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
10	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
11	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	2,486,000
12	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
13	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	500,000
14	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
15	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	1,600,000
16	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	800,000

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Notes to the financial statements
For the year ended 31 December 2023

Facility / Repayment schedule		Consolidated and Separate financial statements	
		2023	2022
		<i>(in thousand Baht)</i>	
17	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	500,000
18	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
19	Debenture amounting to Baht 1,641.8 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	1,641,800
20	Debenture amounting to Baht 1,361.8 million with a tenor of 4 years, maturing in August 2025, bearing interest at a fixed rate, payable every 3 months	1,361,800	1,361,800
21	Debenture amounting to Baht 996.4 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	996,400
22	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
23	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	1,902,000
24	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	1,598,000
25	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	1,000,000
26	Debenture amounting to Baht 2,500 million with a tenor of 2 years, maturing in January 2024, bearing interest at a fixed rate, payable every 6 months	2,500,000	2,500,000
27	Debenture amounting to Baht 500 million with a tenor of 3 years, maturing in January 2025, bearing interest at a fixed rate, payable every 6 months	500,000	500,000
28	Debenture amounting to Baht 1,609 million with a tenor of 3 years 1 day, maturing in February 2025, bearing interest at a fixed rate, payable every 3 months	1,609,000	1,609,000
29	Debenture amounting to Baht 1,391 million with a tenor of 4 years, maturing in February 2026, bearing interest at a fixed rate, payable every 3 months	1,391,000	1,391,000
30	Debenture amounting to Baht 1,000 million with a tenor of 4 years 11 months 30 days, maturing in February 2027, bearing interest at a fixed rate, payable every 3 months	1,000,000	1,000,000
31	Debenture amounting to Baht 2,500 million with a tenor of 2 years, maturing in April 2024, bearing interest at a fixed rate, payable every 6 months	2,500,000	2,500,000
32	Debenture amounting to Baht 2,200 million with a tenor of 3 years, maturing in June 2025, bearing interest at a fixed rate, payable every 3 months	2,200,000	2,200,000
33	Debenture amounting to Baht 1,831.1 million with a tenor of 4 years, maturing in June 2026, bearing interest at a fixed rate, payable every 3 months	1,831,100	1,831,100

Muangthai Capital Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

	Facility / Repayment schedule	Consolidated and Separate financial statements	
		2023	2022
		<i>(in thousand Baht)</i>	
34	Debenture amounting to Baht 933.2 million with a tenor of 4 years 11 months 30 days, maturing in June 2027, bearing interest at a fixed rate, payable every 3 months	933,200	933,200
35	Debenture amounting to Baht 960 million with a tenor of 1 year 11 months 24 days, maturing in June 2024, bearing interest at a fixed rate, payable every 6 months	960,000	960,000
36	Debenture amounting to Baht 500 million with a tenor of 5 years, maturing in July 2027, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
37	Debenture amounting to Baht 1,376 million with a tenor of 1 year 11 months 28 days, maturing in August 2024, bearing interest at a fixed rate, payable every 6 months	1,376,000	1,376,000
38	Debenture amounting to Baht 2,728.2 million with a tenor of 2 years, maturing in August 2024, bearing interest at a fixed rate, payable every 3 months	2,728,200	2,728,200
39	Debenture amounting to Baht 2,124.5 million with a tenor of 3 years, maturing in August 2025, bearing interest at a fixed rate, payable every 3 months	2,124,500	2,124,500
40	Debenture amounting to Baht 2,367 million with a tenor of 2 years, maturing in October 2024, bearing interest at a fixed rate, payable every 3 months	2,367,000	2,367,000
41	Debenture amounting to Baht 1,634.6 million with a tenor of 3 years 6 months, maturing in April 2026, bearing interest at a fixed rate, payable every 3 months	1,634,600	1,634,600
42	Debenture amounting to Baht 1,033 million with a tenor of 1 year 10 months 29 days, maturing in October 2024, bearing interest at a fixed rate, payable every 6 months	1,033,000	1,033,000
43	Debenture amounting to Baht 3,400 million with a tenor of 2 years, maturing in January 2025, bearing interest at a fixed rate, payable every 6 months	3,400,000	-
44	Debenture amounting to Baht 1,328.4 million with a tenor of 1 year 6 months 6 days, maturing in August 2024, bearing interest at a fixed rate, payable every 3 months	1,328,400	-
45	Debenture amounting to Baht 1,969.5 million with a tenor of 2 years 24 days, maturing in March 2025, bearing interest at a fixed rate, payable every 3 months	1,969,500	-
46	Debenture amounting to Baht 1,995.2 million with a tenor of 3 years 23 days, maturing in March 2026, bearing interest at a fixed rate, payable every 3 months	1,995,200	-
47	Debenture amounting to Baht 927.7 million with a tenor of 4 years 22 days, maturing in March 2027, bearing interest at a fixed rate, payable every 3 months	927,700	-
48	Debenture amounting to Baht 1,121.1 million with a tenor of 5 years 21 days, maturing in March 2028, bearing interest at a fixed rate, payable every 3 months	1,121,100	-
49	Debenture amounting to Baht 2,632 million with a tenor of 2 years, maturing in May 2025, bearing interest at a fixed rate, payable every 6 months	2,632,000	-
50	Debenture amounting to Baht 1,147.4 million with a tenor of 1 years 4 months 27 days, maturing in November 2024, bearing interest at a fixed rate, payable every 3 months	1,147,400	-

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Facility / Repayment schedule		Consolidated and Separate financial statements	
		2023	2022
		(in thousand Baht)	
51	Debenture amounting to Baht 1,443.2 million with a tenor of 2 years 1 day, maturing in June 2025, bearing interest at a fixed rate, payable every 3 months	1,443,200	-
52	Debenture amounting to Baht 1,980.2 million with a tenor of 3 years, maturing in June 2026, bearing interest at a fixed rate, payable every 3 months	1,980,200	-
53	Debenture amounting to Baht 1,519.2 million with a tenor of 3 years 11 months 30 days, maturing in June 2027, bearing interest at a fixed rate, payable every 3 months	1,519,200	-
54	Debenture amounting to Baht 1,866 million with a tenor of 2 years, maturing in July 2025, bearing interest at a fixed rate, payable every 6 months	1,866,000	-
55	Debenture amounting to Baht 1,767.9 million with a tenor of 2 years, maturing in August 2025, bearing interest at a fixed rate, payable every 3 months	1,767,900	-
56	Debenture amounting to Baht 1,399.7 million with a tenor of 3 years 1 day, maturing in August 2026, bearing interest at a fixed rate, payable every 3 months	1,399,700	-
57	Debenture amounting to Baht 1,332.4 million with a tenor of 4 years, maturing in August 2027, bearing interest at a fixed rate, payable every 3 months	1,332,400	-
58	Debenture amounting to Baht 1,158.3 million with a tenor of 2 years 10 days, maturing in November 2025, bearing interest at a fixed rate, payable every 3 months	1,158,300	-
59	Debenture amounting to Baht 1,064.4 million with a tenor of 3 years 9 days, maturing in November 2026, bearing interest at a fixed rate, payable every 3 months	1,064,400	-
60	Debenture amounting to Baht 812.7 million with a tenor of 4 years 8 days, maturing in November 2027, bearing interest at a fixed rate, payable every 3 months	812,700	-
61	Debenture amounting to Baht 473 million with a tenor of 2 years, maturing in November 2025, bearing interest at a fixed rate, payable every 6 months	473,000	-
62	Debenture amounting to Baht 1,235.1 million with a tenor of 1 year 5 months 15 days, maturing in June 2025, bearing interest at a fixed rate, payable every 3 months	1,235,100	-
63	Debenture amounting to Baht 592.2 million with a tenor of 2 years 5 months 14 days, maturing in June 2026, bearing interest at a fixed rate, payable every 3 months	592,200	-
Total		73,639,200	59,900,100
<i>Less deferred issuing costs</i>		<i>(198,706)</i>	<i>(174,788)</i>
Net		73,440,494	59,725,312
Current portion		24,859,215	17,338,678
Non-current portion		48,581,279	42,386,634
Total		73,440,494	59,725,312

The Company, as debentures issuer, has a condition to maintain a debt to equity ratio at end of each fiscal year.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

15 Provisions for employee benefits

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.

<i>Present value of the defined benefit obligations</i>	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	160,945	155,983
Recognised in profit or loss:		
Current service cost	27,879	50,899
Interest on obligation	5,891	4,614
	33,770	55,513
Recognised in other comprehensive income:		
Actuarial (gain) loss		
- Financial assumptions	8,377	(25,081)
- Demographic assumptions	-	-
- Experience adjustment	7,464	(20,870)
	15,841	(45,951)
Benefit paid	(1,453)	(4,600)
At 31 December	209,103	160,945

<i>Principal actuarial assumptions</i>	Consolidated and Separate financial statements	
	2023	2022
	<i>(%)</i>	
Discount rate	3.5	3.7
Future salary growth	6.0	6.0
Employee turnover rate	2.5 - 20.0	2.5 - 20.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 21 years (2022: 21 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				
2023				
	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	(20,167)	0.5	22,926
Future salary growth	0.5	22,239	0.5	(19,808)
Employee turnover rate	10.0	(22,658)	10.0	26,626

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Consolidated and Separate financial statements				
2022				
	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	(15,345)	0.5	17,445
Future salary growth	0.5	16,957	0.5	(15,099)
Employee turnover rate	10.0	(17,232)	10.0	20,304

16 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 (1992) 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.

17 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 two operating segment in lending business and hire purchase, and each of its subsidiaries is principally engaged in insurance brokerage, providing hire purchase business and lending 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 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 2023****18 Expenses by nature**

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Salary, wages and other employee benefits	6,085,404	4,749,115	6,085,404	4,749,115
Depreciation and amortisation expenses	1,442,815	1,356,959	1,442,788	1,356,931
Special business tax	765,131	617,807	750,545	610,315
Utilities expenses	268,305	217,749	268,305	217,749
Travelling expenses	252,983	202,753	252,964	202,703
Telecommunication expenses	113,331	101,526	113,331	101,526
Rental and service expenses	37,022	25,192	27,407	20,409
Others	737,072	797,691	661,824	768,379
Total	9,702,063	8,068,792	9,602,568	8,027,127

Contribution plan

For the year ended 31 December 2023, the Group and the Company contributed provident funds for their employee amounting to Baht 62.30 million (2022: Baht 50.08 million).

19 Income tax

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Income tax recognised in profit or loss				
For the year ended 31 December				
Current tax expense				
Current year	1,553,331	1,650,045	1,400,755	1,529,137
(Over) under provided in prior years	(23,235)	(1,880)	(23,345)	(1,890)
	1,530,096	1,648,165	1,377,410	1,527,247
Deferred tax expense				
Movements in temporary differences	(310,322)	(381,519)	(267,010)	(315,420)
Total income tax	1,219,774	1,266,646	1,110,400	1,211,827

**Income tax recognised in other
comprehensive income**

	Consolidated and Separate financial statements					
	2023			2022		
	Before tax	Tax benefit (expense)	Net of tax	Before tax	Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
Cash flow hedges	(66,996)	13,399	(53,597)	(154,190)	30,838	(123,352)
Defined benefit plan actuarial gains (losses)	(15,841)	3,168	(12,673)	45,951	(9,190)	36,761
Total	(82,837)	16,567	(66,270)	(108,239)	21,648	(86,591)

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2023 (in thousand Baht)	Rate (%)	2022 (in thousand Baht)
Profit before income tax expense		6,126,242		6,359,738
Income tax using the Thai corporation tax rate	20.00	1,225,248	20.00	1,271,948
Effects of non-taxable income and non-deductible expenses		24,636		4,915
Additional deductions allowed for expenses		(6,875)		(8,337)
(Over) under provided in prior years		(23,235)		(1,880)
Total	19.91	1,219,774	19.92	1,266,646

Separate financial statements

	Rate (%)	2023 (in thousand Baht)	Rate (%)	2022 (in thousand Baht)
Profit before income tax expense		5,582,229		6,090,145
Income tax using the Thai corporation tax rate	20.00	1,116,446	20.00	1,218,029
Effects of non-taxable income and non-deductible expenses		24,174		4,025
Additional deductions allowed for expenses		(6,875)		(8,337)
(Over) under provided in prior years		(23,345)		(1,890)
Total	19.89	1,110,400	19.90	1,211,827

Movement in deferred tax assets and liabilities during the years ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		
	Credited to / (Charged)		
	At 1 January	Profit or loss (in thousand Baht)	At 31 December
2023			
<i>Deferred tax assets</i>			
Loan receivables	661,408	272,280	933,688
Hire purchase receivables	75,750	24,328	100,078
Assets held for sale	1,080	853	1,933
Derivatives liabilities	30,838	-	44,237
Lease liabilities	868,391	96,454	964,845
Provisions for employee benefits	32,189	6,464	41,821
Others	67,868	12,643	80,511
Total	1,737,524	413,022	2,167,113
<i>Deferred tax liabilities</i>			
Loan receivables	(102)	102	-
Right-of-use assets	(851,321)	(94,090)	(945,411)
Others	(59,458)	(8,712)	(68,170)
Total	(910,881)	(102,700)	(1,013,581)
Net	826,643	310,322	1,153,532

Muangthai Capital Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2023**

	Consolidated financial statements			
		Credited to / (Charged)		
			Other comprehensive income	
	At 1 January	Profit or loss		At 31 December
		(in thousand Baht)		
2022				
Deferred tax assets				
Loan receivables	357,536	303,872	-	661,408
Hire purchase receivables	8,835	66,915	-	75,750
Assets held for sale	1,080	-	-	1,080
Derivatives liabilities	-	-	30,838	30,838
Lease liabilities	789,975	78,416	-	868,391
Provisions for employee benefits	31,197	10,182	(9,190)	32,189
Others	44,196	23,672	-	67,868
Total	1,232,819	483,057	21,648	1,737,524
Deferred tax liabilities				
Loan receivables	(1,122)	1,020	-	(102)
Right-of-use assets	(776,903)	(74,418)	-	(851,321)
Others	(31,318)	(28,140)	-	(59,458)
Total	(809,343)	(101,538)	-	(910,881)
Net	423,476	381,519	21,648	826,643
2023				
Deferred tax assets				
Loan receivables	652,662	248,505	-	901,167
Hire purchase receivables	9,702	5,713	-	15,415
Assets held for sale	1,080	-	-	1,080
Derivatives liabilities	30,838	-	13,399	44,237
Lease liabilities	868,391	96,454	-	964,845
Provisions for employee benefits	32,189	6,464	3,168	41,821
Others	67,728	12,574	-	80,302
Total	1,662,590	369,710	16,567	2,048,867
Deferred tax liabilities				
Loan receivables	(102)	102	-	-
Right-of-use assets	(851,321)	(94,090)	-	(945,411)
Others	(59,458)	(8,712)	-	(68,170)
Total	(910,881)	(102,700)	-	(1,013,581)
Net	751,709	267,010	16,567	1,035,286

Separate financial statements

Credited to / (Charged)

Other comprehensive income

At 1 January**Profit or loss***(in thousand Baht)***At 31 December**

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	At 1 January	Separate financial statements Credited to / (Charged)		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2022				
Deferred tax assets				
Loan receivables	357,536	295,126	-	652,662
Hire purchase receivables	-	9,702	-	9,702
Assets held for sale	1,080	-	-	1,080
Derivatives liabilities	-	-	30,838	30,838
Lease liabilities	789,975	78,416	-	868,391
Provisions for employee benefits	31,197	10,182	(9,190)	32,189
Others	44,196	23,532	-	67,728
Total	1,223,984	416,958	21,648	1,662,590
Deferred tax liabilities				
Loan receivables	(1,122)	1,020	-	(102)
Right-of-use assets	(776,903)	(74,418)	-	(851,321)
Others	(31,318)	(28,140)	-	(59,458)
Total	(809,343)	(101,538)	-	(910,881)
Net	414,641	315,420	21,648	751,709

20 Earnings per share

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	4,906,468	5,093,092	4,471,829	4,878,318
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)	2.31	2.40	2.11	2.30

21 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
2023				
Annual dividend 2022	18 April 2023	May 2023	0.95	2,014,000
2022				
Annual dividend 2021	19 April 2022	May 2022	0.37	784,400

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements For the year ended 31 December 2023

22 Financial instruments

(a) 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.

