



# ONE

of Thailand's  
Top Non-Bank  
Lenders for SMEs

# ONE

of Thailand's  
Top Non-Bank  
Lenders for SMEs



A leader of non-bank lending business, providing alternative funding source for small and medium enterprises (SMEs), who are government, state enterprise or large private companies' suppliers.



## Our Mission

We strive to offer entrepreneurs, small and medium enterprises (SMEs) access to capital for their businesses by activating alternative funding sources outside the financial sector (Non-Bank), ultimately leading to higher levels of relationships as partners (True Financial Partner).

## Our Vision

To Create Opportunities for ALL



# Grow your SMEs faster with Lease IT

Listed in The Stock Exchange of Thailand - Market for Alternative Investment (mai)



Doing business for over **16** years

Provided more than **60,000** million Baht in funding

Financial support for **3,000** customers

## Our Goals

The Company aims to be a leading non-bank credit service provider, which creates opportunities to access alternative funding sources for Small and Medium Enterprise (SMEs). Lease IT has 6 operation goals to develop sustainable growth of the organization.



# Board of Directors



**Police General  
Jate Mongkolhutthi**  
Chairman of the Board,  
Independent Director



**Mr. Pongsak Chewcharat**  
Independent Director  
and Chairman of  
the Audit Committee



**Mr. Suthud  
Khancharoensuk**  
Independent Director and  
Audit Committee Member



**Associate Professor  
Dr. Suda Suwannapirom**  
Independent Director and  
Audit Committee Member



**Mrs. Wasara  
Chotithammarat**  
Independent Director and  
Audit Committee Member



**Ms. Parichatara  
Laotheerasirivong**  
Senior Executive Director



**Mrs. Chonticha Supaluxmetha**  
Director and  
Managing Director



**Ms. Sitaphatr Nirojthanarat**  
Director and  
Deputy Managing Director

**ONE**  
of Thailand's  
Top Non-Bank  
Lenders for SMEs



# Executives



**Mrs. Chonticha Supaluxmetha**  
Managing Director



**Ms. Sitaphatr Nirojthanarat**  
» Deputy Managing Director  
» Chief Marketing Officer (Acting)



**Ms. Pemika Patiroobwatee**  
» Chief Financial Officer  
» Chief Operation Officer (Acting)



**Ms. Kenika Boonlerttohtam**  
Deputy Executive Director,  
Legal and Collection



**Ms. Piyanan Mongkol**  
Company Secretary &  
General Manager  
Corporate Sustainability

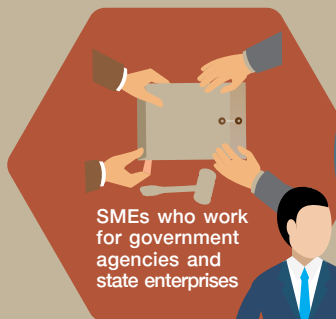


**Ms. Prapapan Raktham**  
General Manager  
General Administration

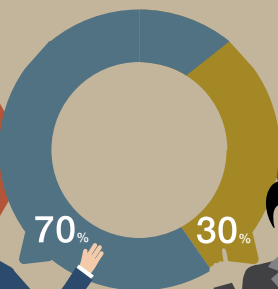
# Our Target Customers

(As at 31 December 2022)

## Primary Target



SMEs who work for government agencies and state enterprises



## Secondary Target



SMEs who work for large private companies

Account Receivable portfolio of the Company can be divided into 2 groups as follows;

1. Government agencies and state enterprises (The proportion of debtors who work for government agencies and state enterprises are at **70%** of the account receivable portfolio.)
2. Large private company (The proportion of debtors who work for large private companies is at **30%** of the account receivable portfolio.)

# 1

## Increase Competitiveness

### Bid Bond

Lease IT enhances SMEs competitiveness by offering credit, according to value of bid bond, to support the issuance of a bank guarantee to those customers who want to bid on government or state enterprise projects.



### Letter of Credit (L/C)

The Company offers financial service in form of Letter of Credit (L/C) to SMEs customers who want to import goods. Customers who use our L/C service are offered to use Project Backup Financing for payment of imported goods as well.



## Our Financial Services

We focus on developing a wide range of financial services for our customers. Lease IT deliver comprehensive services specifically designed to support Small and Medium Enterprises (SMEs). Our services are divided into several categories to offer entrepreneurs assistance from the beginning to end of a project. These services include Leasing, Hire Purchase, Factoring, Bid Bond, Project Backup Financing, Letter of Credit (L/C), and Supplier Finance Program.

## Letter of Guarantee

# Competitive Advantage



## 2 Provide Capital

## 3 Increase Cash Flow



### Project Backup Financing

Let Lease IT be a part of your success by offering you Project Backup Finance, which offer you loan for your business or government project.

### Leasing & Hire Purchase

The Company offers Leasing and Hire Purchase for entrepreneurs who want to buy and lease assets such as IT device, software and computer, machine, vehicle or any other equipment, on the condition that those assets must have leasing agreement with government, the state enterprises or large private enterprises.



### Factoring

The Company provides factoring service, which is the purchase of receivables. Approximately we offer 70-90 percent of value of invoice. Factoring allows SME to receiving immediate cash payment without waiting for credit term due. The Company typically purchases receivables without having collateral but there is the assignment of accounts receivable of customers to the Company.



### Supply Chain Finance

Similar to Factoring, Supplier Finance program allows the SME suppliers of the Company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain.



Pre-Finance

Post-Finance

Grow together



## Message to Shareholders



If looking back 3 years ago, no one would have expected that the COVID-19 pandemic has brought almost all activities on the planet to a standstill. Economic activities are also affected from the COVID-19 pandemic. In many business, there are working hours reduction, salary reduction, staff reduction, layoffs, and at worst, business bankruptcy. Workers move from the capital to their hometowns in the countryside and use their strengths and channels of work that they could be able to earn enough money to support themselves and their families. However, COVID-19 It also caused many businesses grow exponentially as well, such as the logistics business, online trading. And the financial technology also exponential growth too, such as turning smartphones into bank branches and customers who have smartphones can easily make financial transaction via smartphones.

During the past 2 years, the Company has operated the business carefully and cautiously. We increase measures to screen the customers, including reducing Project Backup Financing which have high-risk projects. Instead we focus on Factoring, which are short-term and lower-risk loans. This is to control and prevent and to reduce the incidence of non-performing debt from the issuance of new loans. As a result, this year's the revenue did not meet the target. In addition, the allowance for expected credit losses caused by non-performing loans caused the performance to not meet the target as well.

Board of Directors, Executives and all Employees, We are confident and determined to make the Company's performance better than the past, due to the benefit of the shareholders and all groups of stakeholders, along with business operations that take into account the impact on society, communities, and the environment.

Police General

**Jate Mongkolhutthi**  
Chairman of the Board

**Mrs. Chonticha Supaluxmetha**  
Managing Director

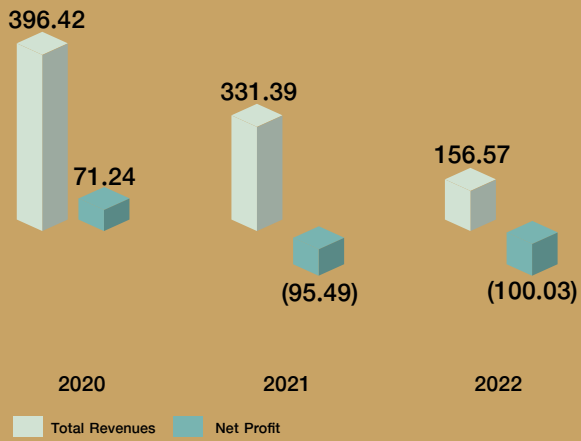




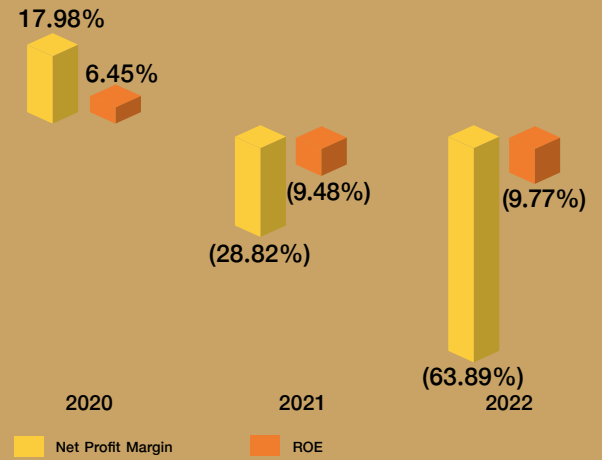
# Financial Highlights

(Unit : MB)

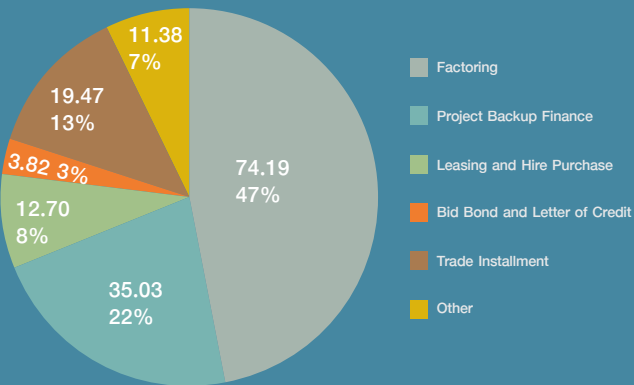
## Total Revenues & Net Profit



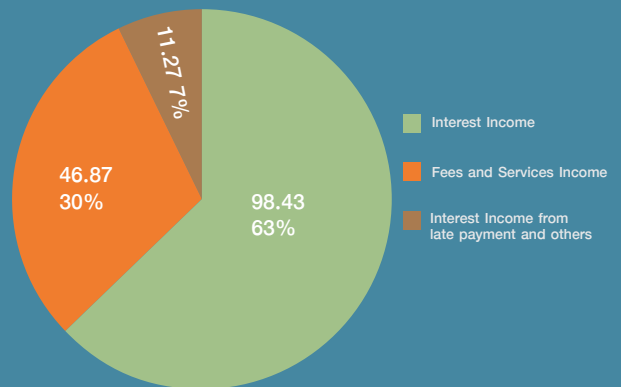
## Net Profit Margin & ROE



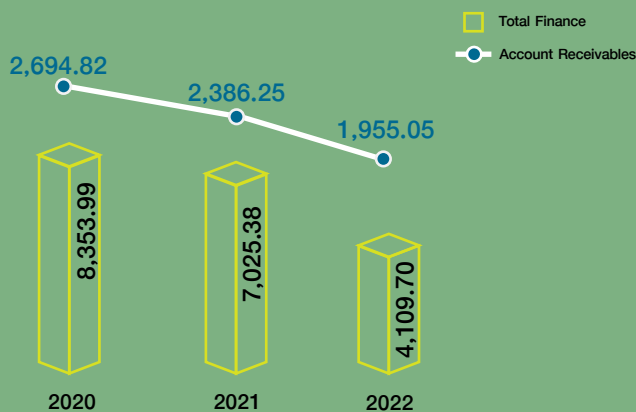
## Product Contribution



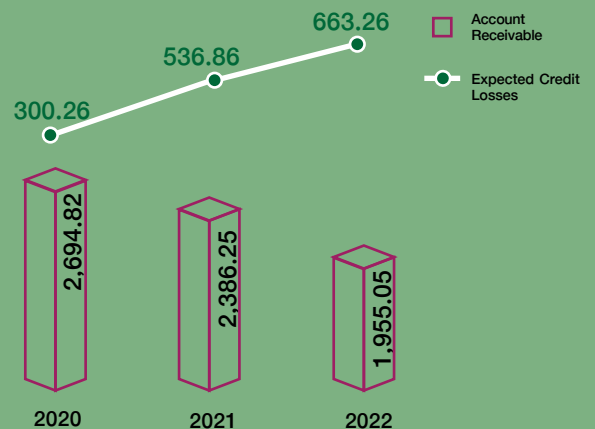
## Revenue Contribution



## Financing Amount & AR Outstanding

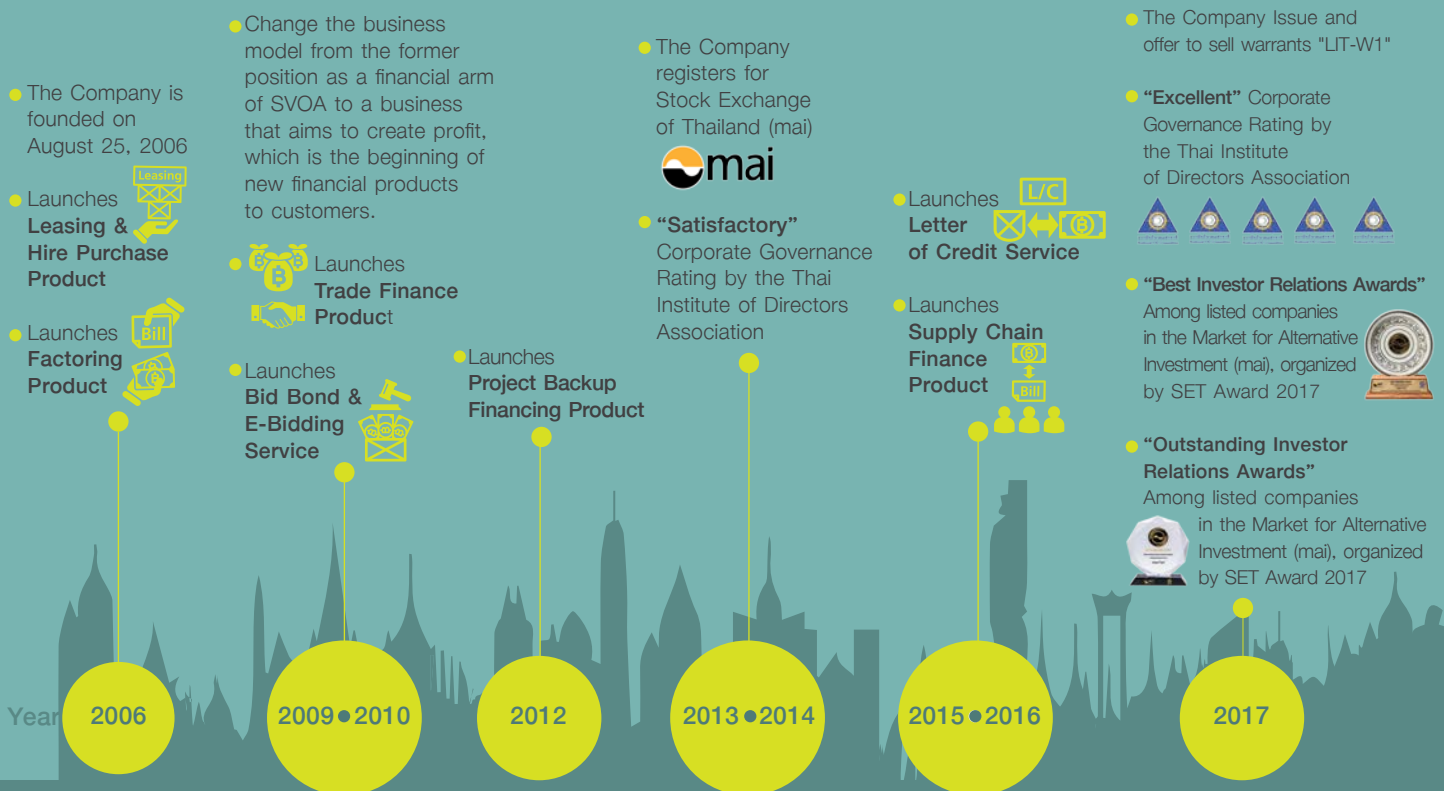


## AR Outstanding & Expected Credit Losses



# Key Development

Today, we focus to serve and finance SMEs and want them to reach an alternative source of funds. We aim to be the solution for our customers to help them with their business growth and success, ultimately becoming their true financial partner.



## Awards & Recognition

Over the years, we have been honored to receive various awards from leading organizations that represent our accomplishments and success as a company.



### “Best Investor Relations Awards” and “Outstanding Investor Relations Awards”

Among listed companies in the Market for Alternative Investment (mai), organized by SET-The Stock Exchange of Thailand. Lease IT received the “Best Investor Relations Awards” in SET Awards 2017 and received the “Outstanding Investor Relations Awards” in both SET Awards 2017 and 2018.

- The Company set up a new subsidiary which provides credit analysis, namely LIT Service Management Co., Ltd.



• **“Outstanding Investor Relations Awards”**

Among listed companies in the Market for Alternative Investment (mai), organized by SET Award 2018



- TRIS Rating assigns the Company Rating at **“BBB-” Investment Grade with a “Stable” outlook.**



- Authorized to operate personal loan
- Establishing a new subsidiary which provides an electronic installment payment service, namely Ulite Digital Co.,Ltd.

- Awarded **Thailand Sustainability Investment 2020 (THSI)**



- Increasing the registered capital to 558,357,230 baht

- Increasing the registered capital to 601,732,935 baht

- Thailand Top Company Awards 2018 **“Best Business Alliance of the Year Award”**



- **“Excellent”** Corporate Governance Rating by the Thai Institute of Directors Association



- **“Excellent”** Corporate Governance Rating by the Thai Institute of Directors Association



- Awarded **Thailand Sustainability Investment 2021 (THSI)**



- **“Excellent”** Corporate Governance Rating by the Thai Institute of Directors Association



- Awarded **Thailand Sustainability Investment 2022 (THSI)**



- **“Excellent”** Corporate Governance Rating by the Thai Institute of Directors Association



2018

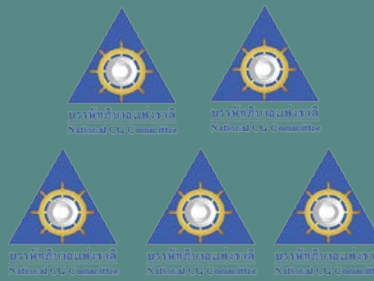
2019

2020

2021

2022

Moving forward



**“THAILAND TOP COMPANY AWARDS 2018 “BEST BUSINESS ALLIANCE OF THE YEAR AWARD”**

By The University of the Thai Chamber of Commerce together with Business+ Magazine.

**“Excellent” Corporate Governance Rating**

Certified by the Thai Institute of Directors Association (IOD)

**Thailand Sustainability Investment 2020, 2021 and 2022**

The award shows that the Company is not focused solely on the net profit but we care all stakeholders, social, community, environmental and corporate governance at the same time.

Success together



Customer's sectors that  
**Lease IT**  
provides  
financial  
services.



**ONE**  
of Thailand's

**Top Non-Bank  
Lenders for SMEs**



# Content

## Part 1

### Business Operation and Results

1	Structure and operation of business groups	12
2	Risk Management	43
3	Driving business for sustainability	51
4	Analysis and the management's explanations	74
5	General Information and other important information	85

## Part 2

### Corporate Governance

6	Corporate Governance Policy	87
7	Corporate governance structure and important information about the board Sub-committees, management, employees and others	102
8	Corporate Governance Report	113
9	Internal control and related transactions	124

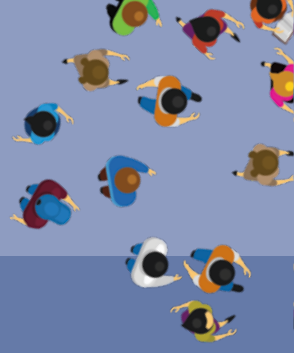
## Part 3

### Financial Statement

133

### Annex

1	Details of Directors, Management, Controlling Persons Person assigned to the highest responsibility in accounting and finance Those assigned to take direct responsibility for accounting supervision. Company secretary	210
2	Details of the subsidiaries' directors	227
3	Details of the Internal Audit Supervisor	228
4	Assets of the Company	229
5	Policy and practices of corporate governance and business code of conduct	230
6	Audit Committee Supervision Report	249



# 1 Structure and operation of business groups

## Policies and Overall Business Operations

Lease IT Public Company Limited (the “Company”) was incorporated on the 25<sup>th</sup> of August 2006 with a registered capital of 200 million Baht, with a paid up capital of 60 million Baht. The SVOA Public Company Limited is the majority shareholder with 99.99 percent of the stake in the business. Initially, the business objective was to support the trade of the SVOA group. The Company was a financial company (Financial Arm) of SVOA that provided loan, financial leases (Leasing) and loan purchase agreements (Hire Purchase) by targeting at those customers who were previously suppliers to the group of SVOA. The customers who were using the SVOA’s products had the privilege to use accounts receivable (Factoring) financing.

So that the Company’s business can meet the needs of SMEs to spread to cover other business besides only IT products. The Company turned to financing of goods outside the SVOA group as well as expanding credit facility beyond IT products in order to manage and compete with the same type of business in more products and other industries.

After the business model changed, as discussed above, the Company emphasized more on growth and business competitiveness by developing a model of financial products so as to continue doing business in order to satisfy customer needs and to offer credit to serve every industry, not only serve in IT sector. To do so, the Company added more variety of credit facilities besides factoring only such as Bid Bond, Project Backup Financing including Trade Finance.

On the 16<sup>th</sup> of May 2013, the Company has become a public company, therefore changed its name to Lease IT Public Company Limited.

The Company has 2 subsidiaries which are LIT Services Management Co., Ltd., which was established on May 23, 2018 with registered capital of 10,000,000 baht to provides credit data analysis service and Ulite Digital Co., Ltd., which was established on 5 November 2020 with registered capital of 10,000,000 baht to sell products in installments through a mobile application by focusing on supporting the target group to have access to various IT products and equipment for use in education as well as to enable students or people who are just starting (First Jobber) to work to make money and careers. Including as a device to generate income, create a career, the criteria for consideration depend on many factors according to the ability and additional sources of income. Etc.



**ONE**  
of Thailand's  
Top Non-Bank  
Lenders for SMEs



The Company provides credit services to customers who are entrepreneurs in small and medium enterprises who face limitations in having loans from financial institutions. Such services were divided into 8 main categories:

- 1. Leasing :** credit service in the form of financial lease or contract within a term of more than 3 years, typically dealing with the government agencies, state enterprises, or large private enterprises.
- 2. Hire Purchase :** credit service in the form of an instalment contract within a term of less than 3 years, including lease agreements with government agencies, state enterprises, or large private enterprises.
- 3. Factoring :** The transfer of right of claims primarily through a purchase accounts receivable from a group of business operators owed by government agencies, state enterprises, or large private enterprises. The Company purchases the accounts receivable at a discounted price approximately 30-100 percent of the face value.
- 4. Bid Bond :** credit facility in the form of a tender guarantee for individual entrepreneurs who want to bid for government agencies' and state enterprises' projects. In addition the Company also offers Bid Bond product in form of E-Bidding in order to response to government policy which using Electronics Government Procurement.
- 5. Project Backup Financing :** provides funding for the procurement and/or preparing the pre-finance products prior to delivery of products to government agencies, state enterprises, or large private enterprises.
- 6. Trade Finance :** provides products to a group of customer/entrepreneur who lacks of funds in the procurement process of products delivered to government agencies, state enterprises, or large private enterprises.
- 7. Letter of Credit (L/C) :** the Company offers financial credit in form of Letter of Credit to guarantee the payment of buyer. By using Letter of Credit, the seller will receive payment after delivering goods and the buyer will pay after receiving goods.
- 8. Supplier Finance** program allows the suppliers of the Company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain

The Company offers a full range of credit facilities, which allows entrepreneurs to perform operations starting bidding from products procuring, or lending money for procuring products. Customers can handover products to the counterparty. After delivering and being approved, the transaction will be financed in the form of financial leasing, hire purchase or factoring.