	Carrying amount		Consolidated financial statements				Fair value
	Fair value - hedging instruments	Financial instruments measured at amortised cost	Total	(in thousand Baht)			
				Level 1	Level 2	Level 3	
							Total
2023							
Financial assets							
Loan receivables	-	133,925,899	133,925,899	-	-	132,797,941	132,797,941
Financial liabilities							
Derivative liabilities - cross currency interest rate swap agreements	715,902	-	715,902	-	715,902	-	715,902
Long-term borrowings from financial institutions	-	23,732,392	23,732,392	-	23,761,873	-	23,761,873
Debentures	-	73,440,494	73,440,494	-	73,300,642	-	73,300,642
2022							
Financial assets							
Loan receivables	-	111,669,965	111,669,965	-	-	111,183,585	111,183,585
Financial liabilities							
Derivative liabilities - cross currency interest rate swap agreements	431,961	-	431,961	-	431,961	-	431,961
Long-term borrowings from financial institutions	-	24,056,121	24,056,121	-	22,190,422	-	22,190,422
Debentures	-	59,725,312	59,725,312	-	59,863,123	-	59,863,123

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	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	
2023							
Financial assets							
Loan receivables	-	131,359,154	131,359,154	-	-	130,231,194	130,231,194
Long-term loans - related parties	-	1,362,500	1,362,500	-	1,373,549	-	1,373,549
Financial liabilities							
Derivative liabilities - cross currency interest rate swap agreements	715,902	-	715,902	-	715,902	-	715,902
Long-term borrowings from financial institutions	-	23,732,392	23,732,392	-	23,761,873	-	23,761,873
Debentures	-	73,440,494	73,440,494	-	73,300,642	-	73,300,642
2022							
Financial assets							
Loan receivables	-	109,307,998	109,307,998	-	-	108,821,617	108,821,617
Long-term loans - related parties	-	737,500	737,500	-	741,041	-	741,041
Financial liabilities							
Derivative liabilities - cross currency interest rate swap agreements	431,961	-	431,961	-	431,961	-	431,961
Long-term borrowings from financial institutions	-	24,056,121	24,056,121	-	22,190,422	-	22,190,422
Debentures	-	59,725,312	59,725,312	-	59,863,123	-	59,863,123

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 fair values approximate their carrying amount.

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 instruments with similar terms, net of allowance for expected credit loss.

Fair value of derivative liabilities has been determined using a discounted future cash flow model, applying current market yield rates.

Floating rate long-term borrowings from financial institutions, their fair values are approximated based on the carrying amount.

Fixed rate long-term borrowings from financial institutions, their fair values are 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”).

(b) 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. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group’s and Company’s risk management policies. The committee reports regularly to the board of directors.

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.

(b.1) Credit risk

The Group and the Company are exposed to credit risk primarily with respect to loan receivables consisted of loans secured against vehicle registrations, land title deeds, condominium loans, personal loans without collateral nano finance, installment loan 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 credit quality of loan receivables and hire purchase receivables is disclosed in note 7.2.

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For the year ended 31 December 2023

Allowance for expected credit loss as at 31 December 2023 and 2022 are as follow, excluding allowance for expected credit loss on other receivables.

Consolidated financial statements				
2023				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
Loan receivables	1,162,023	994,772	2,511,646	4,668,441
Hire purchase receivables	63,043	120,170	317,175	500,388
Total	1,225,066	1,114,942	2,828,821	5,168,829
Consolidated financial statements				
2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
Loan receivables	704,351	580,949	2,021,742	3,307,042
Hire purchase receivables	62,532	101,374	214,845	378,751
Total	766,883	682,323	2,236,587	3,685,793
Separate financial statements				
2023				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
Loan receivables	1,144,238	975,660	2,385,940	4,505,838
Hire purchase receivables	5,082	14,232	57,760	77,074
Total	1,149,320	989,892	2,443,700	4,582,912
Separate financial statements				
2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
Loan receivables	693,513	569,475	2,000,322	3,263,310
Hire purchase receivables	7,557	14,259	26,692	48,508
Total	701,070	583,734	2,027,014	3,311,818

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The movements in allowance for expected credit loss of loan receivables and hire purchase receivables during the years were as follows:

	Consolidated financial statements			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
		(in thousand Baht)		
<i>Loan receivables</i>				
At 1 January 2022	709,289	348,966	729,426	1,787,681
Change from stage reclassification	(22,251)	(21,094)	43,345	-
Change from remeasurement of ECL	(80,916)	47,279	587,558	553,921
Purchased or acquired	642,256	459,108	1,094,666	2,196,030
Derecognised	(544,027)	(253,310)	(433,253)	(1,230,590)
At 31 December 2022 and 1 January 2023	704,351	580,949	2,021,742	3,307,042
Change from stage reclassification	(12,342)	(19,158)	31,500	-
Change from remeasurement of ECL	(15,423)	120,194	849,755	954,526
Purchased or acquired	1,028,958	777,437	1,422,652	3,229,047
Derecognised	(543,521)	(464,650)	(1,814,003)	(2,822,174)
At 31 December 2023	1,162,023	994,772	2,511,646	4,668,441
<i>Hire purchase receivables</i>				
At 1 January 2022	19,698	11,033	13,444	44,175
Change from stage reclassification	(4,526)	954	3,572	-
Change from remeasurement of ECL	18,671	58,613	156,360	233,644
Purchased or acquired	31,396	36,876	54,143	122,415
Derecognised	(2,707)	(6,102)	(12,674)	(21,483)
At 31 December 2022 and 1 January 2023	62,532	101,374	214,845	378,751
Change from stage reclassification	6,200	(28,686)	22,486	-
Change from remeasurement of ECL	(9,247)	59,617	139,063	189,433
Purchased or acquired	11,527	4,743	3,983	20,253
Derecognised	(7,969)	(16,878)	(63,202)	(88,049)
At 31 December 2023	63,043	120,170	317,175	500,388

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Notes to the financial statements

For the year ended 31 December 2023

	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk (in thousand Baht)	Assets that are credit impaired	Total
Separate financial statements				
<i>Loan receivables</i>				
At 1 January 2022	709,289	348,966	729,426	1,787,681
Change from stage reclassification	(22,251)	(21,094)	43,345	-
Change from remeasurement of ECL	(80,916)	47,279	587,558	553,921
Purchased or acquired	630,818	447,634	1,073,246	2,151,698
Derecognised	(543,427)	(253,310)	(433,253)	(1,229,990)
At 31 December 2022 and 1 January 2023	693,513	569,475	2,000,322	3,263,310
Change from stage reclassification	(12,872)	(13,086)	25,958	-
Change from remeasurement of ECL	(16,485)	108,120	769,712	861,347
Purchased or acquired	1,018,479	769,535	1,403,316	3,191,330
Derecognised	(538,397)	(458,384)	(1,813,368)	(2,810,149)
At 31 December 2023	1,144,238	975,660	2,385,940	4,505,838
<i>Hire purchase receivables</i>				
At 1 January 2022	-	-	-	-
Change from stage reclassification	-	-	-	-
Change from remeasurement of ECL	-	-	-	-
Purchased or acquired	8,157	14,259	26,692	49,108
Derecognised	(600)	-	-	(600)
At 31 December 2022 and 1 January 2023	7,557	14,259	26,692	48,508
Change from stage reclassification	400	(6,425)	6,025	-
Change from remeasurement of ECL	(1,750)	7,754	32,339	38,343
Purchased or acquired	-	-	-	-
Derecognised	(1,125)	(1,356)	(7,296)	(9,777)
At 31 December 2023	5,082	14,232	57,760	77,074

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 consider 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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Concentrations of credit risk

The Group and the Company monitor concentrations of credit risk by type of financing. As at 31 December 2023, more than 51% of credit risk on loan receivables concentrated to retail group comprised of agriculturer and day labour (2022: more than 50% of credit risk on loan receivables concentrated to retail group comprised of agriculturer and day labour), and more than 46% of credit risk on hire purchase receivables concentrated to retail group comprised of private company employee and agriculturer (2022: more than 45% of credit risk on hire purchase receivables concentrated to retail group comprised 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.

In assessing whether a borrower is in default, the Group and the Company consider indicators that are:

- qualitative: e.g. 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;
- quantitative: e.g. the borrower is more than 90 days past due on any material credit obligation to the Group and the Company.

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.

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.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(b.2) 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 2023 and 2022 were as follows:

Consolidated financial statements					
Remaining maturity periods					
	At call	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2023					
Financial assets					
Cash and cash equivalents	2,821,517	-	-	-	2,821,517
Loan receivables and hire purchase receivables ^{(1), (2)}	-	79,283,615	88,162,542	5,348,087	172,794,244
Short-term loans	-	209,973	-	-	209,973
Restricted bank deposits	-	-	-	13,000	13,000
Other financial assets	-	496,526	-	-	496,526
Total financial assets	2,821,517	79,990,114	88,162,542	5,361,087	176,335,260
Financial liabilities					
Short-term borrowings from financial institutions	300,138	12,475,872	-	-	12,776,010
Other payables	-	1,678,015	-	-	1,678,015
Long-term borrowings from financial institutions	-	10,181,229	15,510,957	-	25,692,186
Debentures	-	27,868,445	50,350,216	-	78,218,661
Lease liabilities	-	1,238,336	4,120,918	221,657	5,580,911
Income tax payables	-	750,832	-	-	750,832
Other financial liabilities	-	114,199	-	-	114,199
Total financial liabilities	300,138	54,306,928	69,982,091	221,657	124,810,814

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Consolidated financial statements				
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2022					
Financial assets					
Cash and cash equivalents	3,176,780	-	-	-	3,176,780
Loan receivables and hire purchase receivables ^{(1), (2)}	-	71,120,102	69,835,238	3,119,367	144,074,707
Short-term loans	-	144,916	-	-	144,916
Restricted bank deposits	-	-	-	12,000	12,000
Other financial assets	-	231,412	-	-	231,412
Total financial assets	3,176,780	71,496,430	69,835,238	3,131,367	147,639,815
Financial liabilities					
Short-term borrowings from financial institutions	300,283	7,676,691	-	-	7,976,974
Other payables	-	1,211,027	-	-	1,211,027
Long-term borrowings from financial institutions	-	8,971,126	19,825,356	465,717	29,262,199
Debentures	-	17,799,740	45,968,471	-	63,768,211
Lease liabilities	-	1,100,462	3,711,200	206,223	5,017,885
Income tax payables	-	892,936	-	-	892,936
Other financial liabilities	-	132,407	-	-	132,407
Total financial liabilities	300,283	37,784,389	69,505,027	671,940	108,261,639

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements				
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2023					
Financial assets					
Cash and cash equivalents	2,677,354	-	-	-	2,677,354
Loan receivables and hire purchase receivables ^{(1), (2)}	-	75,264,375	83,833,081	5,336,222	164,433,678
Other receivables - related parties	-	4,609,725	-	-	4,609,725
Short-term loans	-	209,973	-	-	209,973
Long-term loans - related parties	-	553,802	909,910	-	1,463,712
Other financial assets	-	496,475	-	-	496,475
Total financial assets	2,677,354	81,134,350	84,742,991	5,336,222	173,890,917
Financial liabilities					
Short-term borrowings from financial institutions	300,138	12,475,872	-	-	12,776,010
Other payables	-	1,637,030	-	-	1,637,030
Long-term borrowings from financial institutions	-	10,181,229	15,510,957	-	25,692,186
Debentures	-	27,868,445	50,350,216	-	78,218,661
Lease liabilities	-	1,238,336	4,120,918	221,657	5,580,911
Income tax payables	-	675,182	-	-	675,182
Other financial liabilities	-	1,785,156	-	-	1,785,156
Total financial liabilities	300,138	55,861,250	69,982,091	221,657	126,365,136

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements				
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2022					
Financial assets					
Cash and cash equivalents	2,893,990	-	-	-	2,893,990
Loan receivables and hire purchase receivables ^{(1), (2)}	-	67,087,262	64,372,769	3,097,952	134,557,983
Other receivables - related parties	-	5,481,808	-	-	5,481,808
Short-term loans	-	144,916	-	-	144,916
Long-term loans - related parties	-	274,876	508,094	-	782,970
Other financial assets	-	231,402	-	-	231,402
Total financial assets	2,893,990	73,220,264	64,880,863	3,097,952	144,093,069
Financial liabilities					
Short-term borrowings from financial institutions	300,283	7,676,691	-	-	7,976,974
Other payables	-	1,185,903	-	-	1,185,903
Long-term borrowings from financial institutions	-	8,971,126	19,825,356	465,717	29,262,199
Debentures	-	17,799,740	45,968,471	-	63,768,211
Lease liabilities	-	1,100,462	3,711,200	206,223	5,017,885
Income tax payables	-	819,985	-	-	819,985
Other financial liabilities	-	914,263	-	-	914,263
Total financial liabilities	300,283	38,468,170	69,505,027	671,940	108,945,420

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

Derivative

The remaining notional amount of derivative classified by remaining contractual maturities as at 31 December 2023 and 2022 were as follow:

Consolidated and Separate financial statements				
2023				
	Within 1 year	After 1 year but within 5 years (in thousand Baht)	More than 5 years	Total
Cross currency interest rate swap agreements				
- Net cash (outflow) inflow	(141,990)	(376,253)	-	(518,243)
Consolidated and Separate financial statements				
2022				
	Within 1 year	After 1 year but within 5 years (in thousand Baht)	More than 5 years	Total
Cross currency interest rate swap agreements				
- Net cash (outflow) inflow	(113,476)	(306,420)	3,298	(416,598)

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(b.3) Market risk

The Group and the Company are exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign exchange rate risk

Foreign exchange rate risk is the risk that occurs from changes in exchange rates which may cause volatility in expenses or affect the value of the financial liabilities. The Group and the Company are exposed to foreign exchange rate risk from foreign currency borrowings. The Group and the Company use derivatives (cross currency interest rate swap agreements) to manage volatility for foreign currency borrowings.

Consolidated and Separate financial statements			
	USD	2023 JPY (in thousand Baht)	EUR
Financial liabilities	4,408,379	2,394,774	1,324,237
Exposure on statement of financial position	4,408,379	2,394,774	1,324,237
Financial liabilities hedged by cross currency interest rate swap agreements	(4,408,379)	(2,394,774)	(1,324,237)
Net exposure	-	-	-

Consolidated and Separate financial statements			
	USD	2022 JPY (in thousand Baht)	EUR
Financial liabilities	3,239,788	1,917,602	-
Exposure on statement of financial position	3,239,788	1,917,602	-
Financial liabilities hedged by cross currency interest rate swap agreements	(3,239,788)	(1,917,602)	-
Net exposure	-	-	-

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Group's and the Company's operation results 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 (cross currency interest rate swap agreements) to manage exposure to fluctuations in interest rates on specific borrowings.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	141,690,389	120,528,857	140,961,907	119,355,537
Financial liabilities	(106,622,519)	(90,181,406)	(108,176,841)	(90,865,187)
Exposure on statement of financial position	35,067,870	30,347,451	32,785,066	28,490,350
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	10,690,617	8,197,788	10,690,617	8,197,788
Exposure on statement of financial position	10,690,617	8,197,788	10,690,617	8,197,788
Financial liabilities hedged by cross currency interest rate swap agreements	(5,732,617)	(3,239,788)	(5,732,617)	(3,239,788)
Net exposure	4,958,000	4,958,000	4,958,000	4,958,000

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables remain constant.

	Consolidated and Separate financial statements	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
<i>Impact to profit or loss</i>		
2023		
Financial instruments with variable interest rates	88,378	(88,378)
Financial liabilities hedged by cross currency interest rate swap agreements	(38,798)	38,798
Net cash flow sensitivity	49,580	(49,580)
2022		
Financial instruments with variable interest rates	28,862	(28,862)
Financial liabilities hedged by cross currency interest rate swap agreements	(7,536)	7,536
Net cash flow sensitivity	21,326	(21,326)

23 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.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

24 Commitments with non-related parties

	Consolidated and Separate financial statements	
	2023	2022
	(in thousand Baht)	
<i>Capital commitments</i>		
Buildings and other constructions	4,006	4,006

25 Events after the reporting period

On 20 February 2024, at the Company's Board of Directors' meeting passed resolutions to propose to the Annual General Meeting of Shareholders for approval of a cash dividend payment of Baht 0.21 per share to the shareholders from the net profit for the year 2023, in total of Baht 445.2 million, and for approval of a budget for debenture issuance.



4

CERTIFICATION ON THE CORRECTNESS OF INFORMATION

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 Petampai or Mr. Surat Chayavoradech to sign this document on every page. If any document is not signed by Mrs. Daonapa Petampai 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 Chairman of the Executive Committee	- Mr. Chuchat Petaumpai -
2. Mrs. Daonapa Petampai	Executive Committee and Managing Director	- Mrs. Daonapa Petampai -
Authorized persons		
1. Mrs. Daonapa Petampai	Managing Director	- Mrs. Daonapa Petampai -
2. Mr. Surat Chayavoradech	Deputy Managing Director	- Mr. Surat Chayavoradech -

Attachment 1

Attachment 1.1 : Details of the Board of Directors

Adm. Apichat Pengsritong

Age	75 years old
Type of Director	Independent Director
Date of Appointment	12 th September 2012
Years in Director Position	11 years 3 months
Current Position	Chairman of the Board of Directors / Chairman of the Nomination and Remuneration



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 Defense College in 1986
- National Defense College Program, class 4515

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. Makutajakumarn, Anti-submarine Squadron, Royal Thai Fleet
- Junior Gunnery Officer, H.T.M.S. Makutajakumarn, Anti-submarine Squadron, Royal Thai Fleet
- Gunnery Officer, H.T.M.S. Makutajakumarn, Anti-submarine Squadron, Royal Thai Fleet
- Executive Officer, H.T.M.S. Makutajakumarn, 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 (Bangkok Naval Base (in the present))
- Naval Attache to Jakarta
- 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

Training

- Directors Accreditation Program (DAP) class 82/2010
- Risk Management Program for Corporate Leaders (RCL 5/2016)

Shareholding Proportion

- 500,000 shares. Percentage 0.0236 (As of 31st December 2023)

Current Position in Other Listed Companies

- 2015 – Present Chairman of the Board of Directors and Independent Director, T.A.C. Consumer PCL.
- 2010 – Present Independent Director, S&J International Enterprises PCL.

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 2023

- Board of Directors 7/7 times
- Board of Independent Directors 1/1 times
- Nomination and Remuneration Committee 2/2 times

Mr. Chuchat Petaumpai

Age	70 years old
Type of Director	Executive Director
Date of Appointment	12 th September 2012
Years in Director Position	11 years 3 months
Current Position	Director / Chairman of the Executive Committee / Member of Risk Management Committee

Education

- Master of Business Economics, Thammasat University, 2000
- Master of Business Administration, Naresuan University, 1998
- Master of Finance, Oklahoma City University, USA, 1990

Work Experience

- Industrial Finance Corporation of Thailand (IFCT)
- Kasikornbank Public Company Limited

Training

- Directors Accreditation Program (DAP) class SET/2012
- Risk Management Program for Corporate Leaders (RLC 5/2016)

Shareholding Proportion

- 710,056,400 shares. Percentage 33.4932 (As of 31st December 2023)

Current Position in Other Listed Companies

- 2017–Present Director and Vice President of NYE Estate Co.,Ltd.

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 2023

- Board of Directors – times
- Risk Management Committee – times

Mrs. Daonapa Petampai



Age	70 years old
Type of Director	Executive Director
Date of Appointment	12 th September 2012
Years in Director Position	11 years 3 months
Current Position	Director / Managing Director

Education

- Master of Finance, Oklahoma City University, USA, 1989

Work Experience

- Assistant Unit Manager – Credit Card, Head Office, Kasikornbank PLC.
- Assistant Branch Manager, Kasikornbank PLC.

Training

- Directors Accreditation Program (DAP) class SET/2012

Shareholding Proportion

- 720,000,000 shares Percentage 33.9623 (As of 31st December 2023)

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 2022

- Board of Directors 7/7 times

Mrs. Kongkeaw Piamduaytham

Age	71 years old
Type of Director	Independent Director
Date of Appointment	12 th September 2012
Years in Director Position	11 years 3 months
Current Position	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance and Sustainability Committee

**Education**

- Master of Finance, Washington State University, USA

Work Experience

- 2011 – 2018 Chairman of the Audit Committee, PAPOP Company Limited

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
- Easy Listening Program : AC knowledge that accountants should not miss 2021
- Easy Listening Program : AC knowledge that accountants should not miss 2022
- Seminar on Dissemination of Research Results of Value of Audit 2022

Shareholding

- 800,000 shares Percentage 0.0378 (As of 31st December 2023)

Current Position in Other Companies

- 2010 – Present Director, Aira Capital PCL.
- 2009 – Present Adviser, Aira Securities PCL.

Position in the Company which might be Conflicts of Interest

– None –

The Legal Dispute

– None –

Meeting Attendance in 2023

- Board of Directors 7/7 times
- Audit Committee 4/4 times
- Board of Independent Directors 1/1 times
- Corporate Governance and Sustainability Committee 2/2 times

Mrs. Nongnuch Dawasuwan

Age	69 years old
Type of Director	Independent Director
Date of Appointment	29 th March 2017
Years in Director Position	5 years 9 months
Current Position	Independent Director / Member of Audit Committee / Member of Risk Management Committee / Member of the Corporate Governance and Sustainability Committee



Education

- Bachelor of Accountancy, Chulalongkorn University

Work Experience

- 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 Office, Customers Department
- 2010 – 2011 Chief of Duty-Free Zone Audit Sub-division, Tax Incentive Division, Customs Department

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
- Easy Listening Program : AC knowledge that accountants should not miss 2021
- Easy Listening Program : AC knowledge that accountants should not miss 2022

Shareholding Proportion

– 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 2022

- Board of Directors 7/7 times
- Board of Independent Directors 1/1 times
- Audit Committee 4/4 times
- Risk Management Committee 3/3 times
- Corporate Governance and Sustainability Committee 2/2 times

Mr. Suchart Suphayak

Age	66 years old
Type of Director	Independent Director
Date of Appointment	17 th August 2020
Years in Director Position	3 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

Work Experience

- 2018 – 2020 Director, Fill Up Network Co.,Ltd.
- 2017 – 2021 Chairman of Audit Committee and Member of Audit Committee, Advance Power Conversion Co.,Ltd.
- 2014 – 2016 Executive Director, ITEX Co.,Ltd.
- 2011 – 2017 Associate judge, Juvenile and Family Court in Prachinburi
- 2007 – 2013 Financial Consultant, Rermudom Co.,Ltd.

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)
- Easy Listening Program : AC knowledge that accountants should not miss 2021
- Easy Listening Program : AC knowledge that accountants should not miss 2022
- Seminar on Dissemination of Research Results of Value of Audit 2022
- Board Nomination and Compensation Program – BNCP 16/2023

Shareholding Proportion

– None –

Current Position in Other Listed Companies

- 2008 – Present Chairman of Corporate Governance, Nomination and Remuneration Committee, Global Connections PCL.
- 2006 – Present Chairman of Audit Committee, Global Connections PCL.
- 2022 – Present Chairman of Risk Management and Member of Audit Committee, Next Point PCL.

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 2023

- Board of Directors 7/7 times
- Board of Independent Directors 1/1 times
- Risk Management Committee 3/3 times
- Audit Committee 4/4 times
- Nomination and Remuneration Committee 2/2 times

Dr. Suksit Patcharachai

Age	42 years old
Type of Director	Non-Executive Director
Date of Appointment	18 th April 2019
Years in Director Position	4 year 8 months
Current Position	Director / Member of the Corporate Governance and Sustainability Committee / Member of the Nomination and Remuneration



Education

- Doctor of Philosophy in 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
- Master of Science in Major Programme Management, University of Oxford
- Bachelor of Arts in International Management with a Concentration in Finance, Dominican University of California

Work Experience

- 2012 – 2015 Silpakorn University International College : Guest Lecturer
- 2015 – 2020 Silpakorn University International College : Lecturer

Training

- Directors Certification Program (DCP) class 277/2019
- Corporate Governance for Capital Market Intermediaries (CGI) class 22/2019
- Board Nomination and Compensation Program – BNCP 16/2023

Shareholding

- 902,100 shares. Percentage 0.0426 (As of 31st December 2023)

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 2023

- Board of Directors 7/7 times
- Nomination and Remuneration Committee 2/2 times
- Corporate Governance and Sustainability Committee 2/2 times

Attachment 1.2 Executive Director details

Name/Position	Age (year)	Education	Shareholding Proportion (31/12/23)	Family Relationship between the Directors	Working Experience in the past 5 years		
					Proportion	Position	Type of Business
Mr. Surapong Pechaumpai Deputy Managing Director (Senior)	62	<ul style="list-style-type: none"> ● Master of Business Administration, University of the Thai Chamber and Commerce Barrister at Law ● Institute of Legal Education (Thai bar Association) 	0.0462	Younger Brother of Mr. Chuchat Petaumpai	<ul style="list-style-type: none"> ● 2019 – Present ● 2013 – 2019 ● 2008 – 2013 ● 1987 – 2008 ● 2012 – Present 	<ul style="list-style-type: none"> ● Deputy Managing Director (Senior) ● Deputy Managing Director ● Assistant Managing Director ● Assistant Branch Manager ● Director 	<ul style="list-style-type: none"> ● Muangthai Capital PCL. ● Insurance broker ● Muangthai Leasing Insurance Broker Co.,Ltd.
Mr. Parithad Petampai Deputy Managing Director	41	<ul style="list-style-type: none"> ● Master degree in Banking and international finance, Cass business school, London ● Bachelor of Engineering with Business Finance, University College London 	0.1722	Son of Mr. Chuchat Petaumpai and Mrs. Daonapa Petampai	<ul style="list-style-type: none"> ● 2019 – Present ● 2015 – 2019 ● 2021 – Present ● 2019 – Present ● 2010 – 2014 ● 2007 – 2009 ● 2006 – 2007 	<ul style="list-style-type: none"> ● Deputy Managing Director ● Assistant Managing Director ● Director ● Director ● Manager ● Marketing Manager ● Analyst 	<ul style="list-style-type: none"> ● Muangthai Capital PCL. ● Muangthai Pay Later Co.,Ltd. ● Muangthai Leasing Co.,Ltd. ● Real Asset Development Co.,Ltd ● Kasikorn Bank ● Goldman Sachs, London ● Title loan ● Installment loan service ● Title loan ● Real estate ● Banking ● Financial Institution
Mr. Surat Chayavoradech Deputy Managing Director	54	<ul style="list-style-type: none"> ● Master degree in Finance, Thammasat University ● Master of Business Administration, Chulalongkorn University 	-	-	<ul style="list-style-type: none"> ● 2021 – Present ● 2013 – 2021 ● 2010 – 2013 ● 2005 – 2010 	<ul style="list-style-type: none"> ● Deputy Managing Director ● Assistant Managing Director ● Accounting & Finance Manager ● Accounting & Finance Manager 	<ul style="list-style-type: none"> ● Muangthai Capital PCL. ● Bio-active Co.,Ltd. ● Taiban Fishery Co.,Ltd. ● Title loan ● Chemical materials and products retail ● Warehouse

Name/Position	Age (year)	Education	Shareholding Proportion (31/12/23)	Family Relationship between the Directors	Working Experience in the past 5 years			
					Proportion	Position	Company	Type of Business
Ms. Duangkhae Songnuay Assistant Managing Director	56	● Master of Management and Organization, Dhurakij Pundit University	0.0540	-	<ul style="list-style-type: none"> ● 2019 – Present ● 2015 – 2019 	<ul style="list-style-type: none"> ● Assistant Managing Director ● Collection Manager 	● Muangthai Capital PCL.	● Title loan
Ms. Vimonrat Nujul Assistant Managing Director	55	● Master of Accountancy, Dhurakij Pundit University	0.0238	-	<ul style="list-style-type: none"> ● 2023 – Present ● 2017 – 2023 ● 2012 – 2017 ● 2004 – Present ● 2004 – 2012 	<ul style="list-style-type: none"> ● Assistant Managing Director ● Accounting Manager ● Deputy Accounting Manager ● Director ● Assistant Accounting Manager 	<ul style="list-style-type: none"> ● Muangthai Capital PCL. ● Muangthai Leasing Insurance Broker Co.,Ltd. ● Muangthai Capital PCL. 	<ul style="list-style-type: none"> ● Title loan ● Insurance broker ● Title loan
Mr. Somkiat Ratsamee Assistant Managing Director	60	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.0103	-	<ul style="list-style-type: none"> ● 2023 – Present ● 2023 – Present ● 2019 – 2022 ● 2018 – 2019 ● 2006 – 2018 	<ul style="list-style-type: none"> ● Assistant Managing Director (Branch) ● Assistant Managing Director ● Branch Manager ● Deputy Branch Manager ● Assistant Branch Manager 	● Muangthai Capital PCL.	● Title loan
Mr. Amnat Niamsee Assistant Managing Director	59	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.0094	-	<ul style="list-style-type: none"> ● 2023 – Present ● 2019 – 2022 ● 2018 – 2019 ● 2006 – 2018 	<ul style="list-style-type: none"> ● Assistant Managing Director (Collection) ● Collection Manager ● Deputy Branch Manager ● Assistant Branch Manager 	● Muangthai Capital PCL.	● Title loan

Name/Position	Age (year)	Education	Shareholding Proportion (31/12/23)	Family Relationship between the Directors	Working Experience in the past 5 years			
					Proportion	Position	Company	Type of Business
Mr. Banyat Ninsiri Deputy Branch Manager	51	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.0014	-	● 2021 – Present ● 2011 – 2021	● Deputy Branch Manager ● Assistant Branch Manager	● Muangthai Capital PCL.	● Title loan
Mr. Niyom Rodnoi Deputy Branch Manager	53	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.0207	-	● 2023 – Present ● 2012 – 2023	● Deputy Branch Manager ● Assistant Branch Manager	● Muangthai Capital PCL.	● Title loan
Mr. Pradit Thongkhum Assistant Branch Manager	58	● Bachelor of Education, Uttaradit Rajabhat University	0.0057	-	● 2014 – Present	● Assistant Branch Manager	● Muangthai Capital PCL.	● Title loan
Mr. Songkran Eiamkai Assistant Branch Manager	53	● Bachelor of Education, Phetchabun Rajabhat University	0.0004	-	● 2014 – Present	● Assistant Branch Manager	● Muangthai Capital PCL.	● Title loan

Attachment 1.3 Details of the person taking the highest responsibility in finance and accounting.