# 1. Vision Objective and Goals

## Our Vision

To Create Opportunities for ALL

## Our Mission

We strive to offer entrepreneurs, small and medium enterprises (SMEs) access to capital for their businesses by activating alternative funding sources outside the financial sector (Non-Bank), Ultimately leading to higher levels of relationships as partners (True Financial Partner)

## Business Goals

The Company aims to be a non-financial source of alternative fund for Small and Medium Enterprises (SMEs) which cannot access to source of funds, Such businesses normally require funding outside the system (private lender) which is a barrier to expand their business. Thus, the Company considers developing a variety of financial products/services to provide total financial solutions for entrepreneurs. The goals are as follow:

- 1. Revenue generation to create wealth and stability for the organization** with a goal of building a loan portfolio. By the year 2024, there will be a loan portfolio of 2,500 million baht.
- 2. Developing the efficiency of the credit process** to enhance the credit approval process quickly, transparently, in accordance with the rules as well as upgrading credit supervision when problems arise. In order to be able to meet the needs of customers and reduce the likelihood of bad debts (NPLs).
- 3. Developing the efficiency of work processes** To enhance the competitiveness and raise the standard of the Company's work process.
- 4. Customer satisfaction** to meet the needs of customers by providing credit with speed, keep up with the needs of customers with transparency bring in income Loan portfolio expansion and re-use of services.
- 5. Reliability and corporate image** To build confidence for customers, partners and stakeholders (Stakeholder), The Company emphasized on equality, Shareholders and employees, giving importance to all sectors and requiring all departments to work with good governance. Including the opportunity to reduce the financial cost of financing..

- 6. Sustainable growth** for the Company Sustainable growth under good corporate governance (Corporate Governance) anti-corruption and create value (Value Creation) for society and stakeholders in 3 dimensions, namely the economic dimension, the social dimension, and the environmental dimension.

Since the end of 2019, the Covid-19 crisis has occurred, with continued impact until 2021. The government expects that this crisis will resolve by early 2021, but the arrival of a new outbreak of the Delta virus during the period in the second quarter has a wide impact on businesses and people. causing the recovery in various economic sectors to be intermittent. In 2022, Thailand was still facing an economic slowdown. Increased inflation from energy and food prices effecting the business sector, especially SMEs. However, the Company, which has a mission, is an alternative funding source outside the financial sector (Non-Bank) that creates opportunities for small and medium businesses (SMEs) to access funding sources. Still aiming to meet customer needs continuously. It also provides assistance to customers affected by the Covid-19 situation and the current economic situation. The aim is to support business loans for Small and Medium Enterprises (SMEs) who have business potential but are unable to access loan sources from financial institutions, and support the government policy to reduce borrowing from informal sources. It also helps achieve business dreams for Small and Medium Enterprises (SMEs) and creates growth opportunities for both the company and its customers. In this time of economic changed the company has operated its business carefully, cautiously and has also adjusted its business strategies in consideration of the impact of such situations.



The Company has set short-term goal, long-term goal and strategy as follow :

**Short-term goal :**

Portfolio up to 2,500 million baht with in the year 2024.

**Long-term goal :**

Portfolio up 3,500 million baht with in the year 2026

**Strategy :**

Focus on lending to government debtors.

## Key Development

### 2006

- A registered company with a registered capital of 200 million Baht with a paid-up capital of 60 million Baht.

### 2007- 2014

- Registered capital has increased from 60 million Baht to 100 million Baht and fully paid up.
- Starting a business service supplier (Trade Finance) for those customers that were using existing financial products, whether loan financial leases, hire purchase loans, or transfer right of claims.
- Starting Bid Bond facility by acting as an intermediary between the bank (guarantees) and those customers who were entrepreneurs.
- Starting a set of business operations to support Project Backup Financing for customers of the Company who have good records in terms of skills and capabilities toward the work on that project but there were some restrictions on working capital. The debtors who facilitate the government projects was emphasized.
- Reducing the share capital from 200,000,000 Baht to 100,000,000 Baht by reducing the par value of shares from 10.00 Baht per share to 5.00 Baht per share, resulting in an authorized capital of 100,000,000 Baht consisting of 20,000,000 shares at 5.00 Baht and paid in full amount.
- Converting to a public company limited since May 16, 2013.
- Changing the par value of shares from 5.00 Baht per share to 1.00 Baht per share. (20,000,000 shares capital with a par value of 5.00 Baht to 100,000,000 shares capital with a par value of 1.00 Baht).
- Increasing the registered capital 16,000,000 Baht from the existing registered capital 100,000,000 Baht. The total registered capital is 116,000,000 Baht through issuing 16,000,000 new ordinary shares at par value of Baht 1.00 per share allocated to Dr. Prasit Kanjanasakchai. This was a private placement offered Baht 1.50 per share.
- Increasing the registered capital 84,000,000 Baht from the existing registered capital 116,000,000 Baht. The total registered capital is 200,000,000 Baht through issuing 84,000,000 new ordinary shares at par value of Baht 1.00 per share. The details of the allocation is listed as follows:
  - 1.) Allocation of ordinary shares of 33,600,000 common shares to shareholders of the SVOA. Quantity of the shares depended on the shareholders in SVOA.
  - 2.) Allocation of ordinary shares of 46,200,000 common shares to the public.
  - 3.) Allocation of ordinary shares of 4,200,000 shares to directors and employees of the Company.In case of the remaining share from the reserved shares of SVOA's shareholders according to (1) an offer to sell such shares to the public in (2) would have been taken place.
- During 12-14 March 2014, the Company has offered to sell ordinary shares to the shareholders and holders of preferred shares SVOA in the proportion of shares held by the shareholders in SVOA, the total amount of 33.6 million common shares with a par value of THB 1.00 per share in the offering price per share of 1.80 Baht.

- During 17-19 March 2014, the Company has offered to sell ordinary shares to the public, directors and employees of the total 50.4 million common shares with a par value of THB 1 per share in the offering price per share of 1.80 Baht. The Company registered the issued and paid up capital from 116,000,000 Baht (ordinary shares of 116,000,000 common shares at par value of Baht 1.00 per share) to 200,000,000 Baht (ordinary shares of 200,000,000 common shares at par value of Baht 1.00 per share) with the Ministry of Commerce on March 20, 2014. The Stock Exchange of Thailand approved ordinary shares and began trading on 25 March 2014.

## 2015

- 15 January 2015, Board of Directors has approved the issuance and offering of Bill of Exchange, not over 270 days, with the total face value limit of 600 million Baht in form of general offering or limited to institutional investors and/or high net worth investors or limited face value at 10 bills at a time. The filing and prospectus to offer Bill of Exchange has been approved by The Office of the Securities and Exchange Commission on 23 January 2015. This resulted that the Company is able to reduce financial cost significantly.
- 16 February 2015 Issuance and offering of debenture with the limit of 500 million Baht.
- 29 April 2015, Issuance the Name-Registered Non-Subordinated Unsecured, Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 150,000 units, Face value per unit 1,000 Baht, total issue amount 150,000,000 Baht, the redemption date in year 2018, rate 5.25% "Debenture of Lease IT Public Company Limited No. 1/2558 (2015) due B.E. 2561 (2018)", paid in April 29, 2018.
- 9 July 2015, Issuance the Name-Registered Non-Subordinated Unsecured, Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 200,000 units, Face value per Unit 1,000 Baht, total issue amount 200,000,000 baht, the redemption date in year 2017, rate 5.30% "Debenture of Lease IT Public Company Limited No. 2/2558 (2015) due B.E. 2560 (2017)", paid in July 11, 2017.
- 16 October 2015, the Company launch new financial product, which is Letter of Credit (L/C) with the cooperation with Krungthai Bank PCL.

## 2016

- 1 June 2016, Issuance the Name-Registered Non-Subordinated Unsecured, Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 150,000 units, Face value per Unit 1,000 Baht, total issue amount 150,000,000 baht, the redemption date in year 2019, rate 5.25% "Debenture of Lease IT Public Company Limited No. 1/2019 due B.E. 2019" paid in June 4, 2019.
- 15 November 2016, Board of Directors has approved the issuance and offering of Bill of Exchange, not over 270 days, with the total face value limit of 900 million Baht in form of general offering or limited to institutional investors and/or high net worth investors or limited face value at 10 bills at a time. The filing and prospectus to offer Bill of Exchange has been approved by the Office of the Securities and Exchange Commission on 2 December 2016 for working capital.

## 2017

- 14 February 2017, issuance and offering of debenture with the limit of 1,000 million Baht.
- 15 February 2017, issuance of not more than 160,000,000 units of warrants to purchase ordinary shares in the Company (LIT-W1) to the Company's existing shareholders by way of rights issue at the ratio of 5 ordinary shares to 4 units of Warrants with the offering price at Baht 2.5.
- 3 April 2017, the company has amended to the Company's Memorandum of Association so as to increase the Company's registered capital for another Baht 100,000,000, divided into 100,000,000 shares at the par value of Baht 1 each, from the existing registered capital of Baht 200,000,000, to be new registered capital Baht 300,000,000, divided into 300,000,000 shares at the par value of Baht 1 each. The allotment are the follows:
  - 1) 20,000,000 new shares be allotted to reserve for the distribution of stock dividend and
  - 2) 80,000,000 new shares be allotted to reserve for the exercise of the Warrants (LIT-W1), which are issued and offered to the existing shareholders by way of rights issue.

- During 17-21 April 2017, the Company has offered to sell the warrant (LIT-W1) to the Company's existing shareholders by way of rights, in total amount of 160 million unit of warrants with the offering price at Baht 2.5. And the Stock Exchange of Thailand approved the warrant (LIT-W1) and began trading on 3 July 2017.
- 19 April 2017, the Company has distributed the dividend to the Company's shareholders in form of cash and stock dividend as follows:
  - 1) stock dividend in total amount of 19,999,532 ordinary shares with the par value of Baht 1.
  - 2) cash dividend at the rate of 0.0112 Baht per share.
- 2 May 2017, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 85,000 units. Face value per Unit 1,000 Baht, total issue amount 85,000,000 Baht, the redemption date in year 2020, rate 5.75%, name that "Debentures of Lease IT Public Company Limited No. 1/2560 (2017) due B.E. 2563 (2020)" paid in May 5, 2020.
- 22 August 2017, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 300,000 units. Face value per Unit 1,000 Baht, total issue amount 300,000,000 Baht, the redemption date in year 2020, rate 6.00%, name that "Debentures of Lease IT Public Company Limited No. 2/2560 (2017) due B.E. 2563 (2020)" paid in February 24, 2020.
- The warrants (LIT-W1) were exercised during the year 2017 as detail follows:

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/7/2017	150,248	75,124	220,074,656
(2) 25/10/2017	2,800	1,400	220,076,056

## 2018

- 1 February 2018, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 315,000 units. Face value per Unit 1,000 Baht, total issue amount 300,000,000 Baht, the redemption date in year 2020, rate 6.00%, name that "Debentures of Lease IT Public Company Limited No. 1/2561 (2018) due B.E. 2563 (2020)" paid in January 31, 2020.
- 9 February 2018, issuance an offering of debenture with the limit of 2,000 million Baht.
- 8 March 2018, the Employee Joint Investment Program No. 2 (EJIP No. 2) which Phillip Securities (Thailand) Public Company Limited is the program management agent. The program lasts for 3 years (April 2018 – March 2021)
- 10 May 2018, established a new subsidiary company "LIT Service Management Co., Ltd." With registered share capital of Baht 5 million, holding 100% interest. The principal business operations of the subsidiary are providing the data information and credit analysis include the project management.
- 27 June 2018, Mr. Thienchai Srivichit has resigned from the Director and the Vice President of Board Director and appointment Ms. Parichatara Laotheerasirivong to be the Director in replacement of Mr. Thienchai Srivichit, who resign before the end of term, effective date on June 28, 2018.
- The warrants (LIT-W1) were exercised during the year 2018 as detail follows:

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/1/2018	4,000	2,000	220,078,056
(2) 25/4/2018	1,145,000	572,500	220,650,556
(3) 25/7/2018	130,000	65,000	220,715,556
(4) 25/10/2018	6,700	3,350	220,718,906

## 2019

- 20 March 2019, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 200,000 units. Face value per Unit 1,000 Baht, total issue amount 200,000,000 Baht, the redemption date in year 2021, rate 6.25%, name that "Debentures of Lease IT Public Company Limited No. 1/2562 (2019) due B.E. 2564 (2021)" paid in March 22, 2021.
- 9 April 2019, Relocate the new office to MS Siam Tower, 29<sup>th</sup> floor, Rama 3 Rd., Chongnonsi, Yannawa, Bangkok.
- 24 September 2019, Announcement of intention to participate in the celebration of the promotion of the capital market, good governance to strengthen the capital market for His Majesty the King Rama X. By operating business responsibly Taking into account the benefits to society. And the environment Which will bring lasting benefits for the business Benefits of related parties And the benefits of society and the general public in line with the Sustainable Development Goals (SDGs) of the world community.
- 29 October 2019, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 150,000 units. Face value per Unit 1,000 Baht, total issue amount 150,000,000 Baht, the redemption date in year 2019, rate 5.00%, name that "Debentures of Lease IT Public Company Limited No. 2/2562 (2019) due B.E. October 29, 2563 (2020)" paid in October 29, 2020.
- 12 November 2019, TRIS Rating assigns the Lease IT's Company Rating at "BBB-" Investment Grade with a "Stable" outlook
- 19 December 2019, Issuance the Name-Registered, secured, Non-Subordinated and with debenture holders' representative divided into 520,600 units. Face value per Unit 1,000 Baht, total issue amount 520,600,000 Baht, the redemption date in year 2021, rate 5.25%, name that "Debentures of secured of Lease IT Public Company Limited No. 3/2562 (2019) Set 1 due B.E. 2564 (2021)", paid in December 17, 2021.
- 19 December 2019, Issuance the Name-Registered, secured, Non-Subordinated and with debenture holders' representative divided into 393,000 units. Face value per Unit 1,000 Baht, total issue amount 393,000,000 Baht, the redemption date in year 2022, rate 5.50%, name that "Debentures of secured of Lease IT Public Company Limited No. 3/2562 (2019) Set 2 due B.E. 2565 (2022), paid in December 16, 2022.
- The warrants (LIT-W1) were exercised during the year 2019 as detail follows:

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/4/2019	1,458,700	729,350	221,448,256
(2) 25/10/2019	2,400	1,200	221,449,456

## 2020

- 11 June 2020 The Company is authorized to operate personal loan business under Bank of Thailand's Regulation.
- 16 October 2020, established a new subsidiary company "Ulite Digital Co.,Ltd." With registered share capital of Baht 10 million, holding 100% interest. The principal business operations of the subsidiary are providing an electronic installment payment service.
- 11 November 2020, The Company has been 1 of 124 listed company in Thailand Sustainability Investment 2020 (THAILAND SUSTAINABILITY INVESTMENT (THSI) 2020).
- 13 November 2020, Issuance the Name-Registered Non-Subordinated Unsecured, Non-Convertible Short Term Debenture Certificate with no debenture holder's representative divided into 150,000 unit Face value per unit 1,000 Baht, total issue amount 150,000,000 Baht, the redemption date in year 2021, rate 5.75%, name that "Debentures of Unsecured of Lease IT Public Company Limited No. 1/2563 (2020) due B.E. 2564 (2021)" paid in November 15, 2021.
- 16 November 2020, LIT Service Management Co., Ltd. The subsidiary company is licensed to operate Pico Finance (Pico Plus) under Ministry of Finance's Regulation.

## 2021

- 23 March 2021, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Medium-Term Debenture Certificate with no debenture holders' representative divided into 393,800 units. Face value per Unit 1,000 Baht, total issue amount 393,800,000 Baht, the redemption date in year 2023, rate 5.70%, name that "Debentures of secured of Lease IT Public Company Limited No. 1/2564 (2021) due B.E. 2566 (2023)".
- 11 August 2021 The Company resolved to appoint Mrs. Chonthicha Supalukmetha as the Managing Director instead of Mr. Sompon Aketerajit due to retirement and appointed Ms. Sitaphatr Nirojthanarat as the Deputy Managing Director.
- 4 October 2021, The Company has been 1 of 147 listed company in Thailand Sustainability Investment 2021 (THAILAND SUSTAINABILITY INVESTMENT (THSI) 2021).
- 17 December 2021 The resolution of The Extraordinary General Meeting No. 1/2021 approved the reduction of the Company's registered capital by cancelling the 468 issued and unsold shares with the par value 1.00 Baht from 300,000,000 Baht to the new registered capital of 299,999,532 Baht, and approved the increase of the Company's registered capital by 258,357,698 Baht from the registered capital of 299,999,532 Baht to the new registered capital of 558,357,230 Baht by issuing newly issued ordinary share to offer for sale to the existing shareholders of the Company proportionate to their respective shareholding and to accommodate the exercise of rights under the Warrants to purchase the ordinary shares of Lease IT Public Company Limited No. 2 (LIT-W2).
- December 23, 2021 registered the reduction of registered capital with the Department of Business Development from 300,000,000 Baht to 299,999,532 Baht to divided into 299,999,532 ordinary shares with a par value of 1.00 Baht per share which is a paid-up capital of 221,449,456 Baht and The remaining reserve for the exercise of the warrants of the Company No.1 (LIT-W1) in the amount of 78,550,076 Baht and amendments to Clause 4 of the Memorandum of Association. And on the same day. Registered an increased an increase in the registered capital with the Department of Business Development form the original registered capital of 299,999,532 Baht, increased the registered capital by 258,357,698 Baht to a new registered capital of 558,357,230 Baht by issuing 258,357,698 ordinary shares with a par value of 1.00 Baht per share

## 2022

- April 7, 2022 The resolution of the 2022 Annual General Meeting of Shareholder (No. 9) approved an increasing in the registered capital of the Company in the amount of 43,375,705 Baht from the original registered capital of 558,357,230 Baht to a new registered capital of 601,732,935 Baht by issuing 43,375,305 newly issued ordinary shares with a par value of 1 Baht per share to support the exercise of LIT-W1 warrants which have been adjusted according to the terms and conditions of the warrants issuer and holders of warrants to purchase ordinary shares of the Company No. 1.
- April 19, 2022 Registered the capital increasing with the Ministry of Commerce from the original registered capital of 558,357,230 Baht to the new registered capital of 601,732,935 Baht.
- October 10, 2022, The Company has been 1 of 170 listed company in Thailand Sustainability Investment 2022 (THAILAND SUSTAINABILITY INVESTMENT (THSI) 2022).
- December 23, 2022, Issued debentures with registered holder name, secured and the debenture issuer has the right to redeem the debentures before the maturity date, 1.5 year, rate 7.00% per year, face value 1,000 Baht per unit, total issued amount 400,000 Baht, totaling 400,000,000 Baht, the redemption in 2024, name that "Debentures of secured of Lease IT Public Company Limited No. 1/2565 (2022) due in B.E. 2567 (2024) The issuer has the right to redeem the debenture before the maturity date"
- The warrants (LIT-W1) were exercised during the year 2022 as detail follows:

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/1/2022	3,600	2,793	442,901,705
(2) 25/4/2022	38,053	29,532	442,931,237

- The warrants (LIT-W2) were exercised during the year 2022 as detail follows:

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/12/2022	21	21	442,931,258

## 2. Source and use of fund

### (1) Debentures

Unsecured debentures of Lease IT Public Company Limited No. 1/2021 due B.E. 2023

Use of fund	Amount	During	Details / Progress of the Use of Money / Reasons and Measures in the Case of Non-Objective Money
To repay LIT201A debentures due on March 21, 2021 for 200 million Baht.	200 MB.	by March 2021	The rest have been expanded to the credit portfolio as stated of the objectives.
for working capital and expanding the Company's credit portfolio.	193.8 MB.	by May 2021	

Secured Debentures of Lease IT Public Company Limited No. 1/2022 due 2024 in which the debenture issuer has the right to redeem the debentures before the redemption date.

Use of fund	Amount	During	Details / Progress of the Use of Money / Reasons and Measures in the Case of Non-Objective Money
For working capital and expanding the Company's credit portfolio .	400 MB.	by March 2023	It is in the process of using the money for revolving credit of the Company.

### (2) Applicable Law

The terms of the rights are governed and construed in accordance with Thai law.

## 3. Certain covenants which the Company has to complied with debentures.

The debentures have certain practices that the Company must comply with, for example, maintaining financial ratios and sale and transfer of assets, etc.

For the issuance of debentures on December 23, 2022, the Company issued secured debentures. There are conditions that the Company has to comply with, for example, maintaining the value of claims for receiving money from trade accounts receivable. Loan receivables, receivables from purchase of claims, Financial lease receivables and Hire-purchase receivables, must not be less than 1.5 times of the unredeemed bond value throughout the bond term.

#### 4. Company Name, Location, Type of Business, Company Registered Number, Telephone and Fax.

Company Name	Lease IT Public Company Limited
The headquarters	1023 MS Siam Tower, 29 <sup>th</sup> floor, Rama 3 Rd., Chongnonsi, Yannawa, Bangkok 10120 Thailand
Nature of Business	Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond, Project Backup Financing, Trade Finance and Letter of Credit (L/C)
Company Registration Number	0107556000353
Tel.	0 2163 4260
Fax	0 2163 4291-4
Website	<a href="http://www.leaseit.co.th">www.leaseit.co.th</a>
Authorized Capital	601,732,935 baht divided into 601,732,935 ordinary shares
Paid-up Capital	442,931,237 baht divided into 442,931,237 common shares
Par Value per share	1 Baht

## 1. Revenue Structure

Type of Income	Consolidated Financial Statement					
	2022		2021		2020	
	MB.	%	MB.	%	MB.	%
Interest Income <sup>1)</sup>	98.42	62.86	216.68	65.39	248.73	62.74
Fees and Service income <sup>2)</sup>	46.87	29.94	88.55	26.72	118.80	29.97
Other Income <sup>3)</sup>	11.27	7.20	26.15	7.89	28.89	7.29
<b>Total Income</b>	<b>156.57</b>	<b>100.00</b>	<b>331.39</b>	<b>100.00</b>	<b>396.42</b>	<b>100.00</b>

- Remark :** <sup>1)</sup> Interest income consist of income from installment sales, factoring, project backup finance backup and finance lease and hire-purchase contract
- <sup>2)</sup> Income from fee and service consist of fees for signing contracts and transferring rights, fees from opening credit line, fees from credit analytics of LIT Service Management Co., Ltd. and other service fees.
- <sup>3)</sup> Other Income, such as interest income from late payment and scrap value interest received from the bank, etc.



**ONE**  
of Thailand's  
**Top Non-Bank  
Lenders for SMEs**



## 2. Our Product and Service

### (1) Characteristics of products / services and business innovation development

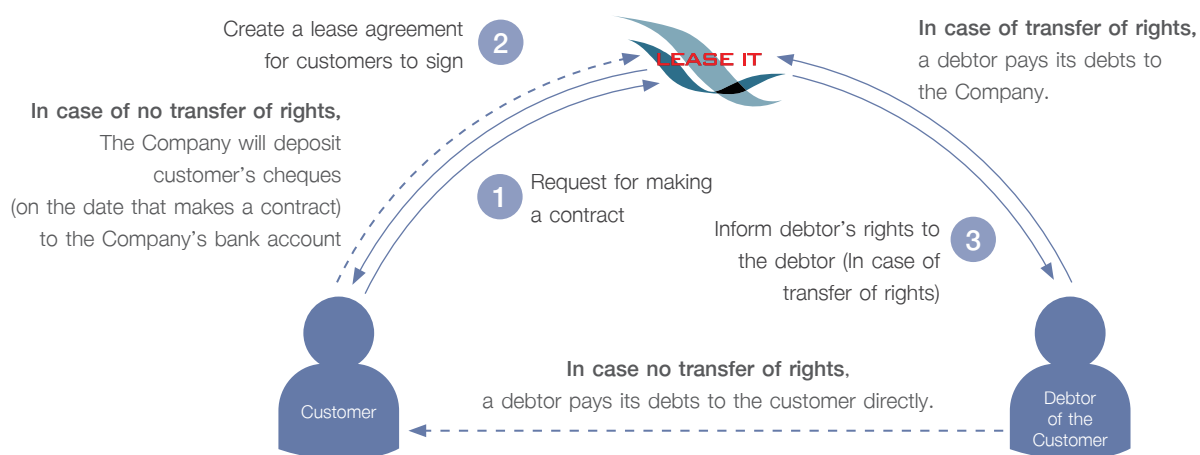
The Company is engaged in the business of providing financial service to customers who are small and medium enterprises (SMEs) with limited sources of fund from financial institutions. Our products can be divided into 8 categories:

#### (1.1) Leasing

The Company provides leasing to entrepreneurs, who want to buy assets that has an agreement with the state enterprises or large private enterprises. The Company will buy assets from customer or any supplier and arrange leasing with customers. The ownership of the assets belongs to the Company, when installments fully made, the customer can decide to buy it. The Company must provide credit to customers at the rate of 70-100 of the product value with a fixed interest rate loan. Installment contracts provided for 3 years or more.

#### (1.2) Hire Purchase

The Company provides hire purchase to entrepreneurs, who want to buy assets such as computer devices, software, IT devices, appliances, including the equipment for education that has a lease agreement with the state enterprises or large private enterprises. The Company will buy assets from customers and arrange hire purchase with customers. In some cases, the Company may obtain the assets from the vendor (supplier) according to the needs of customers and arrange hire purchase with customers. The ownership of the assets belongs to the Company. When installment is fully made, the customer will acquire ownership of the assets. The Company must provide credit to customers at the rate of 70-100 of the product value with a fixed interest rate loan. Installment contracts provided by the Company will last no more than 3 years. Installment contracts will be made in the same manner as financial lease.

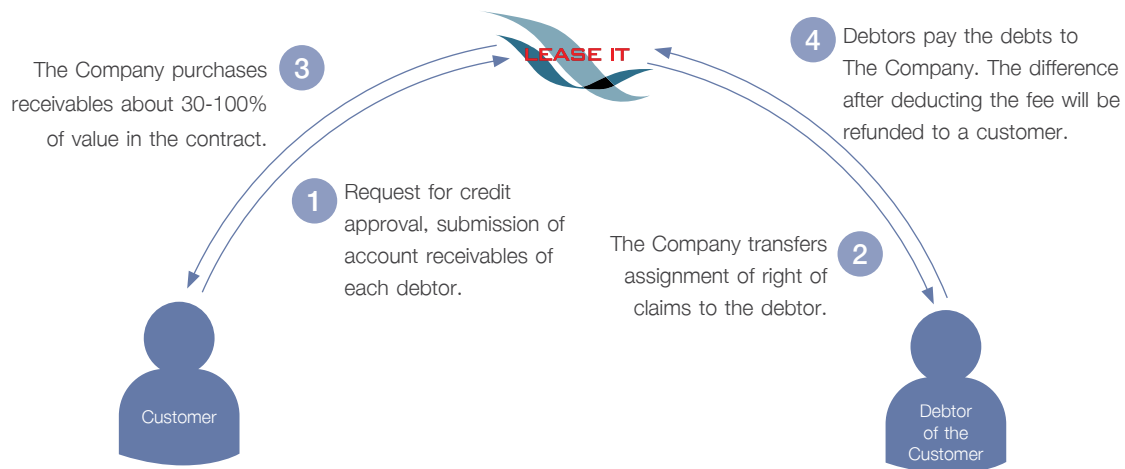


### (1.3) Factoring

The Company provides factoring (short term credit) for working capital for entrepreneurs. The Company typically purchases receivables without having collateral but there is a transfer of commercial debt claims on customers to the Company. Transfer of rights (with recourse) means that the Company would have right to claim the customer. In case the debtor does not pay on time. The Company will focus on providing service to entrepreneurs, small and medium enterprises who need cash to current operations and business of trading goods and services for example, purchasing and selling in general, commodities or maintenance services of IT equipment, general office equipment. The Company usually avoids buying commercial debts by way of complex delivery terms because the goods and

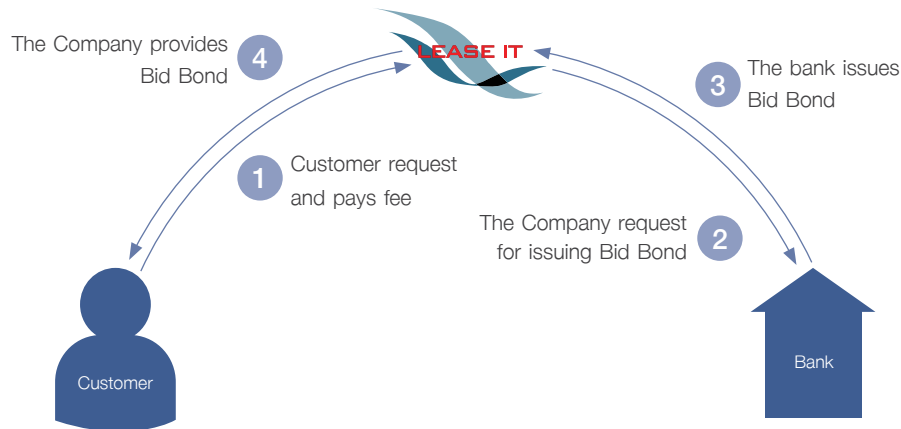
services might contain complicated disputes in terms of the integrity of commercial debt. As a result of that, the Company would focus on the purchase of accounts receivable mainly from the government agencies and state enterprises including large private enterprises. In most cases, the Company would purchase receivables less than 90 days. When payment is due, the Company would bill the amount directly to the debtor to pay off debts with the Company if there is a reminder the Company would refund the difference to customer.

Interest rates would depend on the size of the business, financial position of customers, including the quality of the trade receivables.



### (1.4) Bid Bond

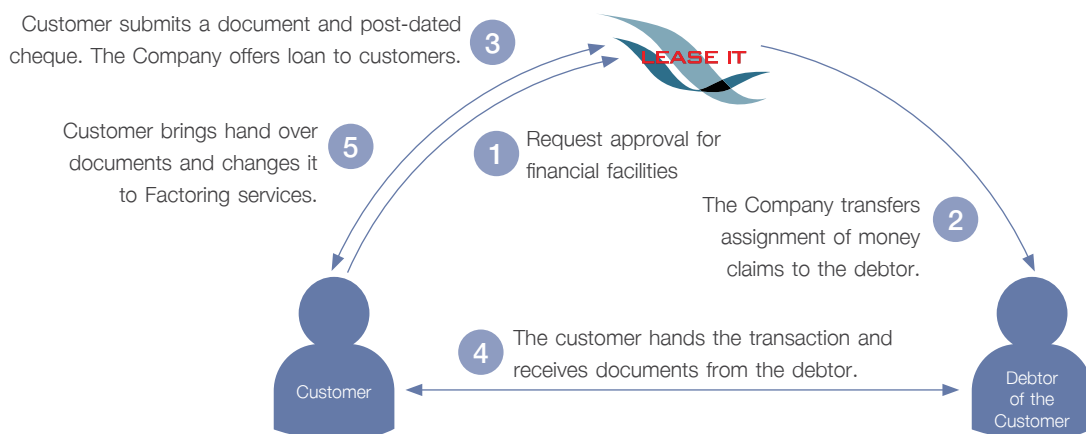
The Company started its business of providing Bid Bond in year 2010. The main goal was to support the issuance of a bank guarantee to those customers and operators who wish to bid in projects of the government agencies and state enterprises with the age according to the period specified by the government agency or state enterprises. The Company provides loans credit in accordance with the bid bond. Customers must present a bank guarantee or collateral returned to the company on the agreed date.



### (1.5) Project Backup Financing

The Company provides credit to customers who need capital for the procurement of goods to be delivered to the government agencies, state enterprises, or large private enterprises. The applicants need a contract to deliver goods and services between the customer and the Company's trade receivables for consideration. The loans take place in term of supporting projects for clients to supply or deliver goods and services are considered as high risk. Almost all customers have had business

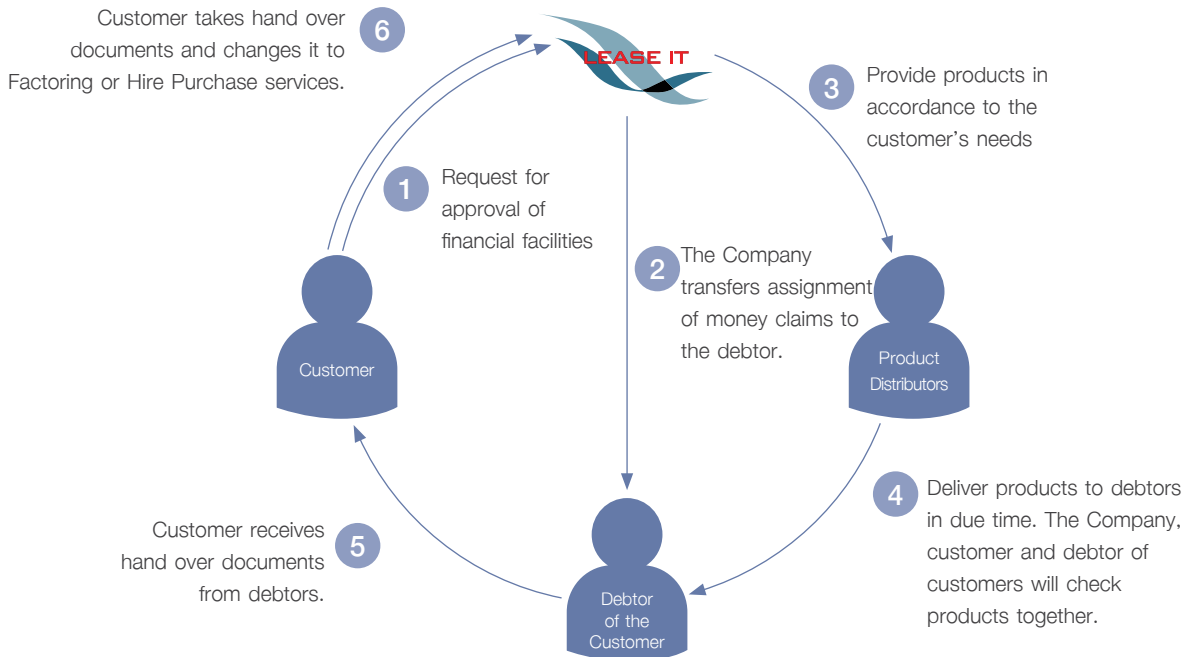
dealing records with the Company already and have a good payment record with the potential to do the project. It also requires the transfer of right of claims in payment of amounts through the Company to reduce risk. Once the customer has delivered the goods to the debtor and received the approval document. Most customers request for the factoring services with the Company, their intention is primarily to make a loan payment.



### (1.6) Trade Finance

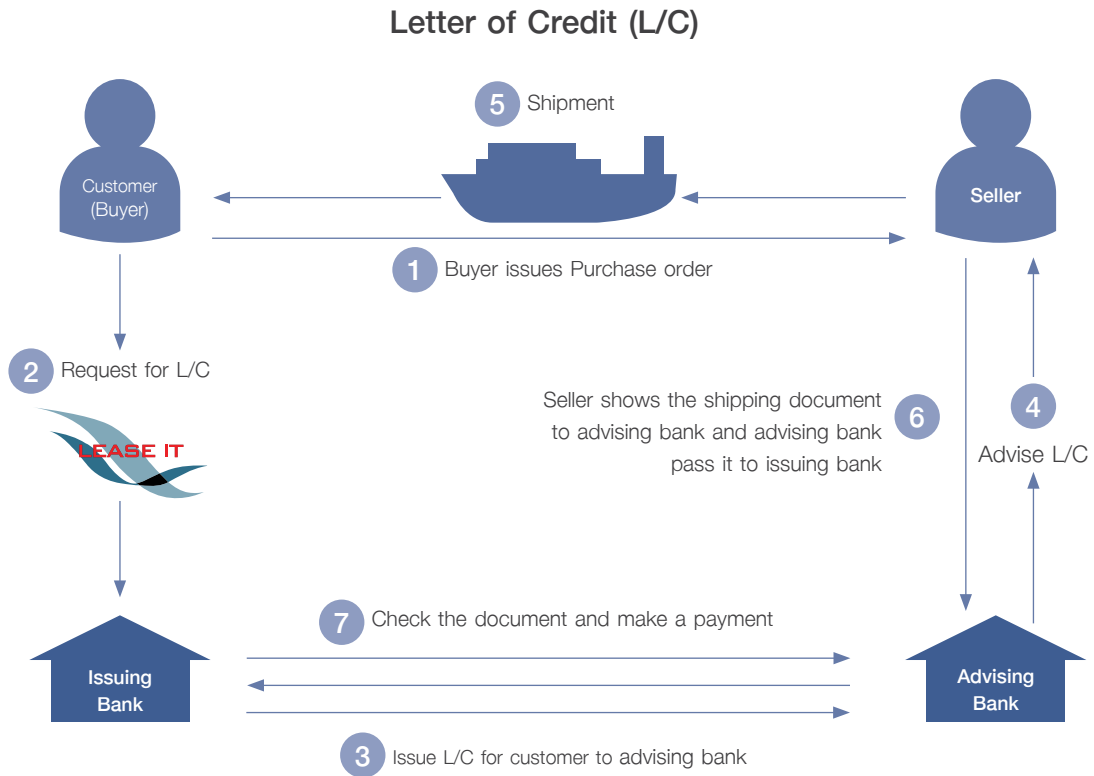
The Company arranges products for those entrepreneurs who lack of funds in order to supply the products to government agencies, state enterprises, or large private enterprises. The Company aims to continue to provide products from suppliers in accordance the customer needs and take the difference between cost price and sale price (sale price minus cost price). The Company will check the products together with the customer and the debtor on site. Trade finance is considered high risk; therefore, almost all customers are those customers who have previously had any business dealing records with the Company already and had a good payment record in the system. To reduce such risk, it also requires the transfer of right of claims in payment of

amounts supported by the Company or having a written authorization from the Company. In most of the case, after the Company has provided products for the customer and the customer has delivered them to the debtor and also received the approval document, the customer may request for factoring services, leasing services, or hire purchases services with the Company in order to assure the repayment of such loans. However, in cases the debtor of the customer has delayed in hand over transaction, that causes the customer cannot take hand over documents to the Company to receive loan within the due date. They will have to pay for the interest and penalty to the Company.



**(1.7) Letter of Credit (L/C)**

The Company offers financial credit in form of Letter of Credit (L/C) to customers. The Letter of Credit is the document used to guarantee the payment of buyer. By using Letter of Credit, the seller will receive payment after delivering goods and the buyer will pay after receiving goods.

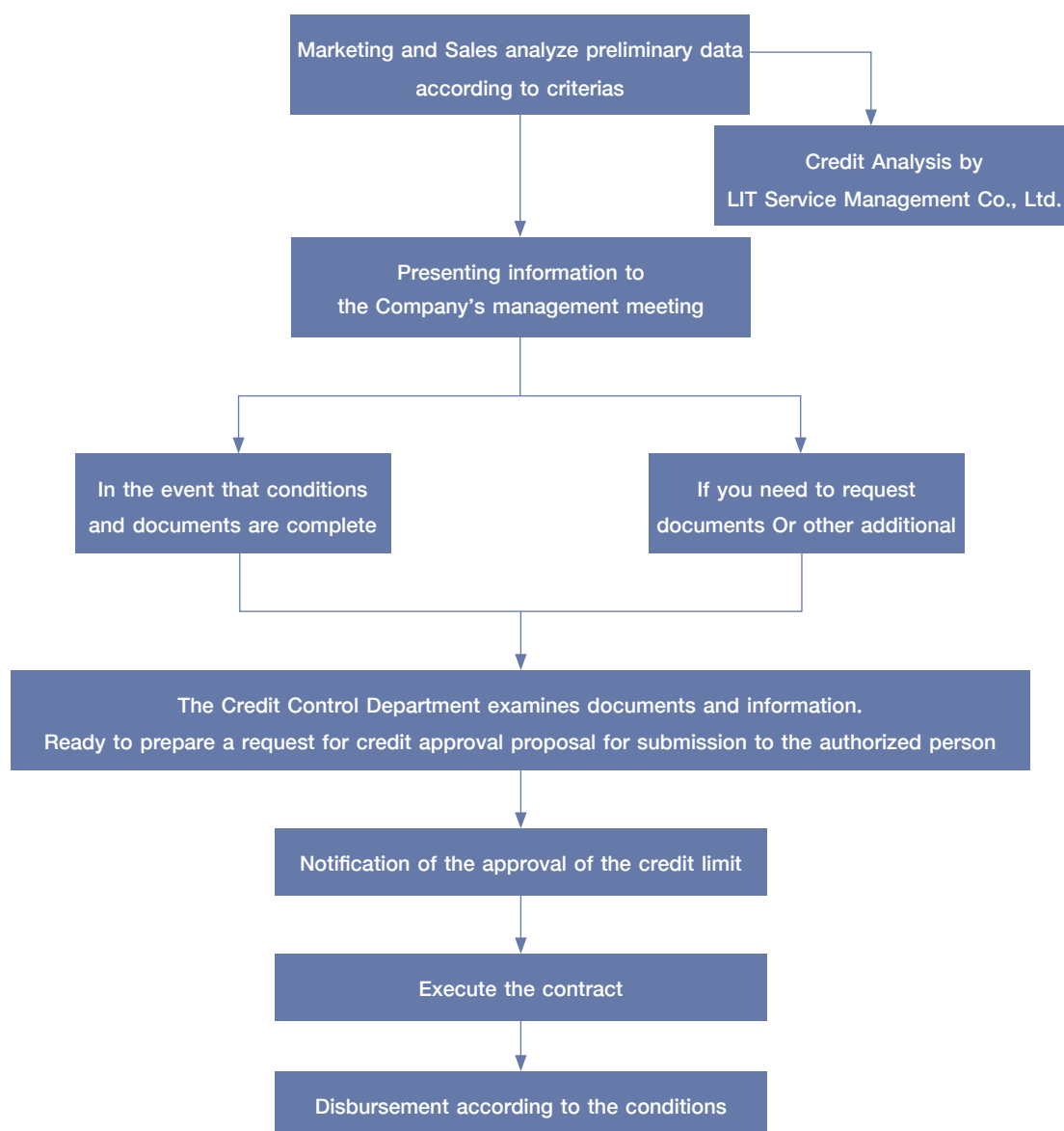


**(1.8) Supplier Finance**

Supplier Finance program allows the SMEs suppliers of the Company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain.



## Credit Approve Process



Guidelines for credit approval of the Company are as follows.

- 1) Initial consideration: Marketing and Sales Officer contacts, gathers information, collects customer documents for submission to LIT Service Management Co., Ltd. (subsidiary).
- 2) LIT Service Management Co., Ltd. conducts credit analysis by analyzing the leverage of customers and debtors, characteristics of the projects, ability to deliver goods or services of customers and evaluates the process of receiving repayment of debtors.
- 3) To the approval authority for credit approval.

### Credit approval

The Board of Directors has established credit approval authority for all types of credit. The Board of Directors has the authority to approve unlimited amounts. Board of Management Credit Committee and others according to Authority Table of the Company.

## Control and monitoring of debtors

The Company keeps track of unpaid debts from the first day of the customer's outstanding payment. Whether the customer has problems from business operations or other factors that may cause default on payment, which make the Company unable to receive debt repayment, the Company has a unit to closely and regularly follow the customers. The Company adheres to debt collection that must be done as quickly and efficiently as possible. The debt quality of all customer groups will be closely monitored. The monitoring results are also reported to the executives on a weekly basis. Measures for monitoring will be taken as follows.

- 1) Not more than 3 months overdue, the Operation Department and the Sales and Marketing Department track customers to determine the cause of delay in such accounts receivable and negotiate on fixing debts and report the summary to the executive meeting.
- 2) Over 3 months overdue, there is no progress, a claim letter is issued by the Legal Department.
- 3) Over 4 months overdue, the customer cannot comply with the conditions previously negotiated. The Legal Department must send a claim letter.
- 4) For over 6 months overdue, the customer fails to comply with the agreement, the Company will refer the case to the Company's Legal Department (Outsource) to further take action against the customer. The Operation Department closely monitors the work.
- 5) In case of damage that clearly occurs, the Company takes legal proceedings for each measure simultaneously without waiting for the time or steps of each measure. It is necessary to implement all methods quickly and efficiently as possible.

## Business innovation development

The Company continually uses the credit scoring model to support Factoring. And have improved the conditions to be in line with the current.

In 2022, the Company has begun trailing the E-Factoring System to modernize factoring application and to allow SMEs Entrepreneurs to access finding sources more easily. And the Company continuously improved the Core Business Application to be more modern and efficient for working. Also, the tool was provided and developed to store documents in the form of electronic file for easy storage and search. The Company has established measures for information security and has clearly specified the rights to access each type of information.

Since 2020, the Company has brought Robotic Process Automation Program to help in various operation areas. To improve work efficiency and reduce redundant work as well.

In 2020-2021, the Company has prepared related policies and activities to be in line with Personal Data Protection Act B.E. 2019.

## (2) Marketing and competition

### (A) Marketing policy of significant products or services in the past year

The Company pays attention to “Fair competition” therefore develops financial products that are fully integrated with business operations that will enable customers to compete by reducing the barriers to financing for their business operations. by focusing on the speed of credit Flexibility and understanding of customers and providing a wide range of comprehensive credit is important currently the Company There are products to serve customers including: Leasing, Hire Purchase, Prefinance : BidBond, Project Backup Financing and Trade Finance.

In the past year, the Company has changed the product thread policy as follows:

- 1) Focus on low-risk financial products** as Factoring, Hire Purchase and Leasing, to reduce the risk of incurring debt NPLs in line with the economic situation during the Covid-19 epidemic.
- 2) Focus on giving credit to customers who are government partners** In order to reduce the risk of non-performing debt under the current situation, the Company continues to formulate policies, guidelines for marketing and debtor risk management, along with it. The Company continues to focus on providing credit services to business partners and state enterprises. This is because it is a group that has the ability to repay more stable and reliable debt and has lower risks than lending to small and medium-sized enterprises (SMEs) with private sector partners. However, the Company still giving importance to being a financial advisor to clients (Smart-Business Mate) and offering loans that suit the needs of customers. In addition, the Company has added channels for SMEs who are interested in using the service to have access to credit more conveniently through the Company’s website [www.leaseit.co.th](http://www.leaseit.co.th). Customers can apply for a loan online and know the initial results immediately. And customers can contact via Line Official of the Company to inquire about loans as well.
- 3) Enhance marketing with Digital Platforms** The Company recognizes the importance of changing the modern world and to meet the needs of the new generation of customers and respond to the growth of the digital market in the future. The Company therefore places importance on the development of information systems and uses Digital Marketing Tools to reach the Company’s target customers, in order to get more targeted customers and presenting the Company’s financial products more precisely. Also build a brand Credible image and well-known through social media and using customer database to extend that loan service.