Sections	Details
Full Name	Mr.Surat Chayavoradech (Chief Financial Officer)
Age	54 years old
Education	<ul style="list-style-type: none"> ● Master degree in Finance (MIF), Thammasat University ● Master of Business Administration (MBA), ChulalongkornmUniversity ● Bachelor of Accountancy (BA), Chulalongkorn University
Date and Appointment	17 th January, 2013
Work Experience	<ul style="list-style-type: none"> ● 2021 – Present Deputy Managing Director Muangthai Capital PLC. ● 2019 – 2021 Assistant Managing Director Muangthai Capital PLC.
Shareholding	–No shares–
Family Relationship between the Directors	– None –
Positions in Other Companies	– None –
Director Position in Other Companies	– None –
Training	<p>2015 ● CFO Current Issues Course</p> <p>2016 ● Self-Study CDP Batch 1/2016</p> <p>2017 ● Self-Study CPD Batch 1/2017</p> <p>● Self-Study CPD Batch 2/2017</p> <p>● Preparation to be Auditor and Internal audit “Working Paper for Better Corruption Prevention”</p> <p>● Orientation Course –CFO focus on financial reporting Batch 2</p> <p>2018 ● Self-Study CPD Batch 1/2018</p> <p>2019 ● Self-Study CPD Batch 1/2019</p> <p>● Self-Study CPD Batch 3/2019</p> <p>2020 ● Financial Risk Management & Strategies in Digital World Course Batch 1</p> <p>● Retail Credit Scoring Model Development and Application Batch 5</p> <p>● The effect of IFRS 9 accounting standard to Financial Institutions Batch 8</p> <p>2023 ● Subsidiary Governance Program (SGP 6/2023)</p>

Sections	Details												
Full Name	Miss Vimonrat Nujul (Chief Accountant)												
Age	55 years old												
Education	<ul style="list-style-type: none"> ● Master of Accounting, Dhurakij Pundit University ● Bachelor of Accounting, Ramkhamhaeng University 												
Date and Appointment	7 th March 2003												
Work Experience	<ul style="list-style-type: none"> ● 2023– Present Assistant Managing Director Muangthai Capital PLC. ● 2017 – 2023 Accounting Manager Muangthai Capital PLC. ● 2012 – 2023 Deputy Accounting Manager Muangthai Leasing PLC. 												
Shareholding	504,000 shares / 0.0238 percent (As of 31 st December 2023)												
Family Relationship between the Directors	– None –												
Positions in Other Companies	– None –												
Director Position in Other Companies	Muangthai Leasing Insurance Broker Co.,Ltd.												
Training	<table border="0"> <tr> <td>2016</td><td> <ul style="list-style-type: none"> ● 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 </td></tr> <tr> <td>2017</td><td> <ul style="list-style-type: none"> ● 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 </td></tr> <tr> <td>2018</td><td> <ul style="list-style-type: none"> ● 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 </td></tr> <tr> <td>2019</td><td> <ul style="list-style-type: none"> ● 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 </td></tr> <tr> <td>2020</td><td> <ul style="list-style-type: none"> ● In–depth of financial analysis course / 6 hours of training ● Tax benefits and accounting implications / 6.30 hours of training </td></tr> <tr> <td>2021</td><td> <ul style="list-style-type: none"> ● 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 </td></tr> </table>	2016	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● In–depth of financial analysis course / 6 hours of training ● Tax benefits and accounting implications / 6.30 hours of training 	2021	<ul style="list-style-type: none"> ● 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
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2020	<ul style="list-style-type: none"> ● In–depth of financial analysis course / 6 hours of training ● Tax benefits and accounting implications / 6.30 hours of training 												
2021	<ul style="list-style-type: none"> ● 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 												

Attachment 1.4 Details of the Company Secretary

Sections	Details
Full Name	Miss Monthon Onphan
Age	50 years old
Education	Bachelor's degree in Business Administration and Management Suan Dusit University (Bangkok)
Date and Appointment	14 th May 2014
Work Experience	<ul style="list-style-type: none"> ● 2013 – Present Company Secretary Muangthai Capital PLC. ● 2011 – 2013 Head of Accountant Muangthai Capital PLC. ● 2005 – 2011 Head of Administrative Muangthai Capital PLC.
Shareholding	- None -
Positions in Other Companies	- None -
Director Position in Other Companies	- None -
Training	<p>2013 ● Company Secretary Program (CSP) course Batch 50** ● Effective Minute Taking (EMT) course Batch 26</p> <p>2018 ● Anti-Corruption :The Practical Guide (ACPG) course Batch 43</p> <p>2019 ● Annual Report and Integrated Reporting Concept Batch 1</p> <p>2020 ● ASEAN CG Scorecard Coaching 2020 Batch 4</p> <p>2021 ● CGR Workshop 2021 course</p> <p>2022 ● CGR Workshop 2022 course ● 100 Full intensity tutoring for New AGM Checklist 2023</p> <p>2023 ● CGR Workshop 2023 course ● 100 Full intensities tutoring for New AGM Checklist 2024 ● Information disclosure via SET link system ● Roles and duties of the listed company's directors and executives. ● Technology and Listed Company's performance ● Supervise conflict of interest and internal information policy training ● 2023 Annual General/Extraordinary Meeting quality assessment training</p> <p>** In 2013 : trained about the roles, duties and secretary's knowledge conducted by Thai Institute of Directors</p>

The Company Secretary

The Board of Director meeting No.3/2014 on 14th May 2014, the Board of Director approved to nominate Miss Monthon Onphan who is the Company secretary in order to align with section 89/15 of the Securities and Exchange Act B.E. 1992 as amended by Securities and Exchange Act (No.4) B.E. 2008. The following are responsibilities of the Company 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 Director Registration

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. Therefore, the Company Secretary, have undergone important training courses organized by The Thai Institute of Directors Association (IOD)

5. Submit a copy of the report any conflict of interest of Section 89/14 to the Chairman of Board of Directors and Chairman of the Audit Committee review within 7 business days from the date the Company receives the report.

6. Perform other actions as specified by the Securities and Exchange Commission.

In the event that the Company Secretary retires or unable to perform duties. The Board of Directors shall appoint a new Company Secretary within 90 days from the date of retirement or inability perform duties as the pervious Company Secretary and the Board shall authority to assign any the Director to perform duties on behalf of them during that period to Chairman of the Board of Directors shall announce the Company Secretary to the Securities and Exchange Commission (SEC) within 14 days from the date of appointment of the person responsible for the position, and in accordance with Article 4, notify the SEC of the storage location of the documents.

Attachment 2 : Details about the Directors of the Subsidiary Companies as of 31st December 2023

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. Mr. Chuchat Petaumpai	/, M	/	/	/
3. Mr. Surapong Pechaumpai	M	/	-	-
4. Ms. Vimonrat Nujul	M	/	-	-
5. Mr. Suksit Patcharachai	/	-	/	/
6. Mr. Parithad Petumpai	M	-	/	/

Remark :

/ = Directors

// = 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

Sections	Details
Full Name	Mr. Chalerm Inhom
Age	48 years old
Education	Bachelor of Accountancy, The University of Central Thailand, Nakhon Sawan
Work Experience	<ul style="list-style-type: none"> ● 2023 – Present Deputy Manager of the audit department Muangthai Capital PLC. ● 2015 –2023 Assistant Manager of the audit department Muangthai Capital PLC. ● 2008 – 2015 Head of the audit department Muangthai Capital PLC.
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. ● Fraud Risk Management Framework Class 2/2022 organized by the Federation of Accounting Professions. ● Seminar on publishing study results of the Value of Audit project for the year 2022, organized by the Securities and Exchange Commission (SEC).
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)

Sections	Details
Full Name	Mr. Kanechchan Santisombutkasam
Age	27 years old
Education	Bachelor degree in Law, Thammasat University
Work Experience	<ul style="list-style-type: none"> ● 2023 – Present Compliance Specialist Assistant at Muangthai Capital PLC. ● 2020 – 2022 Corporate Lawyer ● 2017 – 2020 Freelance (Legal and Linguistic)
Training	<ul style="list-style-type: none"> ● Update PDPA 2023 Training and Royal Decree on Digital Platforms of the Hire-Purchase Association of Thailand
Responsibility	<ul style="list-style-type: none"> ● Prepare of the Annual Compliance Program and Manual of Compliance Department. ● Review the Compliance Department Charter (Compliance Charter) ● Coordinate with government agencies to apply for licenses. ● Review policies for fair customer service management (Market Conduct) ● Review policies and procedures for anti-money laundering and anti-money laundering terrorism and proliferation of weapons of mass destruction financing ● Ensuring compliance with anti-money laundering and anti-money financing laws proliferation of weapons of mass destruction, e.g. reporting of suspicious cash/transactions. ● Review the Personal Data Protection Policy (PDPA). ● Comply with personal data protection guidelines such as Data Protection ● Impact Assessment (DPIA), data subject rights claim management persons, notifications and remedies for personal data subjects, etc. ● Training employees on relevant laws such as the anti-money laundering law, the law on personal data protection ● Reviewing the operations related to the law and related regulations. ● Examine the operation of departments within the Company to be in accordance with the policies, plans, rules and regulations of the Company. Including requirements, laws or relevant rules and propose guidelines for completeness, accuracy and appropriateness. ● Review the accuracy of Client Protection according to international principles of Cerise+SPTF. ● Advising on laws related to the Company.

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 Financial Institution 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 title loan is currently not more than 24 percent 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 are not more than 33 percent per year.

Most of the industry competitors are the 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 barriers 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 2023, the Company has fixed assets that are used in business operations. The net book value is 1,106.14 million Baht including the head office building located at 332/1 Bangplad sub-district, Bangplad district, Bangkok. There are building for 12 branches owned by 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. land	Owned by the Company	266.03	Without obligations
2. Office buildings	Owned by the Company	361.43	Without obligations
3. Building improvement	Owned by the Company	478.68	Without obligations

2. Details of the Appraisal of the Property

– (Note to the financial statements No.9)

Attachment 5: Policies and Guidelines of Good Corporate Governance and Code of Conduct

Good Corporate Governance policies

The Board of Directors recognized the importance of corporate governance which represents an efficient, transparent, verifiable management system that helps build 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, executives and all employees 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 a good corporate culture.

2. The Board of Directors is instrumental with the executives 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 a management approach and appropriate business operations and shall undertake to ensure that the accounting, financial reporting and auditing systems are reliable.

3. The Board of Directors is instrumental in reviewing the vision, strategies, policies and practices of good corporate governance annually to increase the efficiency of supervision and raise the standard of corporate governance to suit the changes.

4. The Board of Directors and executives shall be the leaders in ethical matters and is an example of performing duties with honesty, fairness, transparency and accountability.

5. The Board of Directors, executives and all employees 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.

6. The Board of Directors shall have an anti-corruption system powerful enough to ensure that the management is aware and gives importance to complying with the anti-corruption policy.

7. Compliance with the Company's Corporate Governance policy is an important indicator for evaluating the business management of the Board of Directors and the executives as well as evaluating the performance of all employees.

The Board of Directors provided the corporate governance policy for the Company in writing and communicates with all personnel to acknowledge and understand the policy correctly and consistently, encouraging the Company's personnel to comply with the policy.

In this regard, the operational framework according to the above corporate governance policy appears in the Corporate Governance guidelines which are announced to all employees to strictly adhere to.

1. Guidance on the Good Corporate Governance guidelines

1.1 The Board of Directors, executives and all employees understand the content of the Good Corporate Governance guidelines 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 guidelines.

1.3 The supervisor or the person in charge are notified to know when finding the violation or not following the principles of 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 questions or inquiries, consult with the supervisor.

1.6 The supervisors at all levels shall 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 guidelines and it is considered important to encourage employees under their command to have knowledge and understanding as well as strictly comply with the Company's Good Corporate Governance guidelines.

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 regulator's principles, the Company will refer the matter to the police for further action.

If the employees at all levels of the Company have problems in making decisions or performing work related to business Code of Conduct that are not stipulated in the Company's business Code of Conduct, the following questions about the action shall be asked:

2.1 Is the action against the law?

2.2 Does the action have a negative effect on the stakeholders of the Company?

2.3 Is the action against the policy or code of conduct or negatively affect the image of the Company or not?

All employees can report complaints, comments and suggestions as well as clues about illegal actions and/or codes of conduct and good corporate governance principles. This includes the behaviors that may imply corruption or misconduct of the Company's personnel and the stakeholders of the Company to report clues to the Company's communication channels.

Good Corporate Governance Guidelines

Category 1: Shareholder's Rights

Principles

The shareholders have ownership rights by controlling the Company through the Board appointment to act on their behalf and have the rights to make decisions about material changes in 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 who are unable to attend the meeting and voting.

Guidelines for Directors, Executives and Employees are as follows:

As the Company recognizes and places importance on the rights of shareholders, good practices have been established to supervise the rights of shareholders as follows :

Facilitating and Encouraging the Shareholders on the Annual General Meeting of shareholders.

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 takes care of the shareholders and all institutional shareholders to equally. 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, the right to receive dividends, the right to buy, sell or transfer shares, right to attend the shareholders' meeting as well as be able to fully attend the meeting to vote and express opinions. The Company does not commit any actions that restrict the rights to vote or opportunities, or create difficulties for shareholders to attend the meeting as follows:

1. The Company does not restrict rights to appoint and remove directors. Each director appointment must receive a majority vote of the shareholders attending the meeting and having the right to vote.
2. The Company shall not restrict rights to approve the appointment of independent auditors.
3. The Company shall not restrict rights to approve the director's remuneration both in monetary and non-monetary
4. The Company shall not restrict rights to receive sufficient, equitable information and in a suitable form for the decision of the shareholders.
5. The Board of Directors realizes the importance to the rights of shareholders by encouraging shareholders to exercise their rights and not violate the rights of others whether it is a fundamental right to obtain appropriate, sufficient and timely information, as well as being able to fully attend the meeting to vote and express opinions.
6. The Board of Directors shall supervise that important matters required by law and matters that may affect the direction of the Company's business shall be considered and/or approved by shareholders as an agenda for the shareholders' meeting.
7. The Company shall provide a proxy form according to the form specified by the Ministry of Commerce and has clear explanations of the procedures for granting a proxy and required documents on the Company's website. (www.muangthaicap.com > Investor Relations > Shareholder Information >

Shareholder Meetings > Guidelines for attending the shareholders meeting via electronic media and the method of appointing a proxy) for shareholders who require another person to attend the meeting on their behalf. The proxy form can be downloaded on the Company's website (the Company has prepared both Form A, Form B, and Form C by introducing Proxy Form B to facilitate shareholders to appoint a proxy.)

8. The Company shall provide stamp duty for shareholders who have provided a proxy at no cost.

Regarding to convenience to shareholders, the Company has provided a channel for requesting a proxy for shareholders who are unable to download documents can request a proxy by E-mail : monthon.o@muangthaicap.com, specifying name-surname, address and telephone number clearly for the Company documents will be sent by postage on the next business day.

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 Articles of Association.

As the Company held the shareholders' meeting via electronic media, the voting procedure should be the use of ballots in every agenda with approving, disapproving and abstaining. In the election of directors, a majority vote must be obtained in form of "One Share Per One Vote". To show transparency in the meeting and voting, the Company determined the shareholders to register and inform a requirement of attendance for the AGM via a QR code system. Moreover, the voting system was via E-AGM as per the Company's conditions.

Director election shall be in accordance with the rules and procedures as follows:

- One shareholder has one vote for number of shares held.
- Each shareholder shall use all the votes electing one person or several to hold a directors position. In case of electing several persons as directors, each shareholder must take all the votes they have to a person since the votes cannot be divided.
- The sequence of persons who are appointed starting from the highest votes shall be appointed respectively as the director(s) as equal to the total

number of the directors who will be appointed or elected in that period. However, when there are two or more persons getting the same number of votes which caused to exceed the sum of appointing or electing of the directors in that period, the decision of the Chairman of election shall prevail.

- The Company shall facilitate shareholders to fully exercise their right to attend the meeting and vote. In the event that a meeting is held in the form of electronic media (E-AGM), the Company shall bring technology to organize a modern meeting. That passed the standards of the Electronic Transactions Development Agency (ETDA), Which is in accordance with the Royal Decree on Electronic Media Meetings BE.2563 (2020) and the Ministry of Digital for Economic and Social Affairs Regarding the security standards of meetings through electronic media to facilitate shareholders to attend the meeting easily and there are no steps or complicated conditions for attending.

The Company has determined the facilitate and encourage participation in the general meeting of shareholders to organize the meeting with standards in accordance with the principles of Corporate Governance as follows:

1. Facilitating and encouraging shareholders' before the Annual General Meeting of shareholders.

- 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.

- 1.1 The Company shall prepare and send an invitation letter for the Annual General Meeting of Shareholders and a meeting invitation document in order for the shareholders to acknowledge the date, time, venue and agenda of the meeting, including all information related to matters that have to be decided in voting at the meeting to the shareholders for acknowledgement along with the annual report in Thai 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 the annual report in QR Code format 25 days in advance of the meeting date so that the shareholders can have enough time to study the information and the Company has clearly defined the agenda with the approval of shareholders on each agenda clearly separated, such as the allocation of shares to directors and employees (ESOP), related transactions Acquisition or disposal of assets.

- 1.2 The Company shall provide 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 2nd October 2023 to 31st December 2023 by publishing the criteria, process, operational procedures, and documents for exercising the mentioned rights on the Company's website (www.muangthaicap.com > Investor Relations > Shareholder Info > Shareholder Meetings > The Criteria for Shareholders right to nominate director/ The Criteria for Shareholders right for agenda proposal.)