## (B) Competitive conditions within the past year industry and industry trends and future competition conditions

Trends in the banking industry and non-bank financial institutions in the past 2022 are still under the influence of the COVID-19 epidemic and inflation that disrupted economic recovery activities. However, the industry still expects that during 2023 economic activity will increase. Including the demand for credit tends to increase accordingly. Including the development of Financial Technology, the baht continues to rise. which are the main factors that affect the overall picture of the business as follows

- 1) The outlook for the banking industry** and non-bank financial institutions in 2021 is still under the influence of the Covid-19 epidemic and also affect SMEs, which are the Company's target customers. It is a challenge for Companies to manage risks carefully. Together with the trend of economic recovery It is therefore an opportunity for the Company to create new customers and generate performance by screening new quality customers. It also proactively monitors and assists clients in times of crisis with the goal of ensuring long-term survival and debt serviceability.
- 2) Inflation after the epidemic situation of COVID-19,** beginning to change in a better direction from the decrease in the number of infected people and the severity of the disease, allowing trade activities to resume operations again. But entrepreneurs are still facing more severe inflation than before causing the consumer goods to rise. The Company's customers which is a group of Small and Medium Entrepreneurs (SMEs), have to bear increasing operating costs, causing more liquidity management. As a result, there is a rigorous and review of the customer's ability to repay debt in order to prevent the occurrence of Non-Performing Loan in this situation. However, the Company is still looking for new customers with acceptable risk to add to the portfolio to maintain the Company's revenue base.

- 3) Changes in Financial Technology** since 2021, we still see the development of the industry growing in parallel with digital technology (Digitalization) continuously. Therefore, there are more competitors entering the market that have the ability to use Financial technology as an increasing competitive advantage. In the midst of such challenges, the Company competitive strategies must be adjusted to be in line with the situation and to support the direction of the operating results to suit the current industry trends and for future sustainability, for example, the development of an operating system that supports the Company's work processes to be digital (Process Digitization), reducing the use of paper and switching to electronic documents (E-Document). Use computer systems to manage information and customer consents according to the Personal Data Protection Act (PDPA) and the establishment of Ulite Digital Company Limited, which operates a business related to selling products in installments via Mobile Application with the target customer group being a new generation, etc. The Company continues to pursue the goal of using technology to generate income to build stability of the organization and create the highest satisfaction for customers elevate work processes simplify work to respond to changes in technology that will occur in the future as well.

## Competitive Strategy

The direction and condition of the Thai economy in 2021 continues to face the impact of the COVID epidemic. This has a wide impact on both the business sector and the people's sector, causing the recovery of economic activities to be lacking continuity, coupled with the development of the industry growing in tandem with digital technology (Digitalization) continuously. Amid such challenges, the Company Competitive strategies must be adjusted to be in line with the current situation and to support the business performance direction in accordance with current industry trends and for future sustainability, and continue its mission to be an alternative source of funds outside the financial institution sector for SMEs. In the past year, the company continued to pursue its goal of generating income to build corporate stability, create customer satisfaction, Upgrading work processes and building credibility and corporate image while improving the Company's receivable quality through credit strategies as follows:

- 1) **Upgrading credit quality** amid challenging situations, the Company is committed to improving and developing the quality of debtors by screening customers and debtors to have a stronger debt repayment ability and closely monitor and follow up on debtors with problems and provide assistance to debtors who have problems in a timely manner to prevent future non-performing debts (NPLs) In addition, the Company has added a debt collection team, to expedite debt repayment from non-performing debtors and diversifying credit portfolios in each industry to manage industrial risks in order to be in line with the economic situation, such as controlling the granting of construction business loans to new customers and focus on providing loans to business groups with low risk and good growth prospects, such as medical device business, etc.
- 2) **Upgrade digital marketing strategy** (Digitalization) to meet the needs of the new generation of customers and respond to the growth of the digital market in the future. The Company has focused on developing information systems and using digital marketing tools to reach the target customers of the company, in order to get more targeted customers and present the company's financial products more precisely as well as build a brand image to be reliable and well known among users. In addition, the Company has also established a subsidiary, Ulite Digital Company Limited, to sell products in installments via mobile applications (Mobile Application) to meet the needs of the new generation of customers to support the growth of this market in the future as well.
- 3) **Focusing on Existing Customers.** The Company focuses on retaining its customer base and expanding its credit portfolio from its existing customer base. Because it is a customer that the Company has a closer relationship and be able to assess risks than new customers and to build customer loyalty by raising the level of customer satisfaction to create sustainable growth by using a database of old customers in marketing (Database Marketing).
- 4) **Company Employees have expertise and are able to provide financial advice to customers.** The Company's marketing staff He is a multi-talented person with experience in both credit control and customer access. Resulting in being able to understand the needs of customers. Including being able to give preliminary guidelines on the possibility of considering the credit of the company. So that customers can assess the situation to compete with competitors. The Company has provided a Business Growth Advisor team. Lease IT's team is ready to provide professional financial advice for Small and Medium Enterprises (SMEs) 24 hours a day with experience in business lending with Small and Medium Enterprises (SMEs) for a long time, transparency, sincerity, without any hidden fees for loan approval.
- 5) **Expansion of new customer bases** The Company has approaches to find new customers from various means, including building Brand Awareness and financial products to be well-known among target customers. Therefore, there are long-term plans to promote public relations and financial products. Which the Company believes that with a variety of financial products fast service and other strengths of the Company will be able to meet the needs of customers. Via multichannels such as various media, events credit package arrangement. In addition, the Company also find new customers from the referral of our old customers, Debtor, marketing staff, including online marketing (Digital Marketing).

In addition, the Company also trying to expand the market to other types of loans and other financial products to build on as well.

- 6) **Flexibility in lending** All loans granting is not based on the need to have collateral for credit consideration. Because the Company understood the burden of seeking collateral for entrepreneurs' loans. This is a major constraint on access to capital and a major reason for the lack of competitive and growth opportunities. But all of our financial product, the Company gives importance to the final payment, the end-users of goods, services or assets. Therefore, even if the customer has no collateral, the Company will consider granting credit to customers whose debtors are Government Agencies, State Enterprises or large private organizations which have the ability to pay debts. With this concept, the Company is an important choice for Small and Medium Enterprises (SMEs) in financing their business.

### (3) Source of Fund

The Company's funding sources can be classified into 2 types as follows.

1. Short-term loans from financial institutions and Bill of Exchange
2. Long-term loans from Debt Instruments, Long-term loans from financial institutions (Bank) and Non-Bank.

The Company adheres to the principles of capital management in accordance with the debtor structure of the Company by using short-term loan sources for providing short-term credit, namely Factoring, Bid Bond, Project Backup Financing and Trade Finance.

### (4) Asset of the Company

#### Trade receivables and credit receivables

Assets for operating mainly is trade receivables and credit receivable which could be classified as follows.

Trade receivables and credit receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Receivables (Million Baht)	Percentage	Receivables (Million Baht)	Percentage	Receivables (Million Baht)	Percentage
Financial lease	60.22	3.09	89.91	3.77	100.57	3.74
Hire Purchase	21.94	1.13	52.60	2.21	105.30	3.91
Factoring	693.54	35.61	901.04	37.81	1,040.82	38.68
Project Backup Financing	1,134.15	58.24	1,308.68	54.91	1,441.79	53.57
Installment Account Receivables	35.84	1.84	28.80	1.21	-	-
Trade Finance	1.81	0.09	2.20	0.09	2.60	0.10
<b>Total</b>	<b>1,947.50</b>	<b>100.00</b>	<b>2,383.23</b>	<b>100.00</b>	<b>2,691.08</b>	<b>100.00</b>

**Note :** Account receivables excluded allowance for expected credit losses

Receivables could be defied by type and aging and allowance for expected credit loss as follows.

#### Financial lease receivables

Financial lease receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
● Not yet due	43.09	71.55	72.01	80.09	98.32	97.76
● Up to 1 month	16.45	27.32	2.52	2.81	0.83	0.83
● 1-3 months	-	-	0.03	0.03	0.01	0.01
● 3-6 months	0.68	1.13	14.64	16.28	-	-
● 6-12 months	-	-	-	-	0.02	0.02
● over 12 months	-	-	0.71	0.79	1.39	1.38
<b>Total</b>	<b>60.22</b>	<b>100.00</b>	<b>89.91</b>	<b>100.00</b>	<b>100.57</b>	<b>100.00</b>
Allowance for expected credit losses	13.65		9.90		0.63	
<b>Net Financial lease receivables</b>	<b>46.57</b>		<b>80.01</b>		<b>99.94</b>	

As of 31 December 2022 and 2021, aging of financial lease receivables were in not yet due 71.55% and 80.09% due to the Company focused on products with high liquidity. As a result, this type of lending, which is a long-term loan, is reduced. The size of the debtor portfolio is therefore reduced.

#### Hire-purchase receivables

Hire-purchase receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
● Not yet due	8.87	40.43	45.29	86.10	95.71	90.89
● Up to 1 month	7.73	35.24	0.69	1.32	0.83	0.79
● 1-3 months	1.47	6.70	1.88	3.58	5.45	5.18
● 3-6 months	0.99	4.53	-	-	0.01	0.01
● 6-12 months	0.24	1.08	0.64	1.21	1.16	1.10
● over 12 months	2.64	12.01	4.10	7.79	2.14	2.03
<b>Total</b>	<b>21.94</b>	<b>100.00</b>	<b>52.60</b>	<b>100.00</b>	<b>105.30</b>	<b>100.00</b>
Allowance for expected credit losses	3.45		3.09		1.77	
<b>Net Hire-purchase receivables</b>	<b>18.49</b>		<b>49.51</b>		<b>103.53</b>	

As of December 31, 2022 and 2021, the age of hire-purchase receivables is in the normal range, 40.43% and 86.10% are not yet due, which decreased because the company focused on highly liquid products. As a result, this type of lending, which is a long-term loan, is reduced. The size of the debtor portfolio is therefore reduced.

## Factoring receivables

Factoring receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
● Not yet due	354.24	51.08	570.29	63.29	792.85	76.18
● Up to 1 month	43.00	6.20	78.71	8.74	102.53	9.85
● 1-3 months	11.59	1.67	18.93	2.10	37.46	3.60
● 3-6 months	22.29	3.21	24.58	2.73	12.42	1.19
● 6-12 months	95.23	13.73	86.25	9.57	26.74	2.57
● over 12 months	167.19	24.11	122.28	13.57	68.82	6.61
<b>Total</b>	<b>693.54</b>	<b>100.00</b>	<b>901.04</b>	<b>100.00</b>	<b>1,040.82</b>	<b>100.00</b>
Allowance for expected credit losses	156.41		140.12		88.94	
<b>Net Factoring receivables</b>	<b>537.13</b>		<b>760.92</b>		<b>951.88</b>	

As of December 31, 2022 and 2021, the age of the debtors from the purchase of claims is in the normal range, and the amounts are 51.08% and 63.29% are not yet due. In 2022, receivables overdue for more than 3 months amounted to 284.71 million baht. The increase in overdue receivables has found problems with the risk of competing for collection in the past. In particular, the purchase of claims of items during the year 2017-2018, including paying net amounts for transactions between debtors and customers, causing damage to the Company. The current credit for this product is therefore cautious and controls the collection of money for the purchase of claims with debtors in the private sector. Despite the effect that the amount of credit is reduced. But the quality of new lending is less risky and the impact is less expected as well. However, debtors in this group are closely followed up and legal action taken. Including a reserve for the expected credit cost of 156.41 million baht.

## Loan receivables

Loan receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
● Not yet due	95.84	8.45	318.92	24.37	704.80	48.88
● Up to 1 month	81.94	7.22	59.77	4.57	61.04	4.23
● 1-3 months	79.94	7.05	142.10	10.86	398.87	27.66
● 3-6 months	32.21	2.84	265.47	20.28	89.17	6.18
● 6-12 months	104.84	9.24	237.95	18.18	46.91	3.25
● over 12 months	739.38	65.19	284.46	21.74	141.00	9.78
<b>Total</b>	<b>1,134.15</b>	<b>100.00</b>	<b>1,308.67</b>	<b>100.00</b>	<b>1,441.79</b>	<b>100.00</b>
Allowance for expected credit losses	471.73		379.85		207.73	
<b>Net Loan receivables</b>	<b>662.42</b>		<b>928.82</b>		<b>1,234.06</b>	

As of December 31, 2022 and 2021, the age of the debtor under the loan agreement is in the normal range, 8.45% and 24.37% are not yet due because they are high-risk loans that may cause non-performing debt. Yes (NPLs), the company therefore reduces this type of credit, especially in the construction industry. This type of lending is currently being released to customers in industries that tend to grow. Or it is a job that the customer has the potential and expertise enough to accomplish the delivery. As a result, the amount of lending in this type has decreased considerably.

Accounts receivable overdue for more than 3 months, equivalent to 876.43 million baht, most of which are customers in the construction industry 80.00 percent and mostly caused by lending during 2019-2021, which was directly affected by the Pandemic of COVID-19 Since the beginning of 2020, dragged on for almost 3 years. Causing during that time, there were various restrictions on entering the work, resulting in delayed delivery of work. Customers bear the cost of project management, both in terms of labor costs and higher prices of raw materials. Until there is a lack of liquidity to pay interest, including supporting the project to be successful as well However, since the epidemic situation of COVID-19 begin to unravel Many projects are back to completion and some are in the process. which the company has followed up closely to deliver the work and repay the debt and if there is damage after the project is closed The Company will negotiate a debt repayment along with this restructuring. In addition, some customers in this group have pledged their assets as collateral. which has an appraised value of approximately 54.8 million baht. However, the company has gradually set aside an allowance for expected credit losses according to the risk and estimated damage that is expected to occur. The company has already set aside an allowance for this type of customer. The total amount is about 471.73 million baht according to the risk and quality of the debtor at any given moment.

#### Trade receivables

Trade receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
● Not yet due	-	-	0.38	17.27	-	-
● Up to 1 month	1.41	77.90	-	-	1.75	67.31
● 1-3 months	-	-	-	-	0.76	29.23
● 3-6 months	-	-	-	-	-	-
● 6-12 months	0.30	16.57	1.71	77.73	-	-
● over 12 months	0.10	5.53	0.11	5.00	0.09	3.46
<b>Total</b>	<b>1.81</b>	<b>100.00</b>	<b>2.21</b>	<b>100.00</b>	<b>2.60</b>	<b>100.00</b>
<b>Allowance for expected credit losses</b>	1.43		1.28		1.04	
<b>Net Trade receivables</b>	0.38		0.92		1.57	

As of 31 December 2021, trade receivables were 1.81 million baht which under debt restructure and closely monitoring.

## Installment account receivables

Installment account receivables	Consolidated Financial Statement					
	2022		2021		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
● Not yet due	10.65	29.73	20.24	70.28	-	-
● Up to 1 month	3.20	8.93	2.89	10.03	-	-
● 1-3 months	3.46	9.65	2.21	7.67	-	-
● 3-6 months	5.52	15.40	2.58	8.96	-	-
● 6-12 months	8.25	23.01	0.88	3.06	-	-
● Over 12 months	4.76	13.28	-	-	-	-
<b>Total</b>	<b>35.84</b>	<b>100.00</b>	<b>28.80</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>Allowance for expected credit losses</b>	16.45		2.45		-	
<b>Net Loan receivables</b>	19.39		26.35		-	

As of December 31, 2022, installment sales trade receivables amounted to 35.84 million baht, which operated through a new subsidiary in 2021, selling installment products mainly to students. The outstanding balance is in the normal range, 29.73 percent of which is not yet due. The accounts receivable overdue for more than 3 months, amounting to 18.53 million baht or 51.68 percent, came from the economic condition that faced severe inflation in early 2022, causing some customers to lack liquidity in debt repayment. The company is in the process of following up closely both from the debt collection department staff of the company and from the debt collection company.

### Allowance for expected credit losses policy

The Company recognized expected credit losses on financial assets which are measured at amortized cost using the General Approach. The Company classifies their financial assets into three stages based on the changes in credit risk since initial recognition as follow:

**Stage 1 :** Financial assets where there has not been a significant increase in credit risk (Performing). The Company will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

**Stage 2 :** Financial assets where there has been a significant increase in credit risk (Under-Performing). The Company recognized allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

**Stage 3 :** Financial assets that are credit-impaired (Non-Performing). The Company recognizes allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

The Company is to evaluate the increase in credit risk of loan receivables, factoring receivables, and financial lease and hire purchase receivables since initial recognition by comparing the default risk between the reporting date and initial recognition date. For the basis used in the evaluation, the Group applies an internal quantitative and qualitative basis and uses forecast information to assess the deterioration in credit quality of customers such as Days past due, compliance with conditions under debt restructuring contracts or according to court proceedings, High-risk group and that are closely monitored by management.

The Company evaluate provision by each agreement thus in case customer couldn't deliver their work and there is any risk that they couldn't do within timeline. The Company has to record allowance for expected credit losses each agreement offset with any guarantee i.e. cash received in advance or deferred cash return.

### Write off

The Company has write-off of bad debt policy under Ministerial Regulation No. 186, (B.E. 2534) Issued by the Revenue Code which has to authority by Management or Boards of Directors.

### Equipment

The Company has fixed assets as of 31 December 2022 as the list below.

Type of assets	Ownership	Net book values As of 31 December 2022 (Million Baht)	Commitment
Building Improvement	Lessor	3.58	None
Building	Lessor	6.86	Right of Use assets
Vehicles	Lease IT PCL	0.90	Right of Use assets
Office equipment	Lease IT PCL	0.65	None
Furniture	Lease IT PCL	0.00	None
Computers	Lease IT PCL	0.24	None
Software in progress	Lease IT PCL	17.44	None
Construction in progress	Lessor	20.68	None
<b>Total</b>		<b>50.35</b>	





# Shareholding Structure of the Company Group

## 1. Shareholding Structure of the Company Group

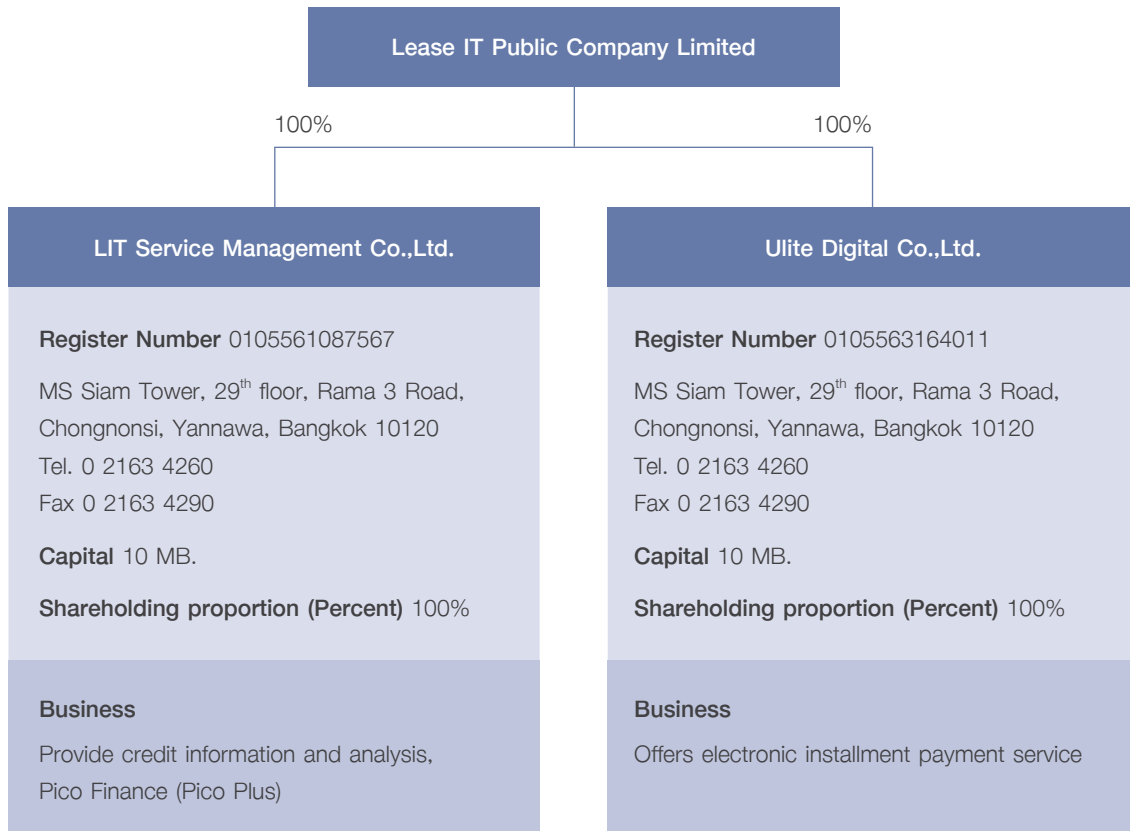
In operating the business of Lease IT Public Company Limited and its 2 subsidiaries, the operations are as follows:

Lease IT Public Company Limited provides credit services to SMEs customers in 8 main loan types. There are Bid Bond, Leasing, Hire Purchase, Project Backup Financing, Trade Finance, Letter of Credit (L/C), Supplier Finance and Personal Loan.

LIT Service Management Co.,Ltd. Provide credit information and analysis services to customers who apply for credit with Lease IT Public Company Limited as well as the preparation of various contracts and Pico Finance (Pico Plus)

Ulite Digital Co.,Ltd. offers purchases through installment payments (Buy Now Pay Later) by Mobile Application under the slogan Buy Now Pay Later.

### Shareholding structure



## 2. Person who may have conflicts hold more than 10 percent of the shares in subsidiaries or associated companies

The Company holds 100% of the shares in the subsidiary, therefore no person who may have a conflict of interest holds shares in the subsidiary.

## 3. Relationship with the business group of major shareholders

The Company has a major shareholder, SVOA Public Company Limited, holding 35.80% stake, but the nature of the Company's main business does not depend on or compete with other businesses in the major shareholder's business group.

## 4. List of Major Shareholders

Top 10 Major Shareholders

As at October 21, 2022

No.	Shareholder Names	Share	Percent
1	SVOA Public Company Limited	158,561,202	35.80
2	Mr. Somchai Padphai	21,666,205	4.89
3	Mr. Pairoj Sittimonamnuay	11,675,700	2.64
4	Mr. Mint Intanate	11,505,320	2.60
5	Miss Thitikul Saekeang	7,020,000	1.58
6	Mr. Wichien Srimuninnimitr	4,600,000	1.04
7	Mr. Pawawit Klinpratum	4,500,000	1.02
8	Mr. Suthud Khancharoensuk	4,070,000	0.92
9	Thai NVDR Co., Ltd.	3,578,539	0.80
10	Mr. Worapong Ladsena	3,342,400	0.76
	Other Investors	212,411,871	47.95
	<b>Total Shares</b>	<b>442,931,237</b>	<b>100.00</b>

SVOA Public Company Limited, which is a major shareholder of Lease IT, has main business in Thailand, selling both imported computer hardware and software, and has a production base of Owned under the trade name SVOA, including exporting products to many countries. It is also a consultant for a large computer network. Providing computer products and accessories to government agencies, business organizations and educational institutions.

## Amount of registered capital and paid-up capital

As of December 31, 2022, the Company's registered and paid-up capital. The Company has only one type of shares, the named common stock and having the same par value for every share, which is 1 baht per share.

Registered Capital : 601,732,935 Baht, consisting of 601,732,935 common shares.

Paid-up capital : 442,931,237 Baht consisting of 442,931,237 ordinary shares.

The Company has listed the Company's ordinary shares on the Market for Alternative Investment on 25 March 2014.

## Issuance of other securities

### 1. Debentures of Lease IT Public Company Limited No. 1/2021 Due B.E. 2023

Type of Debenture : Specified Bondholder  
Term of Debenture : 2 years  
Total value of the bonds offered for sale : 393,800,000 Baht  
Number of bonds offered for sale : 393,800 units  
Par Value per unit : 1,000 Baht  
Asking price per unit : 1,000 Baht  
Issue Date: 23/3/2021  
Maturity Date : 22/3/2023  
Interest rate : 5.70%  
Interest payment date : Every 3 months  
Residual Value : 393,800,000 Baht  
Most recently reviewed credit rating : BBB-  
Debenture Registrar : Bank of Ayudhya Public Company Limited  
Representative of Debenture Holders : Globex Securities Company Limited  
Secondary market for bond trading : -

### 2. Secured Debentures of Lease IT Public Company Limited No. 1/2022 Due B.E. 2567 (2023)

Type of Debenture : Specified Bondholder  
Term of Debenture : 1 year and 6 months  
Total value of the bonds offered for sale : 400,000,000 Baht  
Number of bonds offered for sale : 400,000 units  
Par Value per unit : 1,000 Baht  
Asking price per unit : 1,000 Baht  
Issue Date: 23/12/2022  
Maturity Date : 23/6/2024  
Interest rate : 7.00%  
Interest payment date : Every 3 months  
Residual Value : 400,000,000 Baht  
Most recently reviewed credit rating : BB-  
Debenture Registrar : Bank of Ayudhya Public Company Limited  
Representative of Debenture Holders : Asia Plus Securities Company Limited  
Secondary market for bond trading : -

## Dividend Policy

The Company has a policy to pay a dividend of not less than 50.00 percent of the net profit of the Company after deducting corporate income tax and allotment of reserved fund according to legal each year. However, the Company may pay dividends at different rates compatible with defined or approve the omission of dividend payment of the Company.

For a subsidiary, it is not a listed company. The dividend payment depends on the performance. Liquidity of the Subsidiary.

For the fiscal year 2022, Lease IT has dividend income from the subsidiary are 10 million Baht.

### Historical dividend payment

The Company's performance in the year 2021, had a net loss of 95,492,577 baht. The 2022 Annual General Meeting of Shareholders (No. 9) approved the omission dividend payment, and approved the omission of allocation of profits as legal reserve.

	2021	2020	2019	2018
Dividend pay-out rate (baht/share)	Omission	0.18	0.24	0.33
Percentage of dividend paid compared with net profit as per the financial statements (%)	-	55.95	51.55	50.95



**ONE**  
of Thailand's  
**Top Non-Bank  
Lenders for SMEs**

## 2 Risk Management

### Risk Management Policy and Plan

Lease IT Public Company Limited realizes the importance of risk management. Therefore, the Enterprise Risk Management Policy has been established to be a framework for developing risk management system of quality and standards according to the Company's good governance approach.

- The Executive and employees are part of the development of risk management process to support the organization's operations in consistency with the goals set forth in the action plans and strategies by evaluating the risks covering all aspects. i.e. Credit Risk, Risk of Interest Rate Fluctuations, Liquidity Risk, Risk competitive, The Risk of Reliance on Personnel, Risk of influence in the Management of major Shareholders. The Risk of Information Technology and Communication, Information Disclosure Risk, Risk on corruption, corporate Image and Reputation Risk and Risk from the spread of Coronavirus disease 2019 (Covid-19)
- All employees of the Company are Risk Agents with a duty to report the risks to the supervisors. If the employees find that there are the risks from the processes, work procedures, it is necessary to inform the supervisors or chiefs about the risks encountered in daily work so as to determine appropriate measures for risk management. The Company will manage the risks to be in acceptable level (Risk Appetite) or deviate not exceeding Risk Tolerance.

- Risk management: The Company's evaluation is based on 2 main factors as follows (1) Assessment of the costs and the returns of implementing the risk management strategies. Because of limited resources, it is necessary to evaluate the costs and the returns. If the risk management activities are carried out, if it is found that the returns of operation are not worth the added costs, the executives may consider the risk transfer approach (Transfer) so as to share the costs with external agencies responsible. (2) Likelihood of success in risk management: If it is found that there is likelihood of unsuccessfulness, alternative risk management will be considered for use as an options or to optimize the existing risk management plan.
- Risk management must be monitored and reviewed regularly by summarizing information on the risk management plan and reporting the progress for presentation to the Audit Committee and the Board of Directors on a quarterly basis.

#### Risk management culture

The Company has required the executives to communicate the importance of risk management and be a model for risk management, including creating the method for applying risk management practically. The risk management concept must be transferred from the upper level to employee level. Also, the risk management is set to be a course for the executives at manager level or above. Arrangements are made to exchange experience in risk management through the strategy meetings, general meetings of the executives, working group meetings, the risk management team meeting, etc. All employees are Risk Agents with a duty to report the risks to the supervisors. If employees find that there are the risks from the processes, procedures, it is necessary to inform the supervisors or chiefs about the risks encountered in daily work to be able to manage the risks appropriately.

## Risk management framework

Risk management is a component of good corporate governance. Apart from supporting the Company to be able to achieve the goals set, it can also add value to the Company's stakeholders in another way. Therefore, the Company has applied the Enterprise Risk Management -Integrated Framework according to COSO ERM guidelines as an approach for development of risk management system of the Company. The objective is to allow the executives and employees in the Company to realize the importance of risk management with consistent understanding of the definitions, goals and purposes. This will create responsibility thoroughly in the same direction throughout the organization effectively.

For such operation, there is a risk management team responsible for overseeing the operation according to the official standards and in consistency with the principles of good corporate governance, transparency and fairness to all relevant units in line with the established risk management guidelines. The Company has required collecting and summarizing the risk management report of each department on a quarterly basis. Also, the results must be reported to the Risk Management Subcommittee, Audit Committee, respectively, including reporting the results to the Board of Directors for information.

## Risk factors to the business operation of the Company

### 1. Current risks and potential risks 3-5 years

#### 1.1 Current risk

##### (1) Credit Risk

The Company offers credit without guarantee. Especially, in cases of leasing and hire purchase services, the credit risk depends on the quality of the account receivables, the quality of the customer, including the quality of products and services delivered by the customer to the debtor. For the factoring services, the credit risk mainly depends on the quality of the debtor. For the bid bond, project backup financing, and trade finance services, the credit risk mainly depends on the quality of the customers. The nature of the Company's credit will not emphasize the importance of the collateral due to the transaction is deal with the government (debtor) thus reducing the risk to the initial level.

However, the Company has credit management policies by setting rules and defining procedures to check both customers and debtors carefully before approving any types of loans. According to the policies, the Company relies on the quality of customers, account receivable including products and services to be delivered.

The Company is aware of the uncertainty of the current situation and economic conditions. Therefore closely monitored the quality of debtors in order to improve the criteria and credit approval process and appropriate credit risk management by focusing on developing a systematic credit risk management process good performance standards as well as monitoring and controlling the risk of overdue credit at an acceptable level.

The Company Has established and assigned a subsidiary "LIT Service Management Co., Ltd." to be responsible for rigorous credit consideration and analysis in every step of the process. to screen only quality loans into the Company's credit portfolio, by verifying customer information (KYC/CDD), using a credit scoring system (Credit Scoring) as well as analyzing debtor's ability to repay debt, which is a business partner of the loan applicant (Customers of the Company) and analyze the process of debt collection from debtors to prevent debt collection controversy and the process of verifying information about the identity of the debt ability to deliver goods and services. It also focuses on lending to low-risk products as well as expanding its work with government agencies, including lending in industries that have a tendency to grow as well.

## (2) Risk of Interest Rate Fluctuations

Typically, the lending interest rate is a major cost of the Company that varies according to the market interest rate. It affects interest rate valuation for the customer. The change of interest rate valuation may affect the operation performance of the Company.

The Company has policies and risk management guidelines from interest rate fluctuations because they are a major cost of the Company. In most cases, they are short-term loans in factoring, bid bond, project backup financing, and trade finance services. The Company is able to adjust the interest rates or fees based on the fluctuations in its financial costs. For the leasing and hire purchase services, the Company's interest rates are fixed for customers, however, the difference between the cost of funds and interest rates will be added to compensate the risk of interest rate fluctuations in the future.

However, the Company has managed to find a source of funds for a period corresponding to each loan type (Matching Source) to reduce the risk of fluctuations in interest rates by another way.

However, according to the policy and guidelines for managing funding sources, the Company has Interest Bearing Debt according to the statement of financial position as of December 31, 2022 as a debt with a fixed interest rate of 844.99 million baht and There is no floating interest rate debt.

## (3) Risk of Asset Quality

The Company has risk on asset quality whereas the economic slowdown since 2019 coupled with the impact from coronavirus disease 2019 (COVID-19) has caused NPLs to rise materially. The recovery of economic activities is delayed and limited access to vulnerable areas as result to delayed delivery and decrease in liquidity. In addition, the Company adopt TFRS9 which requires inclusion of the changes in credit risk i.e. days past due, debt restructuring contracts or according to court proceedings and high risk group that are closely monitored by management etc.

The Company continue to focus on financing to customers who are government supplier. Thus, the Company has portion of customer who are public suppliers with government supplier in 2022 was 32:68.

## (4) Risk of maintaining financial ratios of the Company

(4.1) Risk from the company having to maintain the debt to equity ratio In accordance with the rules specified in the terms and conditions of the rights and obligations of the debenture issuer, which must be maintained at a ratio of not more than 4.0:1 at the end of each quarter or the end of the fiscal year throughout the life of the debentures. There are measures to keep the ratio not more than 4 times. The Company can maintain the ratio including an appropriate capital structure

(4.2) The risk from the company The ratio of debtors to secured debentures must be maintained. The ratio is not less than 1.5 (one point five) times at the end of the quarter or the end of the fiscal year throughout the life of the debentures. As of December 31, 2022, the Company has debt obligations for secured debentures in the amount of 400 million baht, and the Company has total debtors according to the terms and conditions exceeding 1.5 times of the secured debentures.

## (5) Liquidity Risk

From 2021 – 2022, the Company has operating losses from the high disproportionate credit loss allowance following the increase in non-performing liabilities as a result of the increased risk. Significantly due to the impact of the economic recession resulting in a lack of liquidity for customers. causing inability to pay debts on schedule and reduced income from the strictness of lending in order to cause the least amount of non-performing debt from lending however The Company has many financial institutions that give financial support, the total amount of 900 million baht. Main financial amount (short-term financial amount) was 800 million baht The company still has a credit line of about 200 million baht that can be withdrawn unconditionally. which made the company Still able to manage liquidity.

In addition, the company has liquidity management to prevent such risk by trying to allocate the use of fund to be in line with the source of fund (source of fund). of the company It is a short-term loan with a maturity of 30-120 days, resulting in working capital from the credit portfolio of at least 300 million baht per month. Including the collection of non-performing debts and reducing unnecessary expenses, allowing the company to maintain liquidity.

The Company also has funding sources from the use of new financial instruments. As a result of the Company's listing on the Stock Exchange of Thailand, such as issuing debentures for sale to investors. and additional credit lines from financial institutions and commercial banks for capital increase offering for sale of warrants This will help the company to manage liquidity better. Including increasing the ability to find funding sources for lending in the future.

**(6) Risk from the Company Most of the debt is debt instruments.**

Most of the Company's funding sources relying mainly on debt instruments. As of December 31, 2022, the Company had outstanding debentures of 787.29 million baht, so the Company was exposed to the risk of being unable to issue new debentures to redeem the old debentures that will be due. However, as of 2022 The Company has received financial support from financial institutions in the form of loans from financial institutions of 900 million baht and the Company has already prepared cash and cash equivalents to repay the debentures due in March 2023.

**(7) Risk Competitive**

The Company has at risk to compete with financial institutions or lenders who have stakeholders being financial institutions. However, the target customer of the Company is different from the target customer of other financial institution. Most of them are small and medium enterprises with limited authorized capital and collateral which they are not supported by their financial institution. Meanwhile, there might be delays in the process of financial institutions and most financial institutions did not focus on the debtor as government agencies or state enterprises because the timing of payments was not clearly identified as large private enterprises. The specific group of enterprises prefers to use the services of loan from non-financial institutions.

Most competitors of the company are non-financial institutions of loan servicing. They focus more on different types of loan services while our company provides a complete and integrated credit facilities by the important marketing strategies of the Company include a full service, quick and efficient processes, good relationship with customers, clear cut price, flexibility in lending.

**(8) The Risk of Reliance on Personnel**

Within the business model of the Company, employees are the key personnel, especially in sales and marketing, because they are the people who reach out and connect with customers. The personnel are considered an important resource in the business of the Company. However, the Company has set up the policy in relation to reduce the risk of loss of such personnel by focusing on the development and promotion of the proper personnel involved in the operation and growth. In addition, the Company has the policy to develop knowledge and ability to work as a team there not attached to the person. This will reduce the risk of relying on specific personnel.

**(9) Risk of Influence in the Management of Major Shareholders**

As of 31 October 2022, the SVOA Limited Company (Inc.) ("SVOA") is major of the shareholder of the 35.80 percent of shares sold by the Company. The major shareholders have stipulated in the loan agreement in terms of legal provision and policies. They must receive the vote not less than 3 out of 4 from the shareholders who come to the meeting and have the right for voting. Due to the fact that 25 percent of the major shareholders able to have the right to oppose to resolutions. It results that the other stakeholders cannot take equilibrium the resolutions of the major stakeholders.

However, the major shareholders are demanding the Company to run the business with freedom. It is different from the SVOA's business. Although the SVOA is still a major shareholder but it is realized that this kind of business requires expertise in the administration. It will be seen that the executives of the Company most have experience in financial business. Meanwhile, the Company has appointed 4 independent committee members to the audit committee (from a total of 8 members). All of them have great experience in financial business or have specialized knowledge that will benefit to the company. Their duties include to advise on business operations, examining, considering, and screening in order to avoid items that might cause a conflict of interest in the future. To ensure transparency in the operations of the Company, the structure of executive directors and senior managers are still the same after selling shares to increase capital of the Company.



**(10) Risk from complying with conditions specified in loan agreements from financial institutions**

because SVOA is a major shareholder of the Company as of June 14, 2013 holding 86.21% of the total number of shares sold of the Company And after this public offering In addition, SVOA will offer 6,000,000 of its shares to the public by selling such shares together with the public offering and at the same price.

The shareholding proportion will be reduced to 47% which the financial institution that the Company The loan agreement of 3 companies stipulates the condition in the loan agreement that SVOA must maintain the shareholding proportion of not less than 47% even though the shares held by SVOA are in the blackout period. shares for a period of 12 months from the date on which the Company's shares Start trading on the stock market.

After the date on which the Company's shares Start trading on the stock exchange after 6 months, SVOA can gradually sell 25% of the total shares that are prohibited from selling and the other 75% after 12 months. Later in March 2015, the institute All 3 financial institutions have considered reducing the shareholding conditions of SVOA to 35 percent and have considered approving the reduction to 30 percent according to SVOA's policy, respectively.

The Company therefore has the risk of breaching the loan agreements of 3 financial institutions if SVOA sells its shares until the stake is less than 30 percent. holds shares 35.80%.

**(11) The Risk of Information Technology and Communication**

The Company has the risk of Information Technology and communication due to the Company has outsourced the software development for the Information System Management and provide database administration services, without a knowledgeable IT specialist to be responsible for database maintenance. However, the Company's information system has a quality and adequacy of decision making on financial information and other. The Company has also adopted a generally accounting policy. The Company has an efficiency information system including an access control system, data loss prevention, restore data, the copyright infringement controlling, reproduction, modification and capable of keeping confidential information.

The Company focused to develop the Information Systems to emphasize in the Information System proficiency of SVOA. The Company continues to develop software for its information management system to better serve its customers, the development of management decision information and supporting the growth of business. And the Company has provided IT staffs, who expert in information technology infrastructure and database structure, for providing the reliable data analysis.

**(12) Risk on corruption**

The Company is engaged in lending business under several product lines catering to different markets. The Company's customers may have some limitations on various issues, for example, on providing collateral, on working capitals etc. In this connection, the Company may face the risk of personnel malfeasance which can be from within or outside the organization.

The Company is conscious of the corruption possibility and has put in place internal control system including the use of IT support to enhance its anti-corruption activities. The Company also provide channels to report clues (whistle blowers), complaints and give suggestions via the Company's website. The Company has in place approval process based on the line of duty, credit control system prior to loan disbursement by verifying the existence of debt, preparing documents to transfer the rights to make payments by requiring customers to transfer their rights to receive monies to the company etc. Note that the company has in place formal guidelines to manage corruption risk by incorporating anti-corruption policy which specifies the duty, responsibility, procedure and guidelines on various issues concerning corruption.

**(13) Corporate Image and Reputation Risks.**

Risk to the reputation and image of an organization is important for every company as it is the reflection of the view by stakeholders on a company. Moreover, now a day, social network is an important communication channel to exchange information and news quickly and extensively. Consequently, if there is any negative news or incident appearing in social media which may be just fabricated rumors, inaccurate spreading of information on the Company via public relation activity or via the Company's website or social network including via advertisement in various documents or arising from a mistake in managing the business or simply ignorance which can affect the Company's image and reputation in positive or negative light.

In this connection, the Company has set up the Business Development Department to oversee and be responsible for using information in public relation activities so that it is factual and appropriate. Their responsibility include monitoring any material news on the Company, whether directly and indirectly, including consistently looking after and follow up on news and information appearing on the Company's website and social network in order to prevent or reduce misunderstanding that can affect the Company's image and reputation to the bare minimum.

#### **(14) Risk from the spread of coronavirus disease 2019 (COVID-19)**

The coronavirus disease (COVID-19) situation has spread widely and intensified. This may cause complications in business operations. The Company has followed news and announcements from the Ministry of Public Health in order to evaluate the situation with potential impact on the Company's business operations. The Company has created the Business Continuity Plan (BCP) to reduce the impact on business operations throughout the spread of coronavirus disease 2019 (COVID-19) by allocating resources for business continuity management and efficiency, including care for health, safety of employees, maintaining cleanliness of the workplace, preparing antibacterial and cleaning equipment for employees, setting measures for traveling to outbreak- prone areas.

In addition, the Company focuses on financing to customers who have been low-risk industry, such as the medical device industry, transportation, plastic industry including upgrading the quality screening of customer and debtors who have the ability to pay debts

In the year 2021, the Company was affected by a new wave of COVID-19 pandemic since the end of 2020, which impacted business activities, especially the construction industry. Restaurants activities, entertainment activities, etc. The Company's customers are also affected by COVID-19, especially in the construction industry, which accounts for about 53.20% of the customer which resulted in delayed delivery due to limited access to working areas or labor reallocation, etc. During the year 2022, there is a cash flow from debtors of about 300-500 million baht per month. Adjusted from the year 2021, about 50-100 million baht per month, which slightly decreased according to the state of the economy that was negatively affected by COVID-19, but compared to the current average lending amount of about 300 million baht per month still in line with current cash inflows, resulting in the Company There is still sufficient liquidity for credit granting.

## **1.2 Environment, Social, Government RISKS (ESG Risks)**

### **(1) Climate change**

Global warming problems result in the changing climate, rapidly changing seasons, melting glacier, higher sea level. These things affect the current life and the business costs as well as delivery of the works. Although, the Company's business operations do not have direct impact on the environment, however, the use of electricity, energy of various kinds in business operations have indirect impact. The Company is aware and has set the target to reduce greenhouse gas emissions through various operations.

### **(2) Human rights in the supply chain**

Respect for fundamental human rights, personal dignity, privacy and the rights of each individual that one contacts while working. The Company respects and abides by the law on human rights, including preventing and avoiding human rights violations of employees, trade partners and communities.

### **(3) Corporate governance**

The Company operates a financial business that must be reliable and work within the legal framework. The Company has the Internal Audit Department responsible for inspecting the performance of various departments according to the regulations laid down. The audit results are reported to the Audit Committee and presented to the Board of Directors on a quarterly basis. Furthermore, the Company also has the channels for receiving complaints and has established guidelines for action if there are complainants. Besides, measures are available to protect the complainants.

### 1.3 Emerging Risk

Emerging Risk is the risk of losses which may result from unknown event/occurrence that has never taken place before or lacking of experience in facing such risk up to the present. In the future, there could be changes that take place as a result of various circumstances regardless of whether politically driven, legally driven, socially driven, technology driven or environmentally driven. In certain situation, it may not be possible to assess the impact or be unable to specify the risk. For example, risk arising from nanotechnology, risk from modifying heredity or the risk arising from changes in weather conditions etc.

Emerging risk which may impact the Company could take the form of technological change i.e. Fintech, digital transformation, cyber attack and internet burglary. and the risk from the epidemic situation that may occur again including extreme changes/volatility of the climate.

Due to the changing technology, there are new risks that may arise, such as the illegal use of personal identity information for inappropriate purposes. or without consent (Identity Fraud Risk), changing consumer behavior from increased use of technology including the transformation to digital innovation. and the risk of being prosecuted in case of leakage of customer information and damaged customers.

#### Approach to risk management

- Collect information from reports or events which may turn out to be emerging risk from various sources, for example, World Economic Forum, state agency etc. in order to understand and find ways to eliminate/reduce the impact on the organization appropriately.
- The Company is in the process of developing IT system to enable quick response to customers' requirements for prompt, correct and accurate information.
- Prepare the team for the FinTech era (Financial Technology) to be able to take the business through the Digital Transformation era.
- Have a Business Continuity Management.

### Business Continuity Management (BCM)

Business continuity planning is the preparation of roadmap for managing business uninterruptedly without pause when the business is in the state of turmoil which could be the result of external or internal threats obstructing business operations.

#### 1. Factor on losing the Company's prominent person

The Company realizes the importance of readying new & upcoming management team to replace the existing one upon the expiry of their tenure by preparing succession planning at the managing director level or the finance & accounting director position. Furthermore, the Company has arranged trainings for management at lower level including team head to witness the decision making process in loan approval via observing risks from all aspects.

#### 2. Factor on losing the Company's critical information

The Company has information backup system both inside and outside the organization including disaster & recovery sites (DR Site) to support BCM's requirements, support storage and operation system backup including software and computer applications and related data so they can be retrieved and be ready for use at all times. As part of the process, the information will also be stored/back up at the disaster recovery sites on ongoing basis.

Upon the occurrence of crisis situation, the managing director has the authority to make decisions and give orders to resolve various emergency incidents together with other senior management members. All the company's staff and customers shall be informed accordingly via Line, email, the company's website or other appropriate channels.

### **Building risk culture in the organization**

The Company realizes that organizational culture is an important component for the success of risk management. In this connection, the Company mandates that the management communicate the importance of risk management and act as the role model in risk management including applying risk management concept to the Company's operations. There is to be the transfer of risk management mindset from the management down to the staff level and to make risk management training/course be mandatory for manager level and up. Arrange to exchange risk management experience via strategy meetings and each member of the staff to become risk agent with the responsibility to report risk issues to his/her supervisor. If an employee discovers risk in the work process he/she has to report to the supervisor in order to find ways to prevent or minimize such risk.

## **2. Investment risk of Securities holders**

### **(1) Risk of changes in the price of securities**

Because the demand and supply of the market are constantly changing. This is often caused by variety of factors that the price of securities does not depend only on the Company's performance. Therefore, it is a risk for securities holders to invest with the Company. Securities holders therefore often diversity their investments in various industries in order to diversify their risks and minimize the loss of full or partial money.

### **(2) Risk from the ability to pay dividends**

The ability to pay a company's future dividends depends on a number of factors, such as operating cash flow, the need to reserve capital for business expansion, etc. If there are factors affecting the ability to pay dividends, there is a significant change. The Company may be at risk of paying dividends at a lower rate than the predetermined or unable to pay dividends.

## **3. Risks of investing in foreign securities**

The Company does not invest in foreign securities.



# 3 Driving business for sustainability

## Sustainable Management Policy and Goals

The Company has set the sustainability direction in 3 main dimensions under the framework of the implementation of good corporate governance as follows:



### 1. Economy

#### Encourage Thailand's Economic by supporting SMEs to access source of fund systematically

The Company aims to be a non-financial source of alternative fund for Small and Medium Enterprises (SMEs) which cannot access to source of funds, not being supported by financial institutions even that those SMEs have potential to grow. Such businesses normally require funding outside the system (loan shark) which is a barrier to succeed the Company's goals in long term.

#### a. Product Innovation for SME

The Company considers developing a variety of financial services to provide total financial solutions especially for SMEs in order that SMEs can grow in accordance with their true capability.