In 2023, when the mentioned period was terminated, it appeared that the shareholders had not nominated a person for the Company to consider and select as a director and no agenda was presented including any questions in advance as announced to shareholders on the SET's press release page.

The Company shall not add an agenda or change essential information on the invitation letter without notifying shareholders of acknowledgment in advance.

- 1.3 The Company shall post on the newspaper for 3 consecutive days and more than 7 days before the meeting day.
- 1.4 In the event that shareholders are incapable of attending the AGM by themselves, the Company shall provide an opportunity for shareholders to appoint a proxy to Independent Directors or attendees to attend the meeting instead of themselves. The Company recommends a proxy form B sent with the invitation letter including the proposal of at least 1 Independent Director to be a shareholder's representative.
- 1.5 The Company shall establish a voting system dividing each agenda clearly for convenience on voting and counting the votes on each agenda. The voting period is 1 minute for shareholders' consideration and correctness on voting, then projecting the total scores. Those total scores are combined with the scores on the proxy form sent in advance as the Company's notice to shareholders. The Board of Directors engages in voting on all agendas. The Company Secretary has the duty of announcing the process of E-voting clearly.

2. Facilitating and encouraging shareholders on the Annual General Meeting of Shareholders

- Right to Receive Information about the Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders (AGM) is set to be held annually within 4 months from the end of the fiscal year of the Company. However, if there is an urgent requirement for a special agenda consideration that impacts or is related to the interests of shareholders, it requires approval from shareholders. The Board of Directors can call an Extraordinary General Meeting of Shareholders on a case basis. To organize the AGM, the Company follows the AGM Checklist set by the Thai Investors Association.

- 2.1 In 2023, the Board of Directors had the resolution to hold the 2023 Annual General Meeting of Shareholders on 18th April 2023, at 10.00 am at Suksamakkhee meeting room, 5th floor, Muangthai Capital Public Company Limited, 332/1 Jaransanitwong Road, Bangplad, Bangkok. The AGM was held via electronic meeting (E-AGM) in accordance with the Company's Articles of Association and related laws including compliance with the principles of the AGM Checklist and the standards of good Corporate Governance agreeing with the approaches of the Securities and Exchange Commission (SEC).

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

- 2.3 The Boards of Directors, the Sub-Committees, and the Chairman of the Board together with the top executives, auditors, and representatives from Chandler MHM Co., Ltd., who are legal advisors and inspectors attend the Annual General Meeting of Shareholders in unison. The representatives from the Thai Investors Association and volunteer representatives for non-controlling shareholders attend for observation to ensure that the meeting proceeds correctly and transparently in accordance with the laws and Articles of Association of the Company.

- 2.4 Before entering the meeting agenda, the Chairman of the Board assigned Miss. Monthon Onphan, the Company's secretary, as the secretary of the meeting to inform the number and proportion of shareholders attending the meeting both in person and appointed a proxy to the meeting such as

the meeting opening and voting as well as the procedure of vote counting on each agenda from shareholders as the Company's Articles of Association. 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 approving, disapproving, abstaining and the number of invalid ballots in each agenda for the meeting to acknowledge.

- 2.5 The Company shall specify the interests of the directors in the invitation letter. At the meeting, if directors have interests or involve in a considering agenda, the Chairman of the meeting and/or the Company Secretary will notify attendees for an acknowledgment before consideration. The directors who have the interests shall not attend on those agendas.
- 2.6 The Company shall provide an opportunity to shareholders to serve as an inspector or scrutineer on the vote counting to show transparency including receiving questions about the process and procedure of election from shareholders.
- 2.7 The Company shall engage shareholders to maintain the rights of their benefit at the meeting by questioning, giving opinions, suggesting and voting on crucial agendas that might impact the Company including directors' appointment or discharge, independent director proposal, accounting auditor appointment and remuneration approval, dividend management, cost increase or decrease, specification or adaption on the Company's Articles of Association, the Memorandum of Association and special program approval, etc.
- 2.8 The Company shall project its important information on the screen at the meeting as well as provide the Investor Relations to welcome and answer questions from shareholders. At the meeting, video broadcast and the important information are recorded and disclosed on the Company's website on the next day.
- 2.9 The Company shall prohibit executive shareholders not to add an agenda without notifying in advance as other general shareholders. If there is a requirement to rearrange the meeting agendas, it shall have a two-thirds vote from the attending shareholders and the chairman of the meeting can rearrange the agendas. Till the present, the Company has not been required to rearrange agendas, as well no case of shareholders holding one-third of total scores calling for consideration of other agendas except the agendas on the invitation letter.

3. Facilitating and encouraging shareholders' policy after the date of the general meeting of shareholders.

- 3.1 The Company shall effectively prepare the Minutes of the Annual General Meeting of Shareholder in Thai and English version, covering the following important details such as notifying shareholders how to use ballot counting, recording the questions and answers that were allowed shareholders to raise questions on the agenda. The Company clearly records the voting scores of approving, disapproving and abstaining on every agendas and records the list of directors attending the meeting, etc.
- 3.2 The Company shall publicly disclose the resolution of the shareholders' meeting including the score by notifying the Stock Exchange of Thailand (SET) within the meeting day and also disclose on the Company's website (www.muangthaicap.com > Shareholder Info > Shareholder Meetings > Resolutions of the year Annual General Meeting of Shareholders).
- 3.3 The Company shall provide video and audio recording throughout the meeting period and publish on the Company's website for shareholders and the general public can attend the meeting retrospectively for transparency by publicizing the meeting broadcast as a videocast on the Company's website on the next business day.
- 3.4 The Company shall publicly disclose the minutes of the shareholders' meeting to the shareholders and general public for acknowledgement via news press on SET website and on the Company's website within 14 days after the shareholders' meeting as required by the Stock Exchange of Thailand (SET).
- 3.5 The Company shall arrange the quality evaluation of the shareholders' meeting through the shareholder evaluation form to develop the meeting to be more effective with transparency, and the shareholders' benefit.

Category 2: The Equitable Treatment of Shareholders Principles

1. All shareholders shall 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 themselves or others in the wrong way.

Guidelines for Directors, Executives and Employees are as follows:

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 shall provide 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 following the Company's criteria and relevant law by publishing the criteria, process, operational procedures, and documents for exercising the mentioned right on the Company's website (www.muangthaicap.com > Investor Relations > Shareholder Info > Shareholder Meetings > The Criteria for Shareholders right to nominate director/ The Criteria for Shareholders right for agenda proposal.)
2. In the event that shareholders are incapable of attending the AGM by themselves, the Company shall provide an opportunity for shareholders to appoint a proxy to Independent Directors or attendees to attend the meeting instead of themselves. The Company recommends a proxy form B sent with the invitation letter including the proposal of at least 1 Independent Director to be a shareholder's representative.
3. The Company shall provide a proxy form for shareholders who are unable to attend the meeting and set 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.
4. The Company shall establish a code of conduct 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 monitoring.
5. The Board of Directors and the executives have a 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 Company Secretary shall report a summary of the directors' holdings to the meeting every time.

Category 3: The Company's Role towards 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 Company and stakeholders in creating financial stability and sustainability for the business.
3. The Board of Directors should have measures to report clues to the Board on issues about breaking the law, financial report accuracy, defective internal control systems or unethical behavior.
4. The Board of Directors should establish the policy and guidelines on preventive measures against corruption in 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 supervising a 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 should establish a policy for efficient use of resources considering the environment and society.

Guidelines for Directors, Executives and Employees are as follows:

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 considering 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 shall establish a code of conduct and guidelines towards its stakeholders: shareholders, customers, employees, business partners, creditors and competitors, regulators,

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 guidelines, code of conduct guidelines and good corporate governance guidelines.

2. The Company shall establish 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 shall establish a policy to provide equal and fair treatment to its trading partners, considering 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 reports in compliance with the conditions strictly agreed with partners. In the event that any conditions cannot be complied with, it shall 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 sustainable quality policy
4. The Board of Directors should have a policy to strictly comply with the conditions, contracts and obligations agreed upon 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.
5. The Company has announced that the Executive Directors and employees be aware of internal information that may significantly affect the change in the trading price of the securities shall 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 top executives shall 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 employers to pay attention and work with safety in mind and environment. This can encourage the Company's stakeholders to participate in community and social development and continue to uphold and develop the treatment of stakeholders continually.
7. The Board of Directors should provide 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 systems. 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 Send the letter by email
E-mail: whistleblower@muangthaicap.com
- 7.2 Send the letter by postage
Mrs. Kongkaew Piamduaytham
Chairman of Audit Committee
Muangthai Capital Public Company Limited
332/1 Jaransanitwong Road, Bangplad, Bangkok 10700
- 7.3 Telephone to the whistleblowing receiving department +6681-751-1587
- 7.4 The use of personal information without consent from the owners, whistleblower can send the complaints to the Data Protection Officer (DPO) via
E-mail: DPO@muangthaicap.com
8. The Board of Directors should determine measures for the affected people. The Company provides whistleblowing channels and measures for the affected people appropriately with monetary such as compensation and non-monetary such as open-mined consultation through channels specified by the Company.
9. The Board of Directors has formulated policies and guidelines on anti-corruption and prohibits directors, executives, and employees of the Company (including the subsidiaries, associated companies, other companies that the Company has control business partners 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 recognized and gave 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 (56-1 One 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 Directors, Executives and Employees are as follows:

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), the website of the Securities and Exchange Commission (www.sec.or.th), and the Company's website (www.muangthaicap.com) so that all groups of stakeholders can access the Company's information which contains the following information:
 - 1.1 The Company's Vision and Mission.
 - 1.2 Nature of the Company's business.
 - 1.3 List of the Board of Directors and Executives of the Company.
 - 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 Company's direct and indirect shareholding structure.
 - 1.8 Company's group of major shareholders, both directly and indirectly holding shares of at least 5 percent of the total number of shares sold and having voting rights.
 - 1.9 Direct and indirect shareholding of directors, controlling shareholders, top executives.
 - 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 Guidelines.
 - 1.13 Enterprise Risk management 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 Company's Code of Conduct guidelines for the Board of Directors, executives and employees.
 - 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. The Company shall submit a financial reports to the office of the Securities and Exchange Commission and the Stock Exchange of Thailand, within the specified time and there is no item that the auditor expresses a conditional opinion.
3. The Company shall 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. The Company shall establish an investor relations department 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. Trading 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. The Company shall clearly disclose the criteria for remuneration of directors and executives in the annual report.
7. The Company shall 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 Trading of the Company's shares: The policy should be established 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 shall 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 Related transactions and reports on the 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 shall have none of being punished background of amending financial statements from the Stock Exchange of Thailand and the Securities and Exchange Commission.
9. The Company shall have none of receiving a trading sign by the Stock Exchange of Thailand and the Securities and Exchange Commission.
10. 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/its Subsidiaries /executives/controlling shareholder or related person.
11. The Company's financial statements shall unconditionally certified by the auditor.
12. Disclosure information about directors and executives on the Company's website including name, position, education, and shareholding in the Company, work experience and photographs must clearly stated.
13. The top executives shall attach great importance to investor relations activities 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 that information to make effective investment decisions will affect the true value of the Company.

The Company should disclose 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 and hold the meeting with analysts to communicate the Company's performance quarterly.

Category 5: Responsibilities of the Board of Directors Principles

The Company 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, and operational audits to ensure that the business operation is transparent and is subject to the specified criteria with details as follows:

1. The Board of Directors shall be instrumental in corporate governance for the best interest of the Company.
2. The Board of Directors shall be responsible for the performance of duties to the shareholders.
3. The Board of Directors shall be independent of the Company's Management.

Guidelines for Directors, Executives and Employees are as follows:

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:

5.1 Structure of the Board of Directors

- 5.1.1 The structure of the Board of Directors consists of directors who have a wide range of qualifications in terms of skills and experience, and special abilities that are

beneficial to the Company. They play an important role in formulating policies and the overview of the organization, and 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 Conduct. It includes overseeing the management in accordance with the goals and guidelines that have been set and creating 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.

- 5.1.2 The Board of Directors should have a 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 shall be at least 5 directors by law, which shall consist of independent directors at least one-third of the total number of directors but shall not be less than 3 persons and shall consist of at least half of the Board of Directors who are non-executive directors. This is for creating a balance between non-executive directors and executive directors. Independent directors shall be independent from control of executives and controlling shareholders. It shall not be involved or have an interest in finance and business administration and shall have at least the qualifications in accordance with the rules prescribed by the Securities and Exchange Commission.
- 5.1.3 The structure of the Board of Directors shall consist of independent directors at least one-third of the total number of directors. Such independent directors are able to comment on the 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 4 independent directors of the Company should be in the position of Audit Committee. The number of independent directors and the number of Audit Committee members of the Company is in accordance with the rules prescribed by 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.

- 5.1.4 The appointment of directors in accordance with the Company's Articles of Association and the requirements of relevant laws shall be transparent and clear. In selecting directors to proceed through the corporate governance process and considering, there shall 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.
- 5.1.5 The Board of Directors shall have an 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.
- 5.1.6 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.
- 5.1.7 The Board shall consider the division of authorities and responsibilities in formulating the governance policy and administration clearly separated from each other. The Chairman of the Board and the Chairman of the Executive Committee are elected by the Board of Directors.
- 5.1.8 The Chairman of the Board of Directors and Chairman of the Executive Committee 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 executives for a balance of authority in operation.
- 5.1.9 The Board of Directors should determine 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 provide support

and advice on the management's business operations through the Chairman of the Executive Committee regularly. The Chairman of the Executive Committee is responsible for the executives of the Company under the framework of the authorizes assigned by the Board of Directors.

5.1.10 The directors can hold directorship positions in other businesses but shall 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.

5.1.11 The Board of Directors should determine 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 become 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 shall not assign executives and the Managing Directors to be a director in other companies a part from its subsidiaries. In the event that the Company's executives wish to hold a directorship in other companies, prior approval from the Executive Committee shall 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 shall not be used for referral to promote external business.

5.1.12 The Board of Directors shall appoint 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 shall know and perform duties in overseeing the Board's activities, including coordinating the implementation of the Board's resolutions.

5.1.13 The qualifications and experiences of the Company's secretary were disclosed in the Annual Report and on the Company's website.

5.1.14 The Board of Directors should promote and supported the Company's Secretary to receive training and continually develop knowledge in law, accounting, or performing duties of the Company's Secretary.

Qualifications of Directors and Independent Directors Qualifications of the Board of Directors

1. Possess comprehensive qualifications and are devoid of any prohibited characteristics in accordance with the pertinent rules and laws as follows:
 - (1) Public Limited Companies Act.
 - (2) Securities and Exchange Act.
 - (3) The Securities and Exchange Commission (SEC)
 - (4) The Stock Exchange of Thailand (SET)
 - (5) Article of Association of the Company
 - (6) Good Corporate Governance of the Company
2. Possess knowledge, expertise, and experience that are advantageous and suitable for the Company's business.
3. Demonstrating perseverance and the capability to dedicate ample time to fulfill their duties in accordance with their responsibilities is essential.

Regarding top executive, the nominations, and adherence to the rules and regulations, it is imperative to consider knowledge and qualifications that align with the Company's culture, mission and vision. This should be executed through a straightforward, transparent process in adherence to the principles of good corporate governance.

Qualifications of Independent Directors

The Qualification Requirements for Independent Directors within the Company are more stringent than those stipulated in SEC notification No. TorChor. 4/2009 dated 20th February 2009.

- 1) Independent Directors are required to maintain ownership of voting rights not exceeding 0.5 percent in the Company, its parent company, subsidiary company, affiliate company, controlling shareholder, or controlling person unless such conditions have been terminated for a period of at least two years. This provision, however, does not apply to Independent Directors who previously served as civil servants or consultants to the government sector and held a majority of company shares or acted as a controlling person.
- 2) Independent Directors shall not be appointed to any directorial role involving the Company operation, employee, or as a consultant receiving a fixed salary. Additionally, they shall not hold the position of controlling person in the Company, parent company, subsidiary company, affiliate company, at the same

shareholding level, major shareholder, or controlling person of the Company, unless such condition have been terminated for a minimum of 2 years. This provision, however, does not extend to Independent Directors who were civil servants or consultants in the government sector, holding a majority of company shares or serving as a controlling person.