#### b. True Financial Partner

The Company always supports SME side by side and gives them financial advice on funding source in accordance with our core mission to enhance the relationship between the Company and SMEs customers as "True Financial Partner".



## 2. Social

### Develop strong society

The Company gives importance to developing strong society according to good governance guideline so that the Company sets clear guidelines for executives and employees to conform as followings; Anticorruption, Human Right, Accounting operations, Fair labor practices, Health and safety in the work environment, Fair business operation and responsibility for business partners, Breaches and supply chain management



## 3. Environment

The current environmental problems which tend to be more serious. As a part of mitigation or impact arising from Human actions, either directly or indirectly. The Company and employees have created a consciousness to protect the world, protect the environment. It is believed that the small dots, when combined together, constitute a group and the power to reduce or mitigate pollution.

### Sustainable development guidelines

The Company is determined to operate under good corporate governance practice by taking into consideration economic, social and environmental impacts. The Company specified an approach to sustainable development with participation of the stakeholders as follows.

1. To monitor developments, events, changes in related industry by considering factors that impact the business, society and the Company's environment such as the changing weather conditions, financial technology, international sustainable standards e.g. Global Reporting Initiative (GRI), Sustainable Development Goal (SDGs).
2. Accord importance to all stakeholders' expectations via participation in various activities, for example, conducting survey of customers' satisfaction, trade partners' satisfaction, employees' satisfaction, including taking into consideration the board of director's suggestions in order to improve and meet the expectations of the stakeholders appropriately

### Disclosing the policy to all groups of employees and stakeholders as follows

#### 1. Corporate Governance Policy

- Rights of shareholders
- Equitable treatment of shareholders
- Roles of stakeholders
- Information disclosure and transparency
- Board responsibilities

#### 2. Business Ethics

- Conflict of interest
- Protecting the assets and using the assets of the Company
- Giving or receiving gifts
- Securities Trading and the Use of Inside Information
- Internal control and audit and financial reporting
- Prohibit dishonesty
- Confidentiality and information
- Human rights and political activities
- Anti-corruption and bribery

The Company reviewed and improved the business ethics to avoid conflict of interest, the use of internal information, safeguarding confidential information, the use of information technology and communication.

The Company specified the following procedure upon receiving complaints.

1. Accept complaints.
2. Appointment of Complaint Handling Committee to investigate the truth and prepare summary of the event.
- 3 Report the matter to the Audit Committee for their consideration and recommendation. Come up with solutions or take legal actions in case an offence is committed.
4. Inform the outcome to the Company's board of directors including informing the complainant for acknowledgement.

### Measures to protect complainants, whistle blowers or persons providing cooperation.

1. Complainants, whistle blowers, affected persons or persons providing cooperation in good faith who are involved in all steps of the investigation shall be protected or are guaranteed non-retaliation.
2. The Company shall not divulge information on complainants, whistle blowers or involved persons. The matter shall be treated confidentially.
3. Complainants or affected persons shall be remedied and redressed in line with the Company's appropriate action steps.

In order to avoid the repeat of ethically-related misconducts, the company clearly outlined punishment for those who committed such misconducts and required the employee to pass the business ethic test.

In 2022, there is 1 complaint from the Company's Operation related to fraud or violation of the Company's Good Corporate Governance Policy. At present, the procedure has been carried out and the investigation has been recorded in writing. Including correcting and designing measures to prevent recurrence.

### How to achieve sustainable development goals

Lease IT Public Company Limited with the United Nation's sustainable development targets. The United Nations has established sustainable development goals. Which consists of 17 sustainable development goals as follows



The Company is aware of the need to participate in order to achieve the UN's development targets sustainably and, accordingly, operates the business in the manner that supports such targets as follows.

Sustainability Frame Work	Materailities	SDGs Goal
Governance	Corporate Governance and Ethics	16. Peace, Justice and Strong Institutions; 17. Partnerships for the Goals
	Risk Management	8. Decent Work and Economic Growth
Economy	Company performance	12. Responsible Consumption and Production
	Brand Awareness	3. Good Health and Well-being; 9. Industry, Innovation and Infrastructure
	Development of technology and innovation	8. Decent Work and Economic Growth; 9. Industry, Innovation and Infrastructure; 12. Responsible Consumption and Production
Social	Being a source of funds that SMEs have access to	1. No Poverty; 8. Decent Work and Economic Growth; 11. Sustainable Cities and Communities; 17. Partnerships for the Goals
	Information security	16. Peace, Justice and Strong Institutions; 12. Responsible Consumption and Production
	Employee development and care	3. Good Health and Well-being; 4. Quality Education; 5. Gender Equality; 8. Decent Work and Economic Growth; 10. Reduced Inequalities; 17. Partnerships for the Goals
Environment	Climate change	13. Climate Action

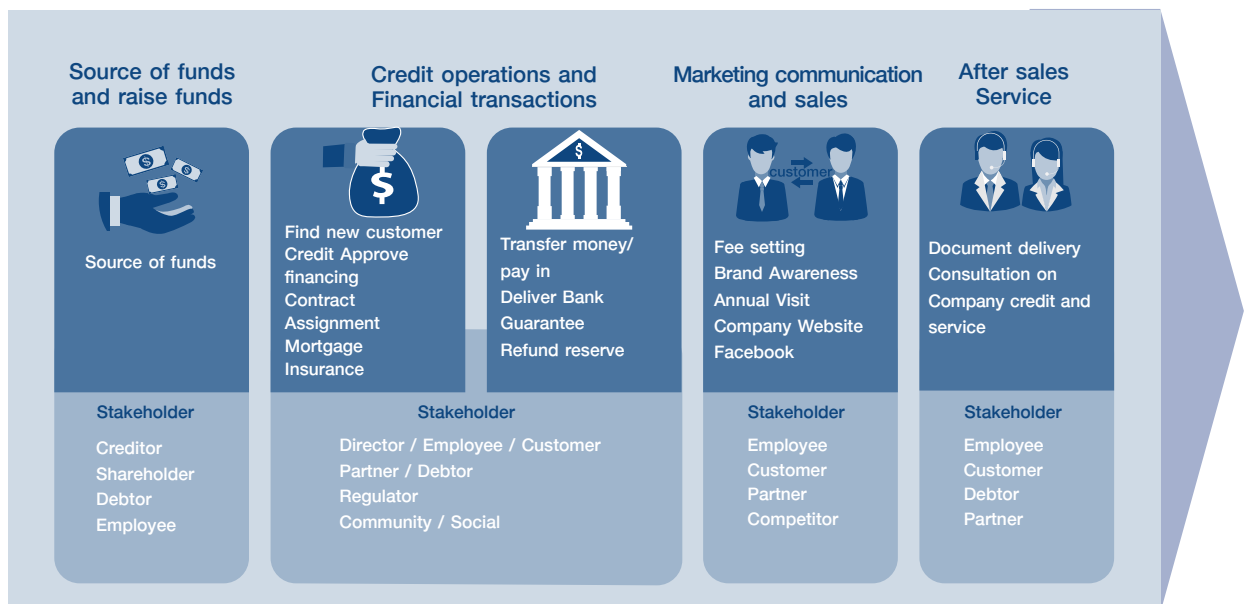
# Managing the impact on stakeholders

## 1. Value chain

In the business of the Company, There are main activities and stakeholders involved in the process as follows:



### Value chain





## 2. Analysis of stakeholders in the value chain

### Stakeholder Engagement

Stakeholders	Communication and channel	Action frequency	Stakeholder's Expectation	Action
<b>1. Directors</b> 	BOD meetings Provide sufficient information completely and timely	Once a month All time	Fair treatment for all stakeholders Manage transparently based on good corporate governance principles. Continuing growth performance	Providing sufficient information Participate in business supervision Specify policy and methodology on labor-related laws
<b>2. Employees</b> 	Arrange orientation session for new employees Survey the need of employees and their supervisors for job specific trainings. Survey loyalty to the organization. Organize outing/team building activities to strengthen employee loyalty to the organization. Disseminate information/news via social media (LINE)	For the first time (new joiners) Once a year Once a year Once a year or as appropriate All times	Career path for the job. Receive fair monetary compensation and welfare. Receive annual bonus. Receive fair treatment. Opportunity to learn for career path growth.	Specify policy on human rights Promote career advancement. Arrange job trainings at various levels and disciplines. Annual performance appraisements. Improve working environment to conform to good hygienic principles and job safety.
<b>3. Shareholders</b> 	Annual General Meeting Disclose information via SET, website. Form 56-1 One Report Opportunity Day. MAI forum. Company Website.	Once a year All times Once a year Twice a year or as appropriate Once a year All times	Continuing growth performance and increasing profitability. Receive dividend. Receive high return on investment and The Company to enjoy stable growth sustainably. Transparent business management/operations. Such can be audited.	Generate good results under strict and robust risk management practices. Disclose information to shareholders and the SET via activities or other communication channels transparently manner that can be inspected. Invite shareholders to annual meetings and to participate by giving feedback.
<b>4. Trade partners</b> 	Accept complaints/various suggestions via website	All times	Operate the business transparently, ethically and morally.	All process must be auditable. Having a system to investigate and solve problem on timely manner.
<b>5. Community and society</b> 	Participate in volunteering activities. Organize/join/participate in seminar/talk, discussion activities.	Twice a year or as appropriate Once a year or as appropriate	Promote and support social activities for various communities as a return of favor to the society. Provide knowledge on financial products.	Support budget for social activities on ongoing basis. Disseminate information via social media.

Stakeholders	Communication and channel	Action frequency	Stakeholder's Expectation	Action
<b>6. Customers</b> 	<p>Direct contact via sales personnel or assigned operational staff.</p> <p>Visit by sales personnel/ the management on New Year or important occasions.</p> <p>Customer satisfaction survey.</p> <p>Provide channel for receiving complaints/accept suggestions via website, email, letters etc.</p>	<p>All times.</p> <p>Once a year or as appropriate</p> <p>Once a year or as appropriate</p> <p>All times</p>	<p>Customers receive clear and correct information. Safeguard the confidentiality of customers' data.</p> <p>Customer receives prompt service.</p> <p>Provide solutions without shifting responsibility to other colleagues.</p> <p>Management and staff adhere to good corporate governance practices. Perform their duties transparently, ethically and morally. The process is auditable.</p>	<p>Train employees to provide efficient services in line with the slogan "True Financial Partner".</p> <p>Delivering the product in this scenario means providing loans that meet clients' requirements.</p> <p>Focus on good corporate governance culture and for employees to have business ethic to provide clients with trust worthy services.</p> <p>Increase suitable channels for customers to avail credits and other financial services conveniently.</p>
<b>7. Creditors</b> 	<p>Financial Statement</p> <p>Company Website</p> <p>Provide channel to receive complains/suggestions.</p> <p>Form 56-1 One Report</p>	<p>Quaterly</p> <p>All times</p> <p>All times.</p>	<p>Comply with all terms &amp; conditions.</p> <p>Repay interest and loan installments on time.</p> <p>Communicate and disclose information on ongoing basis.</p>	<p>Pay interest and loan instalments on time.</p> <p>Ongoing communication of correct and complete information.</p>
<b>8. Competitors</b> 	<p>Participate in the Thai Factoring Association meetings.</p>	<p>Monthly</p>	<p>Exchange information which may be beneficial to factoring operations.</p> <p>Jointly cooperate to strengthen the stability of factoring companies.</p> <p>Compete transparently, honestly and fairly.</p>	<p>Compete under the framework of fairness.</p>
<b>9. Debtors</b> 	<p>Form 56-1 One Report</p> <p>Company Website, Facebook</p>	<p>All times</p> <p>All times</p>	<p>Provide clear, correct and complete information.</p>	<p>Provide correct and complete information.</p>
<b>10. Regulator</b> 	<p>Form 56-1 One Report</p> <p>Company Website, Facebook</p>	<p>All times</p> <p>All times</p>	<p>Strictly abide by the regulations/ guidelines</p>	<p>Strictly abide by the regulations/guidelines</p>

## Materiality Identification

The company considers the organization strategy and the impact on stakeholders. By connecting with internal and external stakeholders as follow

Materiality	Stakeholder									
	Internal		External							
	Director	Employee	Shareholder	Partner	Community/ Social	Customer	Creditor	Competitor	Debtor	Regulator
Company performance	●	●	●			●	●	●		
Brand Awareness		●		●		●		●	●	
Development of technology and innovation	●	●	●	●		●		●		
Risk Management	●	●	●			●	●			●
Being a source of funds that SMEs have access to	●	●	●	●	●	●		●		
Information Security	●	●	●	●		●				●
Corporate Governance and Ethics	●	●	●			●	●			●
Employee development and care	●	●			●					
Climate change	●	●	●		●	●				●

## Prioritization of Material Aspect

The company prioritized sustainability issues. By considering the issues that are in order of importance to the most.

Materiality Matrix 2022				
High Important/Impact to stakeholder Low	● Climate Change		<ul style="list-style-type: none"> <li>● Corporate Governance</li> <li>● Development of technology and innovation</li> <li>● Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>● Company performance</li> <li>● Being a source of funds that SMEs can access</li> <li>● Brand Awareness</li> <li>● Information security</li> </ul>
			<ul style="list-style-type: none"> <li>● Employee development and care</li> </ul>	
	Low	Important/Impact on business (Economic/Social/Environment)	High	

## Sustainability management in the environmental dimension

### 1. Environmental Policies and Practices

The Company is aware of current environmental problems which tend to be more serious. Currently, there are organizations, government and private sectors, including non-profit organizations which are watchful and care more about environment. Therefore, to be a part of relieving or reducing any impact arose from human direct and indirect actions, the Company aims to implement in regard of environment to produce mutual benefit for the Company's every employee level and to reflect the responsibility for society, community, environment, and stakeholders according to the following approaches:

1. Implementation of activities of the Company and its subsidiaries shall strictly comply with related environmental laws and regulations.
2. Creating conscience for world saving to employee in order for them to be aware of the impact from doing or not doing things with a belief that many small parts can become a group and power that will reduce or relieve pollutions to forward good environment to our next generation by providing training that gives and publicizes knowledge to everyone.
3. Intention for the most efficient and worthy resource use.
4. Every executive level supports various aspects, for example, personnel, tool, time, budget, etc., in order for its implementations to be achieved according to the determined objectives.
5. The Company aims to develop the quality of life of its employee by promoting good atmosphere and environment to work pleasantly together with improving working performance to be efficient and met the Company's goal.
6. The Company will provide an advice channel for environmental problem-solving guideline of the most benefit by informing any responsible departments to lead to sustainability, which will be coordinated with every department for achieving the success in environmental problem-solving.

The Company aims to reduce any impacts arose from any aspects of environment and publicizes to its employee implementation results, including the following annual report:

- Reduction of greenhouse gas emission by reducing paper and electric energy.
- Sorting the type of garbage before disposing and also record the amount of waste that has been recycle and income from garbage disposal.

In year 2021 the Company has a project to reduce electricity usage by requiring turning on-the air conditioning system during 8.00-18.00 each day. Turn off the light during the lunch break and after work. Reduce the use of water and reduce paper use, by using both sides of the paper before disposing.

#### Resource and Environmental Management Process

The Company emphasize the important of doing business on basis of good corporate governance, also responsible for society and the environment. By doing this, the Company has determined guideline for executives and employee to comply with good governance, transparency and ethics.

To achieve successfully and sustainable in a socially responsible and environmentally, the Company has established a policy of commitment to social responsibility and environmental activities. CSR policy functions are built to achieve continuity through the following procedures:

- To take continuous action.
- To link the various projects and activities together.
- All employees are required to participate in the activity.
- To build a network, such as CSR partner involvement of partners and so on.

The Company has focused on environmental protection and promote activities to reduce global warming. It focuses on simple activity which can start within our organization. Therefore, the Company have created awareness for employees aware of the importance of natural resources. As well as arrange the training to understand how to protect environment, starting from a small spot within the Company and actively promoting the practice as following:

- 1) Securing Forest: To promote use of recycled paper and paper saving
- 2) Reduction of electricity consumption: To promote the efficient use of electricity and the use of environmentally friendly electrical equipment.
- 3) Water conservation: Promote water saving.
- 4) Reduction of waste: Encourage employees to separate waste before disposing

- Determines for the members of its strategy team to be a committee of energy conservation which is responsible for energy management, follow up, inspection and collection of information of energy used inside buildings for constant development and improvement to meet the Company's goal.
- Assigns for energy conservation, water resource management, garbage and waste management to be responsible by its executives and every employee level by collaborating in every aspect.
- Provides knowledge, promote, and support its employee to participate in the measures of energy conservation, water resource management, and garbage and waste management. In the past years, there was a campaign of water and electricity resource reduction once they were not used.
- Assigns for goals of energy conservation and greenhouse emission to be the Company's indicator.

### Management Approach

The Company has assigned an environmental management policy to conserve environment and energy for reducing greenhouse emission from its operations by having the following process:

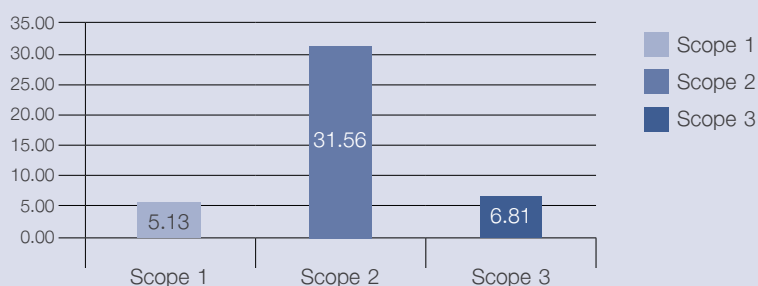
- Reduces corporate energy and resource uses
- Reduces greenhouse emission caused by the Company's energy use

## 2. Environmental performance

Operation results are as follows

The Company calculated the volume of carbon footprint using carbon footprint program for office/hotels and others developed by Thailand Greenhouse Gas Management Organization (Public Organization (TGO)). In 2022, the organization released greenhouse gas at the volume of 43.50 ton carbon dioxide (tCO<sub>2</sub>e). In 2021 the Company's activities to reduce greenhouse gas by separating wastage for recycling and was able to reduce greenhouse gas release of 0.96 tCO<sub>2</sub>e or up to 2.21% of released greenhouse gas.

Summary of Carbon Footprint (tCO<sub>2</sub>e)



2022	Greenhouse Gas Quantity	% reduce
Greenhouse gas emission	43.50 tCO <sub>2</sub> e	
Reducing Greenhouse gas emission	0.96 tCO <sub>2</sub> e	2.21 %

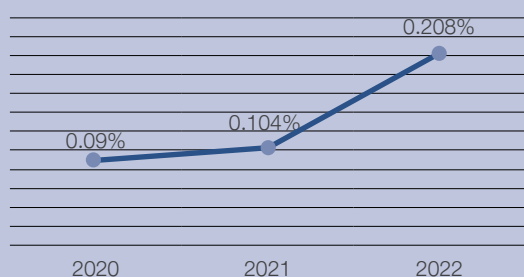
## Reduction of resource usage

### Reduction of paper

1. The Company organized the Printer Management project with the objective to reduce paper wastage. Project results of the year 2022 can reduce expenses by 52%.
2. Organizing meetings by reducing the use of paper, printing front-back documents, using re-use paper to complete 2 sides. In 2022, it can reduce the use of new paper of 14,688 sheets, equivalent to planting eucalyptus trees. Size 3-5 years, amount 2.40 trees, reduce the cost of using paper in the amount of 2,320 baht.

### Environmental performance results in 2022

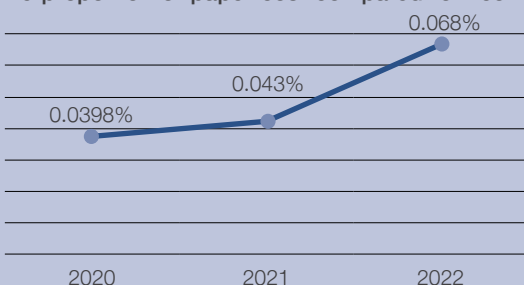
The proportion of electricity fees compared to income



#### 1. Electric power consumption

In 2022, the Company uses an average of 763 units/person of electricity, compared to average expenses/person/year as follows: 2022, 2021 and 2020, at 4,578.75 baht, 4,205.36 baht and 4,341.59 baht, respectively. The proportion of electricity costs compared to revenue in 2022, 2021 and 2020 amounting to 0.208%, 0.104% and 0.09%

The proportion of paper cost compared to income



#### 2. Paper consumption

In 2022, the average paper usage per person is 1,501 baht. The proportion of paper usage compared to the revenues in 2022, 2021 and 2020 are as follows: 0.068%, 0.043% and 0.0398%, respectively.

#### 3. Water consumption

Since 2021-2022, the Company has no water usage data.

The Company, with its non-bank status and operates as a lending institution, realizes the issue of environment, pollution caused by human behavior, stands ready to act in its role as a financier to support alternative energy promoters which operate environmental friendly projects to safeguard the environment and reduce greenhouse gas release.

# Sustainability management in the social dimension

## 1. Social policy and practice

### Develop strong society

The Company gives importance to developing strong society according to good governance guideline so that the Company sets clear guidelines for executives and employees to conform as followings;

#### 1.1 Anti-corruption and Bribery Policy

The Company is committed to conduct its business with transparency. Anti-bribery and anti-corruption are defined as the main policy, or better said “Code of Conduct” of the Company. A code of conduct is a set of rules outlining the responsibilities of or proper practices for an individual, party or organization. Related concepts include ethical, honor and moral codes. Accordingly, directors, management and employees are required to comply with the Code of Conduct. Every single transaction through the Company is exempted from being involved in paying or offering bribes to other parties (or other agencies in all forms), whether the deviation from the Code of Construct is conducted directly or indirectly. On the contrary, the Company is highly encouraged to join the practices that will benefit all parties, or profit the operations of the Company legally and safely. In the past and up to this point, the Company has never ever faced any reports or complaints concerning bribery and corruption violations. To show commitment, the Company registered to be a member of PACT Network in year 2015.

In 2016, the Company has assigned a unit which is no conflict of interest, to review back to all customers who open new financial amount in order to collect information on corruption and bribery. The results found that no corruption and bribery.

In 2017, the Company declared its intention to join the Thailand’s Private Sector Collective Action against Corruption (CAC) on 9 June 2017.

#### 1.2 Respect for Human Rights Principles

Moreover, the Company aims to expand basic human rights in terms of promoting respect for the rights and freedom of every individual through non-discrimination and anti-racist values. The concept of non-discrimination includes equality with respect to gender, social class, religion, or political beliefs of people. The Company freely

accepts and tolerates those who think and believe in different ways. However, the Company does not merely focus on the promotion and protection of human rights. But it also emphasizes on the moral and ethical policies for all the employees involved with the Company. The rights for freedom of speech and expression of ideas also are fully considered under the Company’s policy. As an instance, it is important for the Company to respect the all rights of stakeholders equally. Beyond of that, the Company takes social and ethical responsibility towards all its business operations in addition to different groups of people including customers, employees, investors, shareholders, stakeholders, board of directors, management, corporate governance team, and even the environment.

#### 1.3 Tax operations

The Company requires its employee to strictly abide by the followings to prevent tax risk which may lead to any losses of the Company:

- **Taxation:** The Company avoids any fraudulent or incorrect or complication taxation for initial tax benefit and tax evasion.
- **Tax system for corporate sustainability:** The Company has its responsibility to the shareholders by being a company with excellent financial status and a tax system that sustainably increases value to the shareholders.
- **Tax incentives:** The Company aims to legally and sufficiently apply the tax incentives under consideration for sustainable and appropriate business operation in accordance with the efficiency principle of the tax system as defined objectives. The tax incentives include tax exemption measure at certain times, accelerated asset allowances or other incentives, which all of these are under national or local tax policy and used with any business that has its qualification met related criteria. However, such incentives may impact on consideration process for the Company’s business operations, but it will only consider economic factors.
- The Company paid tax at the rate of 20%, but due to the Company’ poor performance, it does not to pay tax.

#### 1.4 Equitable Labor Treatment

All personnel of the Company are the most essential parts in operating its business. The Company shall give priority to them without discrimination. In regards to employment that emphasizes equality There is no limitation or discrimination on gender, race, religion and culture, with reasonable and fair compensation. not discriminate as well as providing welfare in various areas, developing personnel to have knowledge and potential to increase in accordance with the changes that have occurred. The Company promotes its employee to be harmonious, rely on each other, not distinguish, treat to each other politely, and respect others' human dignity. The Company protects its employee from internal and external safety threats by providing good and safe working environment, appropriate wage and compensation, good welfare for its employee, and allowing its employee to grow under justified consideration process. For structure modification and corporate collocation, it shall responsibly implement them under the policy framework, including be strictly complied with laws and regulations related to labor. It shall provide innovation and technology to support the business operations to reward its employee who performs their job with maximum ability, speed, discretion, diligence, enthusiasm, consciousness, and rationality based on their knowledge without being taken over by emotions and seeking for knowledge.

In 2022, the Company has paid for the Fund for Empowerment of Persons with Disabilities as scheduled.

##### Good Practices

1. The Company equally treats its employee without discrimination for origin, race, gender, color, religion, disability, family lineage, educational institution or other statuses not directly related to working performance.
2. The Company gives opportunity to every employee to fully show their abilities with providing appropriate reward and motivates the working performance with salary, bonus, incentive, and appropriate working performance expense in accordance with the Company's rule.
3. The Company's employee shall perform their duties with maximum ability, good conscience, honesty, equity, virtue and ethics, and being responsible.

#### 1.5 Health and Safety for Working Environment

A part which creates happiness to its employee whom is like a family member is providing a good working environment that supports the employee's health and enhancing safety management, occupational health, and working environment by fundamentally adhering to legal operations, furthering development and applying international measures related to safety expectation of its workers, customers, as well as those who are related to the Company's activities and operational areas due to that there is nothing which can be replaced or compensated such unwanted losses.

In 2022, there is no information about any injury or death or event related to safety for working environment. Demonstrate a good working environment and safety. In 2022 the Company has had fire drills and fire evacuation together with the building.

#### 1.6 Justified and Responsible Business Operations to Partners

The Company focuses on providing services in such good ways that result in the utmost satisfaction of the clients. To achieve such goal, customers need to receive detailed product risk-return terms correctly and appropriately. Similarly, the Company must be sincere to handle the customer complaints including trying to fix the defects that probably are caused by the service

Partners and competitors are the outsiders whom the Company shall compete with according to the way of laissez-faire capitalism in running its business. The competition shall rightly be implemented, not distort information, not be fraudulent or use any other methods which are not incorrect and in line with good competition, maintain any confidentiality under related criteria and laws, as well as not illegitimately and unjustly seek for any information of its partners and competitors.

##### Good Practices

- The Company shall operate its business by taking justified competition into consideration, not incriminating and attacking its competitors without any reasonable information.
- The Company's personnel shall be careful in contacting any competitors and its personnel in any event, do not expose or neglect that the Company's confidentiality is its competitors' hands.



## 1.7 Breaches

The Company has assigned ethics as a guideline to be followed by every executive and employee. Breach of the Company's ethics and legal policies in any event shall be recorded and notified to the audit and corporate governance committees whom examine breach of ethics reports that are submitted through the complaint channel. The Company shall expose any information of number and cases of breach of ethics, morality, anti-corruption, and public bribery. In addition, the Company shall expose any information to the Stock Exchange of Thailand in case of any breaches which significantly impact on the Company.

In the year 2022, there was one violations of business ethics and the company has complied with the prescribed complaint handling measures and designed measures to prevent repeated incidents.

## 1.8 Supply Chain Management

Apart from focusing on its operations, the Company also aims to supply chain management with good governance, considering impact on environment and society to prevent any risks which may effect on the Company's image and operations both in direct and indirect ways. The Company follows up some of its partners' operations from news. If any breach matter is found, the Company shall review such partners.

Year 2022, the company focuses on partners who provide property insurance services by assessing the importance of reducing impacts of social, service quality, duration, conditions, having a convenient means of contact. The company targets at 80 percent and the assessment results is 90 percent which is higher than the target.

The Company has its procurement policy which is transparent, justified, and verifiable, as well as strictly complying with related laws, treating every partner with impartiality, non-exploitation, equally providing full, correct, clear, and adequate information, non-discrimination, available anti-corruption policy followed strictly, and being against every kind of anti-corruption both in direct and indirect ways. However, infraction and non-compliance to the anti-corruption policy may lead its partners and contractors to be prosecuted.

The Company has set a payment period for the company's partners in the amount of 30 days, with the average payment period to partners actually occurring in 2022 in the amount of 30 days, which is in accordance with the conditions without delay.

## 2. Social performance

### 2.1 Information Securities



The Company has an action plan to improve the efficiency of protection against cyber threats. (Cybersecurity) and will educate employees in the organization on how to avoid falling victim to such threats. On the security of information The Company has performed as follows. There is a backup every day after 10:00 pm to prevent data loss., Firewall to prevent outsiders from unauthorized access to the system or data., Antivirus is installed on all computers to protect against viruses or unwanted programs. And arrange for an automatic scan every day at 12.00 noon. The right to access the system or information is set and has a policy on the security of information and information systems.

In preparation for the enforcement of the Personal Data Protection Act (PDPA) has performed as follows ; The Company has a meeting to understand the law on personal information protection and planning actions to prepare to comply with the privacy law, There is a survey of the use of personal information in every department. Adjust the procedure to comply with the Personal Information Protection Act. And there are training courses to educate employees at all levels, along with giving assessments.

### 2.2 Being a source of funds that SMEs have access to



The Company has been in business for more than 16 years, providing funding for more than 3,000 SMEs customers, funding support at least 60,000 million baht, with the Company providing an online channel for SMEs to contact to inquire and apply for loans from The Company.

## 2.3 Employee development and care



### Respect of human rights and fair treatment of labor

The Company gives its supports for respecting human rights both inside and outside the organization by incorporating in the operating guidelines business ethics on human rights and fair treatment of labor. The Company provides its support and abides by the labor laws including the concepts of basic human rights according to international standards without discrimination as to race, gender, skin color, religion, language, political belief or any other beliefs, physical deformation or other situations that is not related to the ability to perform work. Note that there has been no incident pertaining to infringement of human rights at the Company.

### Compensation and welfare policy that is fair and appropriate

The Company specified the compensation structure and welfare policy for employees fairly and appropriately by considering other similar business along with the changing economic conditions covering both monetary and non-monetary aspects. The compensation system is based on job responsibility, knowledge and ability, skill set and experience including performance assessment of each employee via key performance index system (KPIs system) which conforms to annual performance target. Meanwhile, the performance bonus is paid in line with each individual employee performance as well as that of the Company.

The Company also provides other benefits such as Provident Fund, health insurance, annual health check-up, emergency loans, vaccination to prevent contracting influenza, EJIP, etc.

### Training Summary for the year 2022

External Training course 24 courses			Internal Training course 10 courses		
Average hour/ person/year	Director :	5.06 hours	Average hour/ person/year	Director :	- hours
	Executive :	10.81 hours		Executive :	2.25 hours
	Manager :	3.29 hours		Manager :	9.43 hours
	Employee :	0.76 hours		Employee :	3.92 hours

### Communication of the Company's policy to employees

The Company scheduled announcement of its policy, targets and direction once a year with the objective to have employee participation on performing their duties in line with the objectives. The Company gives opportunity to employees to voice their opinions or make suggestions as part of the driving force to achieve organizational goals. Each employee must realize, abide by and comply with, in every aspects of the entire organization, the following matters i.e. business supervision policy, business ethics, the use of internal information/observe the trading time of securities, procedure on prevention of corruption, channels to report complaints etc.

### Employee development

Employees are important human resource and play significant role in the sustainable success of the organization. In driving the organization towards the vision and attain the business objective, it is necessary to have resource that is worthy in terms of knowledge, skillset including the ability to efficiently and effectively perform. The Company develops its human resource under 2 formats i.e. coaching & knowledge sharing and project assignment to enable employees to use the knowledge and adapt/apply to their job which shall strengthen the organization and support its sustainable growth.

In 2022, the Company arranged 34 training courses (internal and external) to develop employees or averaging about 3.22 hours/person/year.

The Company has the goal for an employee who passed the probationary period to receive training of at least 1 course. Outcome: there were 38 employees who passed their probation period all of whom had passed the training or 63.33% of target achievement.

Courses in human resource development in 2022 are:

● Internal Training course

Director and Executive Level	Supervisor Level	Employee Level
<ul style="list-style-type: none"> <li>● Digital Literacy</li> <li>● Power BI</li> <li>● SMART Personality and Image</li> <li>● Plus for Sale &amp; Services</li> </ul>	<ul style="list-style-type: none"> <li>● Digital Literacy</li> <li>● Innovation Strategy &amp; Process</li> <li>● Power BI</li> <li>● Problem Solving &amp; Decision Making</li> <li>● Professional Time Management &amp; Planning</li> <li>● Tools for digital marketing online</li> </ul>	<ul style="list-style-type: none"> <li>● Digital Literacy</li> <li>● Excel specialist for all career path</li> <li>● Innovation Strategy &amp; Process</li> <li>● Persuasion and Negotiation</li> <li>● Power BI</li> <li>● Professional Time Management &amp; Planning</li> <li>● SMART Personality and Image Plus for Sale &amp; Service</li> <li>● Tools for digital marketing online</li> </ul>

● External Training Course

Director Level	
<ul style="list-style-type: none"> <li>● CEO CLUB 2022: EP.2 “Technical Issues Patent issues you should know “</li> <li>● Digital Asset and Business Growth Opportunity (New S-Curve)</li> <li>● Director Certification Program (DCP) class 317/2022</li> <li>● Customer Insights &amp; Engagement</li> </ul>	
Executive Level	
<ul style="list-style-type: none"> <li>● Business Model Reinvention for Corporate Sustainability</li> <li>● CFO Refresher</li> <li>● Digital Asset and Business Growth Opportunity (New S-Curve) Green &amp; Sustainable Finance</li> <li>● HR Strategy in New Normal</li> <li>● TFRS 2023</li> <li>● TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2022 “Restructuring Business for Growth”</li> <li>● Business combinations and advanced consolidation operations. (Workshop)</li> <li>● Keep pace with and analyze financial reports. Class 2/2023</li> </ul>	<ul style="list-style-type: none"> <li>● Complete 100 intensive tutoring in online format</li> <li>● Preparing for entering the Thailand Sustainability Investment THSI2022</li> <li>● Techniques to Increase Share Value of Listed Companies from a Securities Analyst’s Perspective, Class 2</li> <li>● Using the SET Sustainability Reporting Guide based on fundamental and industry ESG Metrics.</li> <li>● Sustainable business operation issues that businesses should pay attention to.</li> <li>● The rules for calculating accounting profit and tax are different.</li> </ul>
Supervisor Level	Employee Level
<ul style="list-style-type: none"> <li>● Cyber Security</li> <li>● The Myth of PDPA Implementation &amp; Communication</li> <li>● Update VAT</li> <li>● Using the Smart FSCOMP system</li> <li>● Bookkeepers and things to adapt and cope with changes.</li> </ul>	<ul style="list-style-type: none"> <li>● Customer Insights &amp; Engagement</li> <li>● Risk based audit</li> <li>● Preparing for entering the Thailand Sustainability Investment THSI2022</li> </ul>

## Employee engagement

The Company gives freedom to employees in providing suggestions to improve working conditions via their supervisors. The Company also provides channels for the employee to propose, lodge complaint via suggestion box, email or the Company’s website. In 2022, the Company had enquired about the employee loyalty towards the Company measured by employee’s satisfaction. The Company shall use the result of the survey and suggestions received from employees to analyze for use as guidance to improve & develop the management of human resource going forward.

### Employee engagement survey results

Year	% actual	Target
2020	73%	80% up
2021	69%	
2022	74%	

### Create safe working conditions for employee



The Company specified safety policy and disseminate at its website i.e. [www.leaseit.co.th](http://www.leaseit.co.th)

In 2022 and 2021, there was no work-related severe accident or serious disease/illness.

Serious illness and accident at work 2021	Serious illness and accident at work 2022
0%	0%

In 2022, the Company implemented additional safety measures and enhanced healthy working conditions as follows.

1. Inspect various equipment to ensure safe conditions for use.
2. Communicate knowledge on fire evacuation in the building.
3. Provide annual health check-up.
4. Arrange for vaccination against contracting influenza.
5. Due to the presence of COVID-19 disease, the Company has organized a screening of people who come in contact with the Company. By measuring the temperature and providing alcohol gel.
6. The SVOA Group has established a fund for employees infected with COVID. by inviting employees to donate money to the fund If an employee is infected with COVID-19, there will be staff delivering food and necessary things to the employee’s/employee’s family. Throughout the period of medical treatment or quarantine.



## 2.4 Knowledge Sharing



- The Company uses its Facebook communication channel to educate SMEs on various topics, including: If you still don't dare to take risks Don't call yourself a businessman. Money management techniques for business growth from world-class CEOs, How to Manage Cash Flow to Make More Profits, Tricks to successfully win government prices and 4 techniques to manage cash to increase in every situation.



- The Company uses influencers (Influencer Marketing) or famous people who provide knowledge about finance and investment and have a large number of followers. Be an educator for SME group, which is Lease It's customer group.
- The Company has shared information within the organization about

(1) Exercise postures for treating low back symptoms/pain after working



(2) Daily greetings and encouragement or ideas Examples include



## 2.5 Community and Social Operations

The Company takes part in donating used plastic bottles to weave the robes. According to the project of Wat Chak Daeng Samut Prakan Province. It's been 3 consecutive years.



## Personnel Information

Employee	2022 (Number of employee)	%	Number of employee by ages			
			20-30 yrs.	30-40 yrs.	40-50 yrs.	50 yrs. up
All employees (include management)	67	100.00	21	28	15	3
Male	24	35.82	8	11	4	1
Female	43	64.18	13	17	11	2
Executive	8	100.00	-	2	4	2
Male	1	12.50	-	-	-	1
Female	7	87.50	-	2	4	1
Assist. Manager - Senior Manager	10	100.00	1	3	5	1
Male	5	50.00	1	2	2	-
Female	5	50.00	-	1	3	1
Staff - Senior Supervisor	49	100.00	20	23	6	-
Male	18	36.73	7	9	2	-
Female	31	63.27	13	14	4	-
Contract	0	0.00	0	0	0	0
Male	0	0.00	0	0	0	0
Female	0	0.00	0	0	0	0

Staff in - out	2022 (person)			2021 (person)
	Total	Male	Female	
New employee	22	8	14	23
Resignation staff	37	15	22	23
Number of employee at the end of the year	67	24	43	82

Maternity leave	2022
Number of employees on maternity leave	1
Number of employees returning to work after maternity leave	1

	2022	2021
Resignation rate	55%	28%

Ordination leave	2022
Number of employees on ordination leave	-

## Corporate governance operations

### Corporate Governance and Ethics



#### Regulatory Structure

The Company's board of director consists of 8 directors of which 6 directors have no management role (including 5 independent directors), 2 directors with management role and the chairman of the board is an independent director who is not involved in the Company management nor has any authority to encumber the Company. There is a clear cut division of job responsibility. The Board of Directors has an important role in supervising the organization so that it operates transparently and fairly under good corporate governance principles, pay attention to social responsibility and the environment. There are sub-committees as follows: Audit sub-committee; Nomination and Compensation sub-committee; Corporate Governance sub-committee; Risk management sub-committee. All sub-committees are responsible for supervising various aspects stated in each sub-committee's code of conducts. The managing director is responsible for managing the business in line with the policy and guidelines specified by the Company's board of directors which maximize the benefits of the institution and stakeholders.

The assessment of the board performance is specified under the Company's Corporate Governance policy that consists of self-assessment of the entire board of directors, self-assessment of sub-committees (entire committee). The Nomination and Compensation sub-committee shall consider compensation to propose to the Company's board for consideration before submitting to the annual shareholder meeting for final approval.

The Company's board ensured that all stakeholders equally receive the correct and complete information. The Company provided opportunity to minor shareholders to nominate director(s) and to propose meeting agenda in advance the first time during 16 November– 30 December 2021 to promote the exercising of minor shareholders' rights. The chairman of the board, chairman of Audit sub-committee and chairman of all sub-committees and all the Company's directors participated in the 2022 annual shareholder meeting. In this connection, the Company was awarded 100 points in the 2022 Annual General Meeting quality assessment (AGM Checklist) by the Thai Investor Association (TIA). This reflected the Company's transparency in adopting good corporate governance practice and building trust for the shareholders and investors alike.

On the corporate governance survey, the Company received "Excellent" rating with respect to its sustainable short and long term targets.

From the survey on business governance of listed company for the year 2022 organized by Thailand Institute of Directors (IOD) with the support of the SET, the Company received the rating "Excellent" on the corporate governance assessment. (Excellent CG scoring)

Lease IT was selected by the Stock Exchange of Thailand as one of 170 listed companies on the list of Thailand Sustainability Investment 2022 as a result of its commitment to improving environmental, social, and governance performance (ESG).

## Risk Management



The Company is aware of the importance of business risk management by considering internal and external factors such as changing economic, social and environmental conditions. The Company has in place acceptable risk management system including protecting or alleviating potential impact. The Company adopted the international standards of risk management principles (Committee of Sponsoring Organizations of the Treadway Commission: COSO) under the supervision of the Risk Management Committee which consist of independent directors who ensure efficient risk management process to minimize adverse impact to the business and still be able to compete whilst fulfilling the stakeholders' expectation. The Company analyzes the risks in all aspects that could prevent achieving the organizational targets including specifying approach to risk management as outlined in the annual report under the heading "Risk Factors".

The organization structure of Risk Management Committee consists of 4 independent directors tasked and The Risk Management Working Group have to specify risk management policy and propose to the Company's board of directors for their endorsement. Their other duties include outlining strategy and risk management plan that conforms to the company's business strategy, risk supervision and risk monitoring.

The Risk Management Working Group consists of a management representative from department with the managing director acting as the leader to guide the teams to operate in line with the risk management policy to ensure efficiency and acceptable risk as stated in the risk management guidelines and to instill risk management as corporate culture, to come under the supervision of the company's board of directors after being vetted by the Risk Management Committee.

## Economic operation

### Brand Awareness



Due to the Company's brand is not widespread and well-cognized by the target customer groups as well as it should be, the Company has long term plan to conduct public relation activities to promote its brand of financial products via the following channels.

- Conduct public relation activities via traditional media i.e. printed media, magazines and leaflet.
- Conduct public relation activities via event marketing i.e. Money Expo, MAI Forum
- Conduct public relation activities via social media i.e. Facebook Fanpage, Youtube, Line OA (Line Official Account)
- Promote through EDM or Electronic Direct Mail.
- Public relations through mailing. Directly to the target customers, which are SMEs that are partners with the government, state enterprises and large private companies.

Long term goals for year 2019-2023: Achieve the number of 'Like' page of up to 10,000.

In 2022, the company had achieved 6,891 'Liked'. This represents 69% of the goal.

Guidelines for public relations of financial products of the company The company operates with transparency. The information is accurate, complete, and not advertised exaggeratedly.

In 2022, the Company granted loans to a customer which operates solar energy business, environmental consultant totaling 78 million baht.

Given that the Company is involved in the financing business, it was able to assist promoters to alternatively have access to funds other than via commercial bank loans in order to tackle the issue of informal debt faced by SMEs. The total loans granted in 2022 were 4,109 million baht. In the context of informal loans in the system, the company assisted SMEs to shave off borrowing cost of between 1.5%-3.0% by extending loans in the total amount of between 61-123 million baht.



## Development of Technology and Innovation



Financial technology keeps changing forcing the Company to make adjustments to the organization for smooth operations. The Company has made improvements to the information technology system to be modern with greater working efficiency.

In 2022, has continued to improve its core business application from the previous year. To be more modern and efficient in work. And has provided and developed a tool to store documents in the form of an electronic file for easy storage and search. The Company has set measures for information security and has clearly defined the right to access each type of information. And has brought a Robot to help in the following areas AR-reconcile, Get Customer from website, Use Line Notification to send information to sales department.

### Innovation

The Company has brought the Robot to help in doing various operations as follows: AR-reconcile reduces the reconcile time of employees 90-92%, Get Customer from website in this section, and the Company has begun testing the E-Factoring system to improve the factoring credit services and also to encourage SMEs entrepreneurs to access funding sources more easily and quickly.

And in the situation of COVID-19, the Company has arranged to work from home, alternating with working at the office. Virtual Private Network (VPN) has been used for work from home for the safety of employees and their families. It also allows the business to continue to run. And the Zoom Meeting system has been used in meetings instead of joining the meeting together.

## Environment

### Climate Change



The Company realizes the importance of natural resources which is being depleted with time. The global weather condition is in the state of crisis. Every party concerned must jointly cooperate to alleviate the potential negative impact through various activities. The Company announced its intention to join the project “Talad Toon Thammapi Barn” on the occasion of the King’s royal coronation rite to practice ‘Sufficiency Economy’ philosophy by managing the business with responsibility, always conscious of social and the environment benefit that will lead to sustainable benefit to the company, concerned parties, the society and population at large. This is also in line with the global community’s Sustainable Development Goal. The company’s stated mission is the reduction of greenhouse gas by separating wastage exclusively for recycling under the following goals.

In 2019, the goal is to reduce greenhouse gas by 1-5% and within 2022 the goal is reduction by 5-20%. In 2022 the result is able to reduce greenhouse gas release of 0.96 tCo2e or up to 2.21% of released greenhouse gas.



## GRI STANDARDS

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGs
		Annual Report	SD Report			
GRI 101 : Foundation 2016	Reporting principles Making claims related to the use of the GRI Standards					
<b>General Disclosures</b> GRI 102 : General disclosures 2016	<b>Organizational profile</b>					
	102-1 Name of the organization	21				
	102-2 Activities, brands, products, and services	12, 13, 22-26				
	102-3 Location of headquarters	21				
	102-4 Location of operations	21				
	102-7 Scale of the organization	7				
	102-8 Information on employees and other workers	68				
	102-9 Supply chain	54				
	102-10 Significant changes to the organization and its supply chain	15-20				
	102-11 Precautionary principle or approach	87-101				
	<b>Strategy</b>					
102-14 Statement from senior decision-maker	6					
<b>Ethics and integrity</b>						
102-16 Values, principles, standards, and norm of behavior	87-101					
102-18 Governance Structure	102-112					
102-19 Delegating authority	87-89					
102-20 Executive-level responsibility for economic, environmental and social topics	102					
<b>Stakeholder engagement</b>						
102-40 List of stakeholder groups	55-56					
102-42 Identifying and selecting stakeholders	55-56					
102-43 Approach to stakeholder engagement	55-56					
102-44 Key topics and concerns raised	57					
102-47 List of material topics	57					
102-55 GRI content index	72-73					
<b>Anti-corruption</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	57				
	103-2 The management approach and its components	61				
	103-3 Evaluation of the management approach	61				

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGs
		Annual Report	SD Report			
<b>Energy</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	57				
	103-2 The management approach and its components	58-60				
	103-3 Evaluation of the management approach	60				
<b>Water</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	57				
	103-2 The management approach and its components	60				
	103-3 Evaluation of the management approach	60				
<b>Emissions</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	57				
	103-2 The management approach and its components	59				
	103-3 Evaluation of the management approach	59				
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	59				
	305-2 Energy indirect (Scope 2) GHG emissions	59				
	305-3 Other indirect (Scope 3) GHG emissions	59				
	305-4 GHG emission intensity	59				
<b>Employment</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	57				
	103-2 The management approach and its components	62				
	103-3 Evaluation of the management approach	63-70				
GRI 401 : Employment 2016	401-1 New Employee hires and employee turnover	68				
<b>Training and Education</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	57				
	103-2 The management approach and its components	63-70				
	103-3 Evaluation of the management approach	63-70				
GRI 404 : Training and education 2016	404-1 Average hours of training per year per employee	64				

## 4 Analysis and the management's explanations

### Overall performance picture

The revenues of the Company and subsidiary in 2022 consist of interest income, fee and service and other income at the proportion of 62.86%, 29.94% and 7.20% respectively. Interest income and fee income decreased because of low financing to high risk industry i.e. construction industry so revenue decreased. In addition, the Company focuses on new financing on low risk product and high liquidity, factoring in an economic slowdown in this year. As a result, the revenue decrease 175.8 million baht.