- 3) Independent Directors are precluded from having blood or legal marriage relations with any individuals, including parents, spouses, siblings, children, or children of spouses, who are associated with members of the executives, controlling shareholders, candidates for the management team, or authorized persons to the Company or subsidiaries.
- 4) Independent Directors shall not have any connection to the business of the Company, parent company, subsidiary company, affiliate company, major shareholder, or the controlling person that may compromise their independence or discretion. Additionally, they shall not be a significant shareholder or controlling person over any individuals related to the Company, parent company, subsidiary company, affiliate company, controlling shareholder or the controlling person, unless such conditions have been terminated for a minimum of 2 years.
- 5) Independent Directors are strictly prohibited from assuming the roles of an auditor for the Company, parent company, subsidiary company, affiliate company, controlling shareholder, or the controlling person of the Company. Moreover, they shall refrain from holding significant shareholder, controlling person, or partner positions within the audit company associated with the Company, parent company, subsidiary company or where the controlling shareholder or the controlling person participates unless such condition has been terminated for a minimum of years.
- 6) Independent Directors are expressly prohibited from providing professional service, including legal and financial consultation, for which remuneration exceeds 2 million baht per year, to the Company, parent company, subsidiary company, affiliate company, a controlling shareholder or a controlling person of the Company. Additionally, they shall not hold significant shareholder, controlling person, or partner positions within such service-rendering companies, unless such conditions have been terminated for a minimum of 2 years.
- 7) Independent Directors are precluded from being appointed as directors to represent company directors, controlling shareholders, or any shareholders related to major shareholders.

- 8) Independent Directors shall refrain from affiliating with any business or partnership that is similar to or competes with the Company or subsidiaries. Additionally, they shall not hold positions as Executive Director, employees, or consultants receiving a monthly salary, nor possess more than 1% of shares with voting rights in other companies engaged in the same business or competing with the Company and subsidiaries. No other conditions shall compromise the independence of discretion of Company's operation.

5.2 Board of Directors

The Board of Directors of Muangthai Capital Public Company Limited realizes the importance of corporate governance and social responsibility in promoting and enhancing the confidence of shareholders and stakeholders as well as the public and believes that compliance with corporate governance and social responsibility with cautious, carefulness and honest will benefit the shareholders to achieve the vision and mission of the Company. Able to drive the organization towards becoming a sustainable organization with quality and the best interests of the Company be fair to related parties under the principles of good corporate governance.

The Board of Directors is legally responsible for supervising the business of the Company and responsible to all stakeholders including customers, shareholders, employees, trade partners, creditors, competitors, environment, society, and community the relationship between the Board of Directors and the Management is collaborative. The Chairman of the Executive and Managing Director is responsible for the day-to-day business operations of the Company in relation to planning, execution, decision-making, and operations. The Board of Directors provides opinions on the action plan and recommends strategies and monitors the operations and the Company's performance.

Office Term of the Board of Director

1. The Board of Directors shall hold office for a term of 3 years each. Directors who retire from office may be re-elected. At every annual general meeting, One-third of the total number of directors shall be retired.
2. In addition to the retirement by rotation Directors will vacate office upon:
 - The term of office is complete.
 - Death
 - Resignation
 - Privation
 - Retired from being the Company Director
 - Disqualification or having prohibited characteristics according to the laws or regulations of the Company.

- The shareholders' meeting passed a resolution to retire with a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and holding shares in aggregate not less than half of the number of shares held by the shareholders attending the meeting and have the right to vote.
- 3. Directors wishing to resign to submit a resignation letter to the Company the resignation is effective from the date the resignation letter reaches the Company.
- 4. 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 with expertise and work experience that is very beneficial to the Company's business operations and expresses their opinions independently.

Scope of Authorities, Duties and Responsibilities of the Board of Directors

1. Management for the maximum benefit of shareholders (Fiduciary Duty) by adhering to 4 key practices:
 - 1.1 Duty of Care
 - 1.2 Duty of Loyalty
 - 1.3 Compliance with laws, objectives, articles of association, and resolutions of the shareholders' meeting (Duty of Obedience)
 - 1.4 Disclosure of information to shareholders, orders accurately, completely, and transparently (Duty of Disclose)
2. Determine a vision, mission, policies, action plans, and budget plans, and control the operations of the management to be in accordance with the policy with efficiency and effectiveness for the stability and benefits of balance and sustainability of all concerned parties. The vision and mission are reviewed and approved annually.
3. Determine a value and the Company's culture overview of the operations and cultures for business driving towards sustainable growth.
4. Arrange for the review and improvement of important policies and plans to be up-to-date and appropriate to the business conditions on a regular basis including reviewing important policies to be appropriate and consistent with the business operations according to good corporate governance principles such as corporate governance policy, anti-corruption policy, etc.
5. Supervise the process of appointment and election of Company directors to be transparent and clear and consider appointing various sub-committees to support the work in accordance with the responsibilities of the faculty directors as appropriate and necessary the performance of the sub-committees is regularly monitored.
6. Supervise and review to ensure that there is a financial reporting system and that the disclosure of important information to shareholders and all groups of stakeholders is correctly transparent and sufficient.
7. Supervise a system of information security this includes establishing confidentiality policies and practice, maintaining reliability (Integrity), and availability of information, including management of information that may affect securities prices (Market Sensitive Information), as well as ensuring that directors top executives, and employees, as well as third parties involved in compliance with the information security system.
8. Supervise that there is a process and channel to receive and deal with complaints of those who wish to report clues or all stakeholders effectively.
9. Supervise the preparation of anti-corruption and anti-corruption policies and guidelines strictly comply with the Company's anti-corruption and anti-corruption policies and measures to be a good role model for the Company's personnel as well as to encourage communication both within and outside the organization for real practice.
10. Subsidiaries' operations governance complies with the policies and the same directions of the Company so the Company's investment is efficient, appropriate and the Company's benefit.
11. Determine and review the Board's structure on the number of directors proportion of independent directors, as well as a variety of qualifications, to suit the Company's business operations as well as considering the remuneration of the Company's directors and appropriate sub-committees which have been considered by the nomination and remuneration committee.
12. Provide an internal audit department, internal control system and internal audit efficiently and effectively.
13. Provide a company secretary to help oversee various activities of the Board and to help the Board comply with the relevant laws and regulations.
14. Provide appropriate and effective risk management policies and procedures there are regular monitoring and assessment of risk management.
15. Provide business Code of Conduct for directors, executives, and employees of the Company as a standard for the Company's business conduct.

directors, executives, and all employees shall perform their duties in an ethical manner and strictly comply with the Company's business Code of Conduct.

16. Strictly follow the principles of good corporate governance of the Company 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.
17. Evaluation of the performance of the Board of Directors, both the entire of the Board and the individual on an annual basis as well as follow up on the evaluation results of the Board of Directors and sub-committees to consider jointly in the Board of Directors.
18. 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 operations.
19. Attend the Board of Directors' meeting and the annual shareholders' meeting except in the event of force majeure the directors who are unable to attend the meeting shall notify the Company Director or Company Secretary in advance of the meeting.
20. Consider and approve the Board of Directors and sub-committees' charter.

Scope of Authorities, Duties and Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors has a vital role in ensuring that the Board of Directors performs its duties following the specified direction and strategic goal for the utmost benefit of the Company and shareholders as a whole. The Chairman of the Board takes leading roles for the Board of Directors at least covering the following aspects:

1. Supervise, monitor and ensure the efficient execution of duties by the Board of Directors to attain its objectives and primary goal.
2. Ensure and manage critical relationships between Executive Directors and Non-Executive Directors, as well as between the Board of Directors and the Management.
3. Convene a meeting of the Board of Directors, preside over board meetings and shareholders meetings, and participate in formulating meeting agendas with the Managing Director.
4. Support and encourage the performance of the Board of Directors in achieving the Company's determined goals. Furthermore, the Board of Directors should operate at full capacity in accordance with the Scope of authorities, duties and responsibilities, adhering to the principles of good corporate

governance.

5. Have a pivotal role in leading and controlling the meeting to be effective in compliance with the Company's regulations, supporting an environment that enables directors to freely express their opinions.
6. Cast the deciding vote in cases where the Board of Directors has a casting vote and the votes on both sides are equal.

Scope of Authorities, Duties and Responsibilities of the Chairman of the Executive Committee (CEO)

1. Devise the Company's vision, mission, strategies, annual master operating plan, annual budget, goals and policies to propose to the Management Team for approval. Upon approval, present the proposal to the Board of Directors for approval.
2. Oversee and supervise business operations to optimize benefits and ensure alignment with the Company's pre-approved vision, mission, strategies and annual budget as sanctioned by the Board of Directors.
3. Monitor and audit the Company's performance to maximize benefit. Regularly report progress to management and the Board of Directors, while concurrently identifying avenues for sustainable business improvement and growth.
4. Ensure the establishment and maintenance of a transparent and accurate financial reporting system for the Company, compliant with all related regulations.
5. Manage corporate risks and consistently report on potential risks, along with proposed risk mitigate strategies, risks to the Audit Committee.
6. Authorize and approve contracts, operational documents, and business transactions within the monetary limits pre-approved by the Board of Directors.
7. Ensure that all Company's business transaction adheres to the legal and legislative guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). This encompasses adherence to policies related to transactions involving related entities, asset transactions policy, and other policies approved by the Board.
8. Establish and implement policies, guidelines and announcements to further the corporate mission to ensure compliance with good corporate governance, legal guidelines and anti-corruption policies to work toward Company success.
9. Provide support for the research of new projects and innovations, evaluate their finances through due diligence, and present it to the CEO or the Chairman of the Board of Directors (in some cases) for approval.

10. Represent the Company in communicating with the public, shareholders, customers and all stakeholders, with a focus on fostering a positive and reputable image of the Company.
11. Support the Board of Directors in maintaining consistent and appropriate communication with shareholders, providing transparent and accurate information about the Company.
12. Perform any other duties as assigned by the Board of Directors and/or the sub-committees.

Scope of authorities, duties and Responsibilities of the Managing Director

The Managing Director assumes a multifaceted role in management, aligning operations with the policies, strategies, and goals established by the Board of Directors, including formulating operational regulations, approving loans within specified authorization limits, recruiting and appointing procurement personnel, and overseeing the general management of the Company.

5.3 Sub-Committees

The Company has appointed sub-committees consisting of 1) The Audit Committee complies with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, 2) The Corporate Governance and Sustainability Committee, 3) The Risk Management Committee, and 4) The 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 authorities and duties of each sub-committee.

5.3.1 Audit Committee

The Audit Committee is appointed by the Board of Directors its purpose is to help the Board of Directors in the performance of supervisory duties follow up and give feedback for the Company to have good corporate governance, an internal control system, risk management, good internal audit, accurate and adequate financial reports, the internal operations are efficient, effective, and comply with the laws and regulations and policies involved in ensuring that the Company's financial reports are reliable. Disclosure of information is complete and correct in accordance with relevant standards and requirements builds confidence and credibility for investors, financial institutions business partners and stakeholders who are carefully monitored and supervised fair, transparent and conducting business in accordance with good corporate governance principles, For the Audit Committee of the Company to perform duties

efficiently and effectively, transparently, in accordance with the principles of good corporate governance. Therefore, the Audit Committee charter is set as follows:

Office Term of the Audit Committee

1. Members of the Audit Committee have a term of office of 3 years and the retiring directors may be reappointed.
2. Members of the Audit Committee will retire when
 - The term of office is complete.
 - Death
 - Resign
 - Privation
 - Retired from being a Company Director.
 - Disqualified from being an Audit Committee Member in accordance with this charter or in accordance with the rules of the Stock Exchange of Thailand.
 - The Board of Directors has resolved to vacate the position.
3. Resignation of the Audit Committee to submit a resignation letter to the Chairman of the Board of Directors at least 1 month in advance with reasons. Unless there is a necessity which is force majeure for the Board of Directors to consider appointing other persons who have full qualifications as specified in the charter to replace the resigned Audit Committee member.
4. In the event that the member of the Audit Committee vacates office before the end of his term for any reason other than the expiration of the term. The Board of Directors shall appoint an Audit Committee member as soon as possible. The person who replaces the Audit Committee member can hold office only for the remaining term of the Audit Committee member replacement.
5. In the event that the Audit Committee vacates office due to the expiration of the term of office members of the Audit Committee member who have retired may be reappointed for another term but not more than two terms and to appoint a new Audit Committee member to the Committee as appropriate. Unless the Board of Directors has an opinion otherwise.
6. In the event that the Audit Committee member vacates office as a whole group, the Audit Committee member that vacates office shall remain in office until the new Audit Committee member takes office.
7. The Audit Committee's remuneration is appropriate to the duties and responsibilities. It is approved by the shareholders' meeting and the remuneration must be disclosed in the Company's Annual Report.

Scope of authorities, duties and Responsibilities of the Audit Committee

1. Review to ensure that the Company has accurate quarterly and annual financial reports and adequate disclosure of information to ensure equality of shareholders.
2. Review of the Company has a risk management system, internal control system, internal audit system is appropriate and efficient and considers the independence of the internal audit unit as well as approves the appointment, transfer, termination of employment, and assessment of the performance of the head of the internal audit department or other agencies responsible for internal audits.
3. Review the Company's compliance with the Securities and Exchange Act. requirements of the Stock Exchange and laws related to the Company's business.
4. Review the Company's operations to ensure compliance with the policy of the Private Sector Collective Action Coalition Against Corruption (CAC).
5. Consider connected transactions or transactions that may have conflicts of interest to comply with the laws and regulations of the Stock Exchange of Thailand this is to ensure that the said transaction is reasonable and in the best interests of the Company.
6. Review and consider the major risks detected by the Management. Including giving suggestions for improvements.
7. In compliance with the scope of authorities and duties, the Audit Committee has the authorities to invite or order the Management or supervisors to attend a meeting to clarify or submit relevant documents and has the authorities to hire or seek independent opinions from consultants or other professional experts when deemed necessary.
8. Prepare the Audit Committee's report to be disclosed in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and contains the following information.
 - 8.1 Comments on the correctness and completeness of the credibility of the Company's financial reports.
 - 8.2 Opinion on the adequacy of the Company's internal control system.
 - 8.3 Opinion on compliance with the Securities and Stock Exchange laws and regulations of the Stock Exchange of Thailand.
 - 8.4 Opinion on the suitability of the auditor
 - 8.5 Opinion on reports that may have conflicts of interest.
 - 8.6 Number of Audit Committee meetings and participation in its meetings.
 - 8.7 Consensus or overall remarks received by the Audit Committee from the performance of duties in accordance with the charter.
 - 8.8 Other items that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
9. Consider, select, nominate, appoint and propose the Company's auditors' remuneration which is independent to act as the Company's auditor including attending a meeting with the auditor at least once a year without the management attending the meeting.
10. Consideration on the independence of the audit department and offer comments to the management regarding appointments, transfers, terminations, internal audit office managers, as well as evaluate performance, budgets, and staffing levels of the internal audit department.
11. Consider and approve the internal audit department's charter implementation plan and performance appraisal agreement.
12. Review the Audit Committee charter at least once a year.
13. Perform other acts as required by law and assigned by the Board of Directors and related operations to achieve the objectives of the Audit Committee.
14. In the performance of duties of the Audit Committee if found or suspected of an item or action which may have a significant impact on the financial position and operating results of the Company the Audit Committee reports to the Board of Directors to make improvements within the time the Audit Committee deems appropriate if the Board of Directors or the management fails to make improvements within the specified time. Any member of the Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.
15. Act in accordance with Section 89/25 of the Securities and Exchange Act when the auditor reports suspicious behavior that may involve fraud or violate the law related to the performance of duties of Directors and executives the Audit Committee shall conduct an audit without delay and report the audit results to the Securities and Exchange Commission and the auditor within 30 days after being notified.
16. Consider and comment on monitoring compliance with anti-corruption measures Including a risk management system linked to risks that may arise from corruption to ensure that the operations of the Company are transparent, honest, fair, in accordance with moral and ethical principles and conduct business with anti-corruption in all forms.
17. Receive complaints, report clues, the act of corruption both inside and outside at the director executives or employees of the Company involved and check the facts as informed and present it to the Board of Directors to jointly consider the punishment or solve the problem according to the anti-corruption policy.

18. Review of the Company's operates in accordance with laws, regulations, and rules established by the supervisory and controlling authority, such as the Debt Collection Act. or the Personal Data Protection Act.
19. Summary of the missions of the Audit Committee to present to the Board of Directors.

5.3.2 Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is appointed by 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 to continually develop better corporate governance and create good work ethics standards as well as foster an organizational culture for all employees to have knowledge, understanding, and be able to apply them thoroughly and continuously in real work in order to manage the business 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.

Term of office of the Corporate Governance and Sustainability Committee.

1. In the Corporate Governance and Sustainability Committee, the term of office is 3 years and the retiring directors may be reappointed.
2. Corporate Governance and Sustainability Committee will retire when.
 - The term of office is complete.
 - Retired from being a director of the Company.
 - Death
 - Resign
 - The board of directors has resolved to vacate the position.
3. Resignation of the Corporate Governance and Sustainability Committee member. A resignation letter shall be submitted to the Chairman of the Board of Directors not less than 30 days in advance unless there is a necessity that is a force majeure approved by the Board of Directors.
4. When the Corporate Governance and Sustainability Committee member retires before the end of the term, the Board of Directors appoints a director who is fully qualified to be a member of the Corporate Governance and Sustainability Committee by holding office only for the term of the Corporate Governance and Sustainability Committee member that vacates office.

Scope of Authorities and Responsibilities of the Corporate Governance and Sustainability Committee

1. Establish policy and guidelines on the Company's Sustainable Development (SD), including High-Performance Organization (HPO), Stakeholder Value Creation (SVC) and communication for presenting to the Board of Directors.
2. Establish corporate governance and code of conduct to present for the approval from the Board of Directors in order to advise and encourage on every level of operation and review the mentioned policy properly in accordance with the laws and practices of the universal guidelines annually, including monitoring the assessment and reporting the practices of corporate governance and code of conduct regularly.
3. Suggest and enhance conducting business relating to corporate governance and sustainable development to meet the goal, be equal with the leading companies and support the Board of Directors, Executives and employees to follow the Company's corporate governance and sustainable development guidelines effectively.
4. Consider proposing good practices in relation to corporate governance for the Committee or propose the determination of the Committee's regulations on such matters to be in accordance with the universal guidelines and suggestions of the regulatory institutes.
5. Conduct, monitor and assess the performance of sustainable development to be balanced and efficient in order to be most beneficial for the Company and stakeholders, also report the process of the business to the Board respectively.
6. Examine and review the goals, policies and process plans of sustainable development to be suitable with the state of conducting business in relation to the laws and the universal practice guidelines and suggestions from other institutions including consideration of recommendations associating with shareholders.
7. To review the corporate governance policy and sustainable development annually.
8. Consider and review the charter of the Board of Directors annually.
9. Consider and review the anti-corruption policy, the policy of accepting, giving gifts or any other benefits and the appointment of the anti-corruption commission and monitoring

compliance with anti-corruption measures to ensure that the operation of the Company is transparent, honest, fair, in accordance with moral and ethical principles and operates the business with anti-corruption in all forms.

10. Oversee the disclosure of information regarding the Company's governance and sustainable development to stakeholders, including the 56-1 One Report and Annual Sustainability Reports.
11. Promote the dissemination of good corporate governance culture and participation in social activities.
12. Report on progress and performance on corporate governance and sustainable development to the Board of Directors.
13. Any other acts assigned by the Board of Directors.

5.3.3 Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors is responsible for supporting the Board of Directors' operations to set a policy risk management framework, and supervise and support the implementation of risk management In accordance with the strategy and business goals to reduce the impact of various risk factors both outside and inside the organization on the Company's business operations including the roles and duties as specified by the Board of Directors so that the Risk Management Committee can perform its duties effectively as assigned by the Board of Directors.

Term of office of the Risk Management Committee

1. In the Risk Management Committee, the term of office is 3 years and the retiring directors may be reappointed.
2. The Risk Management Committee will retire from the position when
 - The term of office is complete.
 - Resign from being a director of the Company
 - Death
 - Resignation
 - The Board of Directors resolved to resign from office.
3. Resignation the Risk Management Committee member submits a resignation letter to the Chairman of the Board of Directors at least

30 days in advance unless there is a force majeure circumstance approved by the Board of Directors.

4. When a member of the Risk Management Committee vacates office before the end of his term, the Board of Directors appoints a fully qualified person to be a member of the Risk Management Committee. The replacement director will be in the position only for the remaining term of the resigned director.

Scope of Authorities and Responsibilities of the Risk Management Committee

1. Determine and review the organization's risk management framework policies.
2. Regulate and support the implementation of corporate risk management to be consistent with strategy and business goals including changing circumstances.
3. Consider reporting the results of corporate risk management and expressing opinions on the risks that may arise. Including guidelines for the determination of control measures or Mitigation Plans and development of organizational risk management systems for the Risk Management and Internal Control Committee (RMCC) to make the management system effective continuously.
4. Report the results of corporate risk management to the Board of Directors for acknowledgment and in the case of factors or important events which may have a significant impact on the Company shall report to the Board of Directors for acknowledgment and consideration as soon as possible.
5. Set risk management policy and 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 is significant to the Company.
6. Determine the organizational structure and resources of risk management according to the Company's risk management policy and able to analyze, evaluate, measure and monitor risk management processes effectively.
7. Regulate, review and recommend to the Board of Directors regarding risk management policies, and standard practice. Overall risk strategy and measurements to ensure that risk management strategies are properly implemented.
8. Perform any other duties as assigned by the Board of Directors.

5.3.4 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors is responsible for setting the rules and policies for the nomination and remuneration of the Company's directors and sub-committees, including 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.

Term of office of the Nomination and Remuneration Committee

1. In the Nomination and Remuneration Committee, the term of office is 3 years and the retiring directors may be reappointed.
2. The Nomination and Remuneration Committee will retire from the position when
 - The term of office is complete.
 - Resign from being a director of the Company
 - Death
 - Resignation
 - The Board of Directors resolved to resign from office.
3. Resignation the Nomination and Remuneration Committee submits a resignation letter to the Chairman of the Board of Directors at least 30 days in advance unless there is a force majeure circumstance approved by the Board of Directors.
4. When a member of the Nomination and Remuneration Committee vacates office before the end of his term, the Board of Directors appoints a fully qualified person to be a member of the Nomination and Remuneration Committee. The replacement director will be in the position only for the remaining term of the resigned director.

Scope of Authorities and Responsibilities of the Nomination and Remuneration Committee

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-committees 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 by case.
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 by case.
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 duty's 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, and 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) 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 shall report or present the relevant information and documents to the Nomination and Remuneration Committee to support the performance of the Nomination and Remuneration Committee to achieve the assigned duties.

5.4 Positions of Director in Other Listed Companies

In order to ensure that the Board and executives can perform their duties with full efficiency, the Board has established guidelines of holding a position in other listed companies as well as internal guidelines for the directors, CEO and top executives of the Company as follows:

Positions of Directors, CEO, and Top Executives in Other Listed Companies policy.

1. The Board of Directors shall supervise that each director is unable to be a director in other listed companies more than 5 listed companies (including the CEO and the top Executives). In addition, such policy ensures that the directors shall perform their responsibilities and duties efficiently and devote their time to being the directors of the Company thoroughly.
2. The Directors shall not be a director in other companies which involves conflict of interests and effects the performance as a director of the Company.
3. In the event that the CEO and the top Executive of the Company is a director in other companies besides the Company's subsidiary companies, approval and process shall be followed by the procedures of approval authority and the process approved by the Board of Directors.
4. The director shall not belong to any business or partnership nor be a director that is similar to or competing with the Company or its subsidiaries.

5.5 Board of Directors Meeting

1. The Board of Directors meeting shall consist 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 chairing 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.

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 an 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.
3. The Board of Directors Meeting is usually held for at least 3 months at a time. The Chairman 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. The Chairman of the Board or a director assigned by the Chairman 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 the nearby province. If the President of the Board or the director assigned by the Chairman of the Board does not specify the meeting venue, the Company's Head Office shall be used as the meeting venue.
5. In convening the Board of Directors' meeting, the Chairman of the Board or the assigned director shall 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 7 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.
6. In determining the minimum number of quorums at the time the committee votes at the meeting, there shall be no less than two-thirds of the total number of directors.
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 directors shall be requested to include other important matters as an agenda for consideration in the next meeting.

8. The Chairman of the Board shall allocate sufficient time for the presentation of executive documents and information for questioning and discussion on important issues of the Board of Directors.
9. The Board of Directors assigns non-executive directors to have meetings as necessary without the participation of the 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.
10. The Board of Directors shall 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 Chairman of the Board shall be notified.
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 by top executives. An independent opinion is possibly sought from an external consultant or professional when necessary to accompany each meeting which is considered as an expense of the Company.
12. The Board should encourage the top executives or related Management to attend the Board of Directors' meeting as necessary and deemed appropriate to present information and additional useful information to 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 top executives and to use in considering the succession plans in the future.
13. At the Board of Directors' meeting each time, the Company's Secretary also attends the meeting. The minutes of the Board of Directors' meeting are recorded. The meeting summary and opinion of the Board of Directors shall 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.
14. The Board of Directors should establish an annual meeting schedule in advance, notifying the directors of the meeting schedule for the entire year at the beginning of the year. This allows all directors to be informed and plan their attendance accordingly.
15. The Director has the right to examine meeting documents and other important documents. If the Independent Director or Member of the Audit Committee has any doubts, other directors and the Company's management must promptly and fully address those concerns to the best of their abilities. Following the meeting, the secretary at the meeting is responsible for reporting the key discussion points of the meeting and presenting the meeting outcomes for the board's acknowledgment on the next business day after the meeting.
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.

5.6 Dividend Payment Policy

The dividend payment follows Category 6 Article 47-50 of the Company's Articles of Association which strictly prohibits the payment of dividends from sources other than profits. If the Company still holds accumulated losses, dividend payments are not allowed. Dividends are distributed equally per share, as approved by the shareholders' meeting. However, the Board of Directors may pay interim dividends to shareholders whenever the Company is profitable enough. Following dividend disbursement, the shareholders' meeting will be informed and acknowledge the details in the subsequent meeting.

The Company adheres to a dividend payment policy, wherein dividends are not to exceed 50 percent of the net profit derived from the separate financial statements of both the Company and its subsidiaries each year, after accounting for corporate income tax deductions, legal reserve allocations, and any carried-forward accumulated losses. 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.

5.7 Directors and Executives' Development

The Company has a policy of supporting and encouraging the development continuously. The Company Secretary will be the coordinator in providing the director's training program to facilitate the directors joining in seminars, training programs and exchanging knowledge related to performance of duties. Encourage the directors to join in training and seminars to continuously develop knowledge related to their responsibilities by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, and other leading domestic and international institutions. Including internal training and seminar activities within the Company.

The Board of Directors has organized a program for developing executives. The Chairman of the Executive Director reports on things that have been done during the year and be considered together when considering succession plans annually.

5.8 Assessment of the Operational Performance of the Board of Directors

The Board of Directors has assigned that the Board shall have a Board Self-Assessment at least once a year. The assessment is divided into 2 dimensions;

1. Assessment of the operational performance and efficiency of the Board of Directors and Directors.
2. Assessment of 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 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 results in the 3 dimensions.

5.9 Orientation for New Director and Director Training

The newly appointed director shall receive proper training regarding the knowledge of 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.

5.10 Remuneration for Directors and Executives

The Company should establish a remuneration policy for directors and executives. The Nomination and Remuneration Committee reviewed the remuneration of the directors and executives to propose this matter to the Board of Directors for approval. Set correspondence with the strategy and short-term goals (salary, annual bonus and welfare), experience, Scope of Authority, duties and responsibilities at a competitive level. The Company has set remuneration for directors and executives at an appropriate level, ensuring equality without excessive remuneration. It is at a level comparable to other companies in the same industry. The remuneration of directors required approval at the AGM. As for the remuneration of executives, it will follow the principles and policies set by the Board of Directors considering the duties, responsibilities and performance of each executive together with the consideration of the Company's operational performance.

5.11 Internal Control System

The Board of Directors places the emphasis on supervision and internal control both at the management level and the level of operation effectively. The internal control system is an important mechanism to build confidence in the Management in helping to reduce business risk. It can help operate the business efficiently by allocating resources appropriately and achieving the set goals. It also helps protect the assets from leakage, loss, or fraudulent misconduct to help ensure accurate and reliable financial reports. The personnel can comply with relevant laws and regulations and help protect

the investment of shareholders. Therefore, the Company determines the obligations, and operational authority of the operator and executives in various matters clearly in writing. There is control over the use of the Company's assets to benefit. The operator'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 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 is 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.

5.12 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 of the effectiveness of risk management at least once a year and disclosed in the Company's 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 an opinion on the adequacy of the internal control system and risk management in the Company's Annual Report.
- The Directors 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.

The additional details of the Good Corporate Governance are publicly disclosed on the Company's website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Handbooks > Good Corporate Governance Guidelines)

Code of Conduct

The Company is determined to manage and operate a business with due regard to stakeholders such as shareholders/investors/creditors, directors/executives/employees, customers, vendors, competitors, regulators, communities and society as well as environmental responsibility. This is to create sustainability in business and be 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 considering the benefits and impacts of business operations on stakeholders related to the Company. Hence, the focus is on social responsibility.

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 business code that the Company uses in its business operations are practical guideline 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 shall conduct themselves and operate in accordance with the code of conduct framework set forth in various fields as well as informing everyone to strictly adhere to the policy. The Board of Directors monitors and ensures compliance with the mentioned guidelines.

1. Human Rights Policy and Labor Practices

The Company realizes and gives importance to human rights which is a fundamental human right and foresees that human rights principles will be the cornerstone of equal coexistence without distinction of any kind, such as race, religion, gender, language, culture, or political opinion. The Company, as a provider of financial services and part of the business sector, is a key mechanism for effectively driving human rights operations across the business sector. The Company strives to improve human rights practices within the organization and operate with care to prevent risks that may affect its stakeholders.

In addition, the Company also provides channels for employees, customers, and all stakeholders to send complaints and suggestions or advice when human or labor rights are violated. There are appropriate

guidelines for handling complaints, as well as for following up and providing appropriate remedies for the stakeholders. The Company is committed to conducting business by national laws in the area of 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 business value chain.

2. Anti-Corruption Policy

The Company realizes that corruption has a negative effect and is an obstacle to the country's social and economic development. It's a bad business practice causing unfair business which will negatively affect the reputation of the Company both in terms of business ethics competitiveness and is not universally accepted as well as making shareholders, investors and all stakeholders lack confidence in the organization, the Company, therefore, regards it as an important principle in doing business to not support businesses, groups of people, or persons involved in pursuing undesirable benefits, whether directly or indirectly from the abuse of authority and ready to cooperate with the government, the private sector, the media and international organizations to demonstrate our commitment to fight against all forms of corruption. The Board of Directors has resolved to approve the Company's anti-corruption policy and measures. using the guidelines of official agencies Including the "Coalition of Thailand's Private Sector Collective Action against Corruption" whereby the Company has set guidelines and operates with transparency to be regarded as clear guidelines for conducting business, to which all directors, executives and employees shall strictly adhere.

3. Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Policy

The Company has aimed at preventing to become a source of money laundering and counter financing of terrorism which impacts the Company's reputation and stability. Therefore, it is important to supervise a policy and support compliance with laws of Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) as well as laws, principles of Bank of Thailand (BOT) and other relevant laws to be a practical guideline for directors, executives and employees of the Company to operate business correctly according to Anti-Money Laundering (AML) B.E.2542 (1999) and as amendment including relevant subordinate legislations.

The Company has stipulated regulations, and a manual of the Company's criteria and practical

guidelines. Those are reviewed and improved to be recent regularly to be guidelines for employees to achieve the set goal of the policy. Employees are required to be trained in AML/CTPF knowledge sufficiently and continuously as the Company assigns. Hence, there are monitoring procedures and examinations on customers' bank account mutation frequently until the business relationship is terminated as prescribed by law to assess whether customers' transactions are related to their occupations and source of income which is notified to the Company.

4. Whistleblowing Policy

The Company recognizes the importance of strengthening the relationship and understanding between all stakeholders of the Company as well as those affected by the Company's operations, can report complaints or provide information to the Company upon seeing, knowing or have questions or has reasonable grounds to believe in good faith that the Company or its employees have acted in violation of or failing to comply with the law, rules and regulations of good corporate governance, code of conduct, policies and procedures that may cause damage to the Company. The Company shall not tolerate retaliation against those reporting violations or possible violation of guidelines in good faith, Relevant reports and evidence are deemed confidential. The Company shall investigate allegations of potential wrongdoing in accordance with complaint procedures. Disciplinary actions may be taken against employees who breach laws, rules and regulations on the extent of their wrongdoing and on a fair basis. Furthermore, the Company shall conduct periodic audits of compliance with the guidelines.

5. Conflict of Interests Policy

The Company stipulates a policy not to allow directors, executives and employees, including those related to such persons, to seek personal benefits that conflict with the Company's interests and should avoid acts that cause conflicts of interest and those involved, have an interest or related to the items considered have a duty to notify the Company of their relationship or connection in the said transaction. The said person does not participate in any decision in the transaction.

The Company puts in place measures to protect against any conflict of interest that may arise by creating awareness so that directors, executives, and employees avoid any contact with individuals who may cause a conflict of interest with the Company. However, the Company may not be able to foresee all circumstances, and in the event that incidents do occur, the matter shall be addressed ethically and responsibly.

6. Internal Information Protection Policy

The Company recognizes the importance of using internal information by adhering to the principles of good corporate governance, integrity morals and business code of conduct practices accordingly and to ensure that investors receive reliable information equally and promptly. The Company determines regulations of corporate governance for the use of inside information and the securities trading of the Directors, Executives and employees in accordance with the Securities and Exchange Commission. The Company aims to be accurate and frank in operating business and prevents the Directors, the Executives, and employees from using inside information for their benefit or disclosing inside information for another such as the reporting of directors and executives directors' trading. Moreover, the Company has also imposed penalties for the breach of inside information in order to their benefit the penalties are a warning until the Company's use of inside information policy is published on the Company's website for all stakeholders, directors, executives, and employees. Including the Company's stakeholders to be informed and encourage everyone to join in acknowledging strictly complying with the aforementioned policy.

7. IT Security Policy

The Company supervises an information security policy to be a practical guideline for examination and information security to create security and continuously service the customers as well as decrease the IT risk; and cyber threats, to place reliance on the service according to ISO-IEC 27001:2013 Information Management Systems standard as well as procedures and criteria following relevant laws of IT security. Hence, the Company supervises a policy, measures and preventions of the mentioned risks in order to be a practical guideline for directors, executives and employees to acknowledge and understand the importance of information and avoid an action that affects the Company's information security. The Company has developed the system and examined it frequently.

8. Personal Data Protection Policy (PDPA)

The Company stipulates guidelines for personal information protection, including the consent request and withdrawal from a personal information owner; privacy notice; measures to ensure the exercise of the owner rights and retention and deletion period for personal information; data security measures for personal information; notification of a personal data breach; and guidelines for disclosing customer information following Personal Data Protection Act (PDPA) B.E.2562 (2019). This is to prevent an illegal process, or a breach of personal information and to be a good personal information protection measure to be standardized with laws and regulations of the Office of the Personal Data Protection Committee (PDPC) and other regulatory agencies as required by the government. In addition, the guidelines have a

policy on confidentiality and security of customers' personal information; to ensure that the Company will not make any profit out of customers' personal information and will not disclose customer information except with the consent of the customer or if it has a duty to disclose as required by law, such as disclosing information to government agencies according to the law. The Company has set up a specific responsible position namely a Data Protection Officer (DPO) and the Audit Committee to assess an impact on personal information protection. There is an internal audit on the protection of personal information and training on personal information protection for employees of the Company.

The Company has set a duty of the Personal Information Protection working group of the Company and Data Protection Officers (DPO) to monitor compliance when there is an incident of a breach of personal information in the Company. The whistleblowing channel for stakeholders is set in case of suspicious events or damage, via the Company's internal communication channel and the Company's whistleblowing channel or the Data Protection Officer (DPO) (E-mail: Dpo@muangthaicap.com) as well as stipulating penalties in case of personal information breach both in the civil and criminal liabilities.

9. Procurement Policy

The Company stipulates the procurement policy for the Company's procurement to be efficient, transparent and free from corruption considering the economic, social and environmental impact (ESG). The procurement of goods and services is an important process that facilitates the existence of the Company's business. Therefore, the procurement process is determined to be in accordance with the regulations. The operation is fair, reasonable, and transparent and can be verified that there is no conflict of interest and that vendors equally with fair competition to achieve the most beneficial operations for the Company.

10. Stakeholder Responsibility Policy

The Company places importance on stakeholder engagement as a basis for accurately and thoroughly identifying sustainability aspects based on their priorities and necessities. We have also established written guidelines for stakeholder practices in the code of conduct. Stakeholders are divided into 7 groups: customers, shareholders/investors/creditors, employees, vendors, competitors, communities/society and regulatory agencies. Relevant internal units will engage with stakeholders through CSR-in-process activities, such as meetings, seminars, customer opinion/satisfaction surveys, employee engagement surveys, engagement in community/society activities and caring for the environment. This will obtain the information needed to determine appropriate actions in response to the interests and expectations of stakeholders.

1. Consumer Responsibility

The Company realizes that customer satisfaction and confidence are essential. Thus, the Company strives to initiate innovation in product and service development, including process improvement. This aims to provide the best quality products and services to customers by keeping in mind their needs and benefits. The Company has a business approach of Customer-Centric under the slogan “Intimate Services Like Closed Family Members”. The Company is responsible for the customers and maintains the confidentiality of customers including the creation of new innovations for convenience and fast service to customers. The Company has established 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. The Company provides complete and accurate information about products and services without any distortion of fact; and conducts advertising and public relations responsibly without misrepresentation or exploitation of customers’ misunderstandings.

The Company therefore practices by law and principles which include additional criteria of customers’ information collection and recognizes the importance of customers’ personal information protection that is collected, disclosed and transferred for a service. The Company manages the use of personal information to be accurate and suitable for the service to show transparency in operations managed according to the operating framework that is consistent with the Personal Data Protection Act. (PDPA) by providing services through online channels and customer service centers (Call Center) specified by the Company. Hence, the Company provides a channel of service complaints directed to the Head Office Tel. (+66)2-483-8888.

In addition, the Company carries out customer satisfaction surveys, monitors their results, and welcomes customers’ complaints about products and services. Upon receipt, such complaints are investigated and remedial actions are provided promptly.

2. Shareholders/Investors/Creditors Responsibility

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 by practicing the agreement with shareholders, investors and creditors ethically, and transparently, as required by law and the Company’s

principles. Such a business code of conduct is set to be a guideline for conducting business for sustainable returns of shareholders, investors and creditors. The information disclosure is correct, sufficient and in time for shareholders, investors and creditors’ decision and cooperation as their rights including notification and progress of the business via other platforms, such as newspapers or the Company’s website.

3. Fair Practices towards Employees

The Company realizes that being able to continuously expand the business and have stability for more than 31 years is the result of the cooperation of all employees at all levels who are determined to work in order to achieve the goals set by the Company. The Company has communicated with employees about its objectives, main goals, corporate culture, and strategies so that they have the same target of creating corporate value. The Company has set up the Guidelines for Code of Conduct, prescribing the framework for employees in business dealings, and has issued an Anti-corruption Policy in order to set standards with which employees may operate with a sense of honesty. The Company arranges for the dissemination of the Guidelines for Code of Conduct and Anti-corruption Policy to be used in conjunction with the employees’ rules and regulations and compliance is to be reviewed periodically.

The policy and guidelines are set to treat employees equally and fairly at all levels without exception such as remuneration, promotion, training, health, safety, and career growth and establish the Welfare Committee in the workplace that is responsible for managing the operation plan and labor relation activities coordinate with relevant agencies. In addition, the Company encourages developing and strengthening the culture of sharing and creativity, building pride in the workplace, and promoting employee engagement.

4. Business Partners Practice

The Company realizes that support from vendors is an important part of its success. 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. Therefore, the Company treats all counterparties equally and fairly and strictly adheres to all terms of any agreement.

The system to manage and monitor is in place to ensure strict adherence to the terms of the agreement. In the event that the Bank/the Group companies fail to do so, the counterparties will be informed immediately in order to find a reasonable and mutually acceptable solution.

5. Competitors Practice

The Company attaches importance to treating competitors by conducting business within the framework of ethics and good competition rules. Comply with relevant rules and regulations, do not damage the reputation of competitors, and have to seek confidentiality honestly or improperly. Do not take advantage of competitors, don't illegally obtain confidential information, and don't infringe copyright. Or the intellectual property rights of illegal competitors, including supporting cooperation with competitors to benefit consumers. This is not to monopolize market share, nor to damage the reputation of business competitors through malicious accusations.

6. Community and Society Development

The Company supports its employees at every level in developing their skills with periodic training seminars to instill a sense of responsibility towards the community, society, and the environment; promotes and creates awareness among employees of the need for natural resources and energy conservation and how to use them wisely; and supports and encourages employees to volunteer and participate in social activities and charity works set aside an appropriate budget for community, social, and charity works; supports projects that help maintain culture and traditions as well as promote religious activities; and supports the strengthening of the community in which it is located as well as other communities so that they can become self-reliant, help each other, improve the quality of life, and live with happiness.

The Company has a social responsibility policy by participating in community development to adhere to local traditions that the Company establishes and carry out activities with communities regularly, both public and private sectors. Every June of the year, the Company invites its employees to participate in blood donation of the Thai Red Cross Society. The Company has practiced this tradition for more than 31 years, as well as supporting local traditions such as the long boat race tradition, the worshipping tradition, the dragon costume parade tradition, etc. In addition, the Company has formulated a 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".

7. Regulatory Agency Policy Responsibility

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.

11. Environmental Responsibility

Although the Company is a financial business and does not have a direct impact on the environment, it cannot deny that the existence of the Company also causes environmental issues due to the use of natural resources; fuel, electricity, etc. Therefore, 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 has a policy to support activity that enhances quality, hygiene and the environment covering the conservation and management of energy, water, climate, environment, and waste management to optimize benefits and utmost efficiency in a systematic approach. The Company has implemented ISO14001, the standard on environmental management, taking care of the working environment to ensure the safety of the lives and properties of employees at all times.

12. Compliance Monitoring and Review

The Corporate Governance and Sustainability Committee has a duty to monitor and encourage the process of the Company to comply with the business code of conduct guidelines. The Company has set duties and responsibilities for directors, executives and all employees to acknowledge and strictly comply with the policy. The Company has organized compliance monitoring in all cases that occur 100 percent. The Company has trained business ethics and code of conduct for executives and employees at all levels by extending the training results to cover executives at the supervisory level or equivalent up to 100 percent and training new employees on ethics and code of conduct to cover all parts. Including the preparation of tests to ensure that employees at all levels have knowledge, and understanding, and can implement them in line with good governance principles or to be able to fully comply with the best practices.

The additional details of the Code of Conduct are publicly disclosed on the Company's website (www.muangthaicap.com > Investor Relations > Company Info > Policies > Handbooks > Code of Conduct Guidelines)

Attachment 6 : Report of The Audit Committee of 2023

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 | Dawasuan | 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.

In addition, the fiscal year 2023, the Audit Committee held a total of 4 meetings, with all Members of the Audit Committee attending each meeting. Within this number, there was 1 meeting held jointly with the auditors without the Management, aimed at addressing issues identified during the audit and matters deemed important by the auditors. This was intended to promote Good Corporate Governance and enhance transparency in financial reporting to the Company. The meeting outcomes were summarized and reported to the Board of Directors quarterly. The summary of key operational practices is as follows:

1. Review of Financial Reports.

The Audit Committee has examined and reviewed the quarterly financial statements, the annual financial statements for the fiscal year 2023 and the consolidated financial statements. They have identified any potentially conflicting items to ensure that the Company's financial reports are accurately prepared in accordance with financial reporting standards. The preparation of the Company's financial statements is reliable and trustworthy, with adequate and timely disclosure of significant information to financial statement users. It complies with relevant laws and regulations, the Stock Exchange of Thailand (SET) regulations and the Securities and Exchange Commission (SEC)

2. Review of Internal Control and Internal Audit System.

The Audit Committee has considered and approved the annual audit plan for the year 2023 of the Internal Audit department, and regularly monitored the progress every quarter. They have reviewed significant risk areas and provided recommendations, as well as valuable insights to ensure that the internal control processes are capable of preventing or reducing errors in operations. Additionally, they have assessed the adequacy and sufficiency of human resources and the independence of the internal audit department. Furthermore, they have evaluated the performance of the Management being audited by the internal audit department. The Audit Committee is of the opinion that the Company's internal control and internal audit systems are adequately suitable, effective, and continuously improving. Moreover, the internal audit department has carried out its duties independently, transparently, and fairly.

3. Review of Compliance.

The Audit Committee has reviewed the Company's operations and observed that the Company complies with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, and other relevant laws or regulations pertaining to the Company's business, such as the Debt Collection Act. and the Personal Data Protection Act. Additionally, the Company adheres to anti-corruption policies and changes in various standards that impact the Company's business operations.

4. Consideration of Related-Party Transactions or Transactions Potentially Creating Conflicts of Interest.

The Audit Committee has examined transactions that may be related-party transactions or transactions that could potentially create conflicts of interest for the Company. They have done so while adhering to principles of fairness, reasonableness, transparency, and considering the benefits of all parties involved. The Company has ensured adequate disclosure of information in accordance with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.

5. Consideration of nomination and appointing of the auditors and the audit fee

The Audit Committee has considered the performance of the past year. Including knowledge experience ability credibility and the sufficiency of resources, including assessing the independence and quality of the auditor's work in the past year for the remuneration of the auditor has considered the scope of the auditor's responsibilities. Remuneration of auditors from other firms deem appropriate therefore proposed to the Board of Directors for approval at the Shareholders' Meeting, in 2023, the shareholders resolved to appoint KPMG Phoomchai Audit Co., Ltd. to be the auditor of the Company's and subsidiaries of the Company with the list of auditors as follows;

- | | |
|--------------------------------|---|
| 1. Mr .Chanchai Sakulkoedsi | Certified Public Accountant No 6827 and/or |
| 2. Mr. Chokechai Ngamwutikul | Certified Public Accountant No 9728 and/or |
| 3. Ms. Sureerat Thongarungsang | Certified Public Accountant No. 4409 and/or |
| 4. Ms. Orawan Chunhakitpaisan | Certified Public Accountant No. 6105 |

And received an accounting audit fee of 5,050,000 Baht, excluding other expenses.

6. Reviewed of the Audit Committee's Charter

The Audit Committee performed its duties as assigned by the Board of Directors and in accordance with the responsibilities specified in the Audit Committee Charter. With caution, prudence, independence, expressing opinions straightforwardly. It is transparent and verifiable according to Good Corporate Governance principles. as well as giving honest opinions and suggestions for the utmost benefit of the Company and fairness to shareholders, stakeholders without restriction in obtaining information, resources and cooperation from the Company. The Audit Committee is of the opinion that Company financial statements and disclosure It is complete, reliable, in line with accounting standards according to generally accepted accounting principles. The auditor is independent and performs his duties as a professional. Risk management and internal control system effective and appropriate enough Internal audits are independent, covering high-risk operational processes and auditing processes that are in line with internal audit standards as well as supervising the operation to be in accordance with the law or regulations appropriately consistent with the current business environment.

Mrs. Kongkaew Piamduaytham
Chairman of the Audit Committee

เมืองไทย แคปปิตอล



สินเชื่อด่วน ให้บริการครบจบที่เดียว

สินเชื่อมีหลักประกัน และไม่มีหลักประกัน



*เงื่อนไขเป็นไปตามที่บริษัทฯ กำหนด



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