Interest revenues consist of income from finance lease, hire-purchase contract, factoring and project finance backup. The breakdown of interest income classified by products for the year ended 31 December 2022 and 2021 are as follows:

Interest income	Consolidated Financial Statements				Change	
	2022		2021		Thousand baht	percent
	Thousand baht	percent	Thousand baht	percent		
● Installment Sales	4,411	4.48	1,351	0.62	3,060	226.50
● Factoring contracts	58,484	59.42	97,678	45.08	(39,194)	(40.13)
● Loan contracts	22,973	23.34	99,251	45.80	(76,278)	(76.85)
● Finance lease contracts	8,747	8.89	11,083	5.12	(2,336)	(21.08)
● Hire-purchase contracts	3,786	3.85	7,322	3.38	(3,536)	(48.29)
● Loans to customers	24	0.02	-	-	24	100.00
<b>Total interest income</b>	<b>98,425</b>	<b>100</b>	<b>216,685</b>	<b>100.00</b>	<b>(118,260)</b>	<b>(54.58)</b>

For the year 2022, the interest income of 98.43 million baht, decreased by 118.26 million baht or 54.58%. The main reason was that the interest income according to loans contracts decreased by 76.28 million baht or 76.85% and factoring contracts decreased in the amount of 39.19 million baht or 40.13%. Loan contract is high risk products, so the Company has to focus carefully financing to customers as a result to decrease in low finance in this product about 58%. In addition, the effect from COVID-19 pandemic 2-3 years ago has directly affect to liquidity of SMEs then the Company could not recognize interest income as accounting standard.

The main reason is from the Company slowdown new financing carefully then was effected to a decrease in interest income. COVID-19 pandemic also effect to economics and varies industries. Inflation also effect to higher cost and wages which directly impacted to SMEs that they are main customer of company. Therefore, the Company considered to reserved expected credit loss as of the year for loan contracts about 471.78 million baht align with risk and quality of customer and also closely monitoring project progression. In addition, revenue decreased from lower business transaction and improvement customer and debtor selection to control NPLs ratio from new financing.

However, the Company recorded expected credit losses for Loan receivables and Factoring receivables of approximately 471.73 million baht and 156.41 million baht respectively.

**Income from fee and service** consist of revenues from finance lease, hire-purchase contract, factoring, project finance backup and bid bonds. The change in the composition of revenues from fee and service classified by type of products as of 31 December 2022 and 2021 are outlined as follows:

Fees and service income	Consolidated Financial Statements				Change	
	2022		2021		Thousand baht	percent
	Thousand baht	percent	Thousand baht	percent		
● Installment Sales	15,055	32.12	4,260	4.81	10,795	253.40
● Loan contracts	12,054	25.72	35,959	40.61	(23,905)	(66.48)
● Factoring contracts	15,706	33.51	40,033	45.21	(24,327)	(60.77)
● Finance lease contracts	95	0.20	149	0.17	(54)	(36.24)
● Hire-purchase contracts	67	0.14	46	0.05	21	45.65
● Letter of guarantees	3,817	8.14	8,097	9.14	(4,280)	(52.86)
● Others	79	0.17	10	0.01	69	690.00
<b>Total fees and service income</b>	<b>46,873</b>	<b>100.00</b>	<b>88,554</b>	<b>100.00</b>	<b>(41,681)</b>	<b>(47.07)</b>

For the year 2022, Fee and service incomes has 46.87 million baht decreased Baht 41.68 million or 47.07% because the Company decreased financing of loan contracts for some industries and also considered financing amount based on quality and size of customers and debtors. Because Thai economic and COVID-19 pandemic impacted to customers on loan contracts which are not complete projects in time. In addition, the Company also focused on financing on factoring contracts which is low products risk. However, a decrease in business transactions due to the Thai economy which broadly affected many industries resulted in a decrease of fee and service incomes.

## Other income

Other income is mainly from interest income from late payment 32.68% of total other income which occurred from late payment. In the year 2022, interest income from late payment was 3.68 million baht decreased by Baht 15.63 million or 80.92% compared with the same period of the previous year which decreased from the Thai economic slowdown and impacted the liquidity of the customers.

**Expense** consists of expenses relating to services, administration, bad debts and expected credit loss, and finance expenses as of 31 December 2022 and 2021, as follows.

### Service and administrative expense

For the year 2022, The Company had service expense decreased by 18.1 million baht or 40.7% when compared with the prior year which align with revenue, mainly decrease was from related salesman expense. Administrative expenses also decreased by 4.5 million baht or 5.6% by controlling unnecessary operating expenses.

### Finance Cost

For the year 2022, finance cost decreased by Baht 37.5 million or 42.9 % compared with last year as the average debenture balance was decrease.

## Expected credit losses

Revealed expected credit losses by comparing the periods as of 31 December 2022 and 2021 as follows.

(Unit: Thousand Baht)

Classified by business type	Consolidated Financial Statements	
	2022	2021
Balance at beginning of the year	535,417	299,067
Add : Allowance for doubtful account	126,819	237,230
Less : Written-off	(633)	(880)
Bad debts recovery	78	-
<b>Balance at end of the year</b>	<b>661,681</b>	<b>535,417</b>

For the year 2022, Expected Credit Losses (ECL) increased by Baht 126.82 million compared with the previous year. In this regard, ECL is recorded following Thai Financial Reporting Standard No.9 (TFRS9) that was from the COVID-19 pandemic passed 2-3 years ago pressure in many industries and then inflation which impact to higher cost, resulting in negative affect to SMEs which are main customer of company. They had delayed goods and service then there was penalty charged and additional operation cost especially construction segment had fully impacted. Receivables who are in the process of litigation and debt restructuring, lack liquidity during the recession of the external factors. Resulting in the inability to pay debts as scheduled reflects the risks inherent in the quality of the customers at any moment, the risks may change in the future depending on various factors, thus the company is obliged to set aside in accordance with the quality and risks of the customers and the circumstances. There was written-off about 0.63 million baht during the year, the Company has write-off policy align with Revenue Code No. 168 which has to collect with finalization litigation process to ensure that the customer could not have any ability to pay debt which will be saving tax in the future. So, the Company speed up legal team for litigation process to collection debts and tax saving for write-off receivables. An appointment from juristic is back to normal situation after COVID-19 pandemic result in the Company could process litigation process and expect to be received payment from final judgment.

As of 31 December 2022, The Company had Non-Performing loans (NPLs) of 1,062 million baht. In this regard, the Company considering the expected credit loss based on the significant increase in the debtor's risk and the ability to pay the debt in accordance with Thai Financial Reporting Standard No. 9 (TFRS9).

However, the Company has policy for preventive, controls and improvement quality of financing such as credit analysis process, authority tables, focusing on low-risk product (Factoring), limitation portfolio and decreasing finance to complex industries for decrease risk of new financing. Moreover, headcount of collection department increased and outsource of collection company also increased to resolve NPLs.



## Performance classified by type of credits

The Company and subsidiaries' organization structure are designed based on the type of services provided to customers. Note that at the time of this financial statement, the Company and subsidiaries had not changed the organization structure.

Revenue and profit for the year ended 31 December 2022 and 2021 as the following.

(Unit: Thousand Baht)

	2022				
	Financial services in various forms	Credit information services and analysis	Online shopping service platform	Elimination of transaction	Consolidated financial statements
<b>Revenue</b>					
Revenues from customers					
● Interest incomes	94,013	-	4,412	-	98,425
● Fee and service incomes	19,781	12,037	15,055	-	46,873
Other incomes	9,180	558	2,056	(520)	11,274
<b>Total revenues</b>	<b>122,974</b>	<b>12,595</b>	<b>21,523</b>	<b>(520)</b>	<b>156,572</b>
Finance cost	(49,809)	(90)	(458)	520	(49,837)
Service expenses	(14,366)	(4,989)	(7,036)	-	(26,391)
Administrative expenses	(70,159)	(3,634)	(3,042)	-	(76,835)
Expected credit losses	(112,337)	-	(14,630)	-	(126,967)
Income tax expenses	23,794	(1,082)	715	-	23,427
<b>Profit for the year</b>	<b>(99,903)</b>	<b>2,800</b>	<b>(2,928)</b>	<b>-</b>	<b>(100,031)</b>

(Unit: Thousand Baht)

	2021				
	Financial services in various forms	Credit information services and analysis	Online shopping service platform	Elimination of transaction	Consolidated financial statements
<b>Revenue</b>					
Revenues from customers					
● Interest incomes	215,334	-	1,351	-	216,685
● Fee and service incomes	48,586	35,708	4,260	-	88,554
Other incomes	25,719	731	366	(666)	26,150
<b>Total revenues</b>	<b>289,639</b>	<b>36,439</b>	<b>5,977</b>	<b>(666)</b>	<b>331,389</b>
Finance cost	(87,781)	(108)	(103)	666	(87,326)
Service expenses	(28,278)	(8,411)	(7,812)	-	(44,501)
Administrative expenses	(77,333)	(2,337)	(1,645)	-	(81,315)
Expected credit losses	(234,970)	(53)	(2,452)	-	(237,475)
Income tax expenses	27,621	(5,093)	1,208	-	23,736
<b>Profit for the year</b>	<b>(111,102)</b>	<b>20,437</b>	<b>(4,827)</b>	<b>-</b>	<b>(95,492)</b>

## Net Loss

For the year 2022, The Company had a loss of 100.0 million baht compared with a prior period which had a loss of 95.5 million baht due to a significant decrease in revenue of 174.8 million baht or 53% aligning with the customers lacking liquidity to pay-debts and decreasing in the financing amount. and ECL increased in line with NPLs from high risk and affected customer quality. As a result, the higher Expected Credit Losses (ECL). Although, The Company has controlled the service and administration expenses.

## Key financial ratios

(Unit: Million Baht)

Financial Ratio	Consolidated financial statement		
	2022	2021	2020
Current Ratio (x)	2.45	1.66	1.66
Net Profit Margin (%)	(63.89)	(28.82)	17.97
Return on Equity (ROE) <sup>1/</sup> (%)	(7.19)	(3.17)	18.56
Yield on Earning Assets (%)	4.55	8.55	9.23
Financial Cost Rate (%)	5.09	6.85	4.66
Net Interest Rate (%)	(0.54)	1.69	4.64
Interest Income on assets (%)	4.72	9.02	8.03
Revenue Growth Rate (%)	(52.75)	(16.41)	(13.18)
Non-Interest Income on assets (%)	2.79	4.78	4.77
Return on Asset <sup>2/</sup> (%)	(3.53)	(1.33)	6.61
Asset Turnover Ratio (%)	7.50	13.80	12.80
Debt to Equity Ratio <sup>3/</sup> (x)	0.82	1.30	1.46
Interest-Bearing D/E Ratio <sup>4/</sup> (x)	0.76	1.18	1.33
Interest Bearing Debt to EBITDA Ratio <sup>5/</sup> (x)	(13.49)	(54.20)	6.65
Interest Coverage Ratio : ICR <sup>6/</sup> (x)	(1.26)	(0.24)	2.49
Debt Service Coverage Ratio : DSCR <sup>7/</sup> (x)	(0.14)	(0.03)	0.21
Reserve to NPLs Ratio (%)	62.26	76.18	72.75
Reserve Ratio (%)	34.01	22.49	11.12
Bad-debt Ratio (%)	-	0.04	4.17
Non-Performing Loan (NPLs) ratio <sup>8/</sup> (%)	54.62	29.52	15.29
B/E,P/N size to interest bearing debt ratio (x)	-	-	-
Interest Bearing Debt matured in 1 year to total interest bearing Debt <sup>9/</sup> (%)	52.88	64.25	72.07
Loan from Financial Institution to interest-bearing debt ratio (%)	5.92	28.75	11.01
Debentures to interest bearing debt ratio (%)	93.17	70.25	87.49
B/E,P/N size to interest bearing debt ratio (x)	0.91	1.00	1.51

### Remark :

\* In case of including effect from adoption TFRS9 on 1 January 2020, NPLs ratio's will be 19.86%

<sup>1/</sup> Return on Equity (ROE) calculated by Earnings Before Interest Income Tax (EBIT) / Average total shareholder's equity

<sup>2/</sup> Return on Asset (ROA) calculated by Earnings Before Interest Income Tax (EBIT) / Average total asset

<sup>3/</sup> Debt to Equity Ratio calculated by Total liabilities / Total shareholder's equity

<sup>4/</sup> Debt to equity ratio calculated by the ratio of "liabilities" to "shareholders' equity" at the end of the accounting period. "Liabilities" means the total liabilities in the financial statements of the Company which has been audited by the auditor but excludes trade and other payables. "Shareholders' equity" means the shareholders' equity of the Company in the financial statements which has been audited by the auditor

<sup>5/</sup> Interest bearing debt to EBITDA ratio calculated by interest-bearing liabilities / Earnings Before Interest Income Tax Depreciation and Amortization (EBITDA)

<sup>6/</sup> Interest Coverage Ratio (ICR) calculated by Earnings Before Interest Income Tax Depreciation and Amortization (EBITDA) / Finance cost in the Statements of comprehensive income.

<sup>7/</sup> Debt Service Coverage ratio (Cash Basis) calculated by Earnings Before Interest Income Tax Depreciation and Amortization (EBITDA) / Interest Bearing liabilities matured in 1 year

<sup>8/</sup> Non-Performing Loans (NPLs) ratio calculated by Non-Performing Loans \* 100 / Total Account Receivable

<sup>9/</sup> Interest Bearing Debt matured in 1 year to total interest bearing Debt calculated by Interest Bearing Debt matured in 1 year / Total Interest Bearing liabilities



## Analysis of key financial ratios

**The Current ratio** as of the end of 2022 and 2021 was 2.45 and 1.66 times, respectively. A decrease was from decrease issuing debenture and loans from financial institutions to suitable for financing.

**Profitability ratios** e.g. net profit ratio, return on capital, return on assets had declined due to the loss for this year attributable to the sluggish economies causing a reduction in loan underwriting coupled with stricter credit approval criteria. Nevertheless, the Company continued to maintain the difference between the interest rate on loans and the cost of borrowing amidst the weak economy.

**Operating efficiency ratio** e.g. interest income to assets, return on assets or asset turnover etc. which use average assets for the calculation, it can be seen that the ratios in 2022 and 2021 was 4.72 times and 9.02 times have the tendency to decline albeit minimally from lower profitability. Nevertheless, the average total assets were maintained at around 2,100 million baht.

**Debt to Equity (D/E) ratio** that the Company must maintain the Debt to Equity (D/E) ratio of within 4 times. It can be seen that in 2022, 2021, and 2020. The Company was able to maintain the ratio at 0.76 times, 1.18 times, and 1.33 times as stipulated which remain within the covenant. A decrease in D/E ratio was from an increase shares capital about 265.74 million baht at beginning of the year 2022. It can be seen that the ratio is not over that 2.00 times. At present, such a ratio is affected by the issuance of new debenture and the repayment of existing debenture during the year. The Company adhered to the concept of synchronizing the source of capital to loan underwriting and the debtor structure to achieve effective returns from using the capital while increasing liquidity by way of maintaining sufficient cash for operations.

**The asset quality ratio** e.g. expected credit loss ratio to non-performing loans, allowance for doubtful accounts to total loans ratio and NPL ratio have a tendency to rise marginally when compared to 2021. NPLs ration increase to 54.62% in 2022 from 29.52% and 15.29% in 2021 and 2020, respectively. Economic slowdown was from the COVID-19 pandemic pressure in many industries, especially in the construction industry and Small and Medium Enterprise (SMEs) resulting in a decrease in liquidity of the customers and ability to pay for 2-3 years ago which effect to non-performing loans increased. Moreover, others out of control factors i.e market, competition and economic and inside factors i.e concentration of industry in the past un-completion projects during delivered, also effected to quality of customer. In addition, lower financing effected to decreased average ports which is another reasons of higher NPLs.

However, the company Focuses on solving asset quality problems by using a variety of strategies, such as increasing the quality screening of customers and debtors, Approval to be more appropriate, avoiding high-risk industries and increasing head count of the debt collection team including using outsource agencies to expedite debt collection, etc. The Company expected to reduce the NPL ratio within the next 2-3 years.



**ONE**  
of Thailand's  
**Top Non-Bank  
Lenders for SMEs**

## Total assets

As of 31 December 2022 and 2021, the Company had total assets of 2,017.46 million baht and 2,157.12 million baht respectively of which decreased about 140.00 million baht or 6.00% from a decrease of receivable. The majority were loans to customers or 63.65% and 85.56% of total assets respectively.

Current assets as of 31 December 2022 and 2021 total 1,242.30 million baht and 1,350.26 million baht respectively. The major current assets were financial lease and hire purchase debtors, factoring debtors, and term loans. The current portion of the loans payable within 1 year of those lending stood at 61.14%, and 94.25% of total current assets respectively. The cause of the decline was a decrease in loan receivables due within 1 year compared with the previous year as a result of cash inflow from operation and could payment debenture in December then issuing new debenture about 400.00 million baht so the Company had cash and cash equivalent as of 2022 amounting 467.70 million baht or 37.65% of current assets.

Total non-current assets as of 31 December 2022 and 2021 was about 775.16 million baht and 806.86 million baht respectively. Key non-current assets consist of financial lease and hire purchase customers, factoring customers, and term loans customers. The non-current portion of the loan payable over 1 year of those lending stood at 67.67% and 71.02% of total non-current assets respectively. The cause of the increase in loan receivables due over 1 year according to increase in non-performing loans (NPLs).

## Asset quality

For the year 2022, the Non-Performing Loans (NPLs) ratio of 54.62% increased from 29.52% mainly was from a decrease of total port receivables from carefully financing to prevent new NPLs from new financing. In addition, the economic slowdown impacted to liquidity and ability to pay of SMEs which mainly from construction sector and receivables under litigation resulted to reduce new financing to construction or complex industries. Collection and legal team also speed up to collect debt.

Moreover, the Company had improved process of financing for good loans since receivables are mainly assets of the Company such as credit risk analysis, review and follow up quality of customer, new authority tables and diversify ports.

Debtor	Consolidated Financial statements		Change	
	2022 Million baht	2021 Million baht	increase/ (Decrease)	% change
Installment	35.84	28.80	7.04	24.44
Financial lease	60.22	89.91	(29.69)	(33.02)
Hire purchase	21.94	52.61	(30.67)	(58.30)
Factoring	693.54	901.04	(207.50)	(23.03)
Loan	1,134.15	1,308.68	(174.53)	(13.34)
Trade and Other receivable	9.36	5.22	4.14	79.31
<b>Total</b>	<b>1,955.05</b>	<b>2,386.26</b>	<b>(431.21)</b>	<b>(18.07)</b>

**Note:** From above table, account receivable outstanding excluded provision expected credit loss.

Factoring as of 31 December 2022 and 2021 was 693.54 million baht and 901.04 million baht respectively, decreased 23.03% due to the lower business transaction then lower financing of new loan, including carefully conditional of financing according to the Company policy for resolve NPLs.

Loan receivable as of 31 December 2022 and 2021 was 1,134.15 million baht and 1,308.68 million baht respectively, decreasing 13.34% due to Loan was high-risk product and some customers began to lack liquidity for the economic slowdown. Resulting in, the Company reducing financing new loans and diversified credit portfolios to different industries and controlling Non-Performing Loans (NPLs).

The financial lease and hire purchase receivables, as of 31 December 2022 and 2021 was 82.16 million baht and 142.52 million baht respectively, a decline of 42.35% due to the Company focused on short-term lending rather than long-term to manage the liquidity of the Company.

## Liquidity and capital sufficiency

### (A) Source of capital and liquidity

	Consolidated Financial statements		Change	
	2022 Million baht	2021 Million baht	increase/ (Decrease)	% change
Cash flows from (used in) operating activities	399.39	383.68	15.71	4.10
Cash flows from (used in) investing activities	(0.78)	5.71	(6.49)	(113.66)
Cash flows from (used in) financing activities	(1.55)	(365.96)	364.41	(99.58)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>397.06</b>	<b>23.43</b>	<b>373.63</b>	<b>1,594.67</b>

As of 31 December 2022, there was cash inflow from operations of 399.39 million baht resulted from decline in financing amount and collection delayed projects then the Company made repayment debenture in December about 393.00 million baht and issued new debenture 400 million baht. The Company increased share capital beginning of the year and repayment short-term loan from financial institution about 270 million baht.

As of 31 December 2022 and 2021, the Company showed details of liabilities, owner's equity and the D/E ratio (only with respect to financial institutions) as follows:

(Unit: Million Baht)

Item	Consolidated Financial statements		
	2022	2021	2020
<b>Financial liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	50.00	320.00	157.92
Debentures	787.30	781.93	1,255.32
Liabilities under hire-purchase and financial lease agreements <sup>1</sup>	46.26	73.58	98.53
Other liabilities <sup>2</sup>	25.47	42.01	58.06
<b>Total liabilities</b>	<b>909.03</b>	<b>1,217.52</b>	<b>1,569.83</b>
<b>Total shareholders' equity</b>	<b>1,108.43</b>	<b>939.60</b>	<b>1,074.95</b>
<b>Net cash flows</b>	<b>2,017.46</b>	<b>2,157.12</b>	<b>2,644.78</b>
<b>Debt to Equity Ratio (times)</b>	<b>0.82</b>	<b>1.30</b>	<b>1.46</b>

**Remarks :** <sup>1/</sup> Financial lease agreements e.g. financial lease agreement, bid bonds deposit awaiting for return to Customers, Cash receipt awaiting for return to receivables etc.

<sup>2/</sup> Other liabilities e.g. trade and other payables, provision for long-term employee benefits and income tax payables etc.

The Company's source of capital can be classified under 2 types i.e.

### **1. Overdraft limit and short term loan from financial institutions.**

Under the short term loan agreement, there are certain financial covenants which the Company must adhere to e.g. maintaining D/E ratio and the stipulation of minimum shareholding by major shareholders about which the Company has complied.

As of 31 December 2022, the Company has total limits from financial institutions of 900 million baht consisting of short Overdraft limit and short term loan limit (against P/N) about 800 million baht. According to loss operation since 2021 from recording expected credit loss as risk and quality of customers and revenue decreased from lower financing. However, there is credit limit about 200 million baht available without any conditions. So, the Company can manage cash flow which at end of the year the undrawn limit stood at 50 million baht.

### **2. Long term borrowing via debentures and non-bank borrowing**

For debentures, there were financial covenants imposed e.g. maintaining the minimum value of the rights to claims on trade receivables of term loan customers, factoring customers, financial lease customers and hire purchase customers exclude NPLs which must not be less than 1.5 times of the outstanding debenture amount during its lifetime and maintain the D/E ratio of not exceeding 4 times. The Company was able to comply with such covenants.

As of 31 December 2022, the Company has debenture outstanding balance amount was 787.30 million baht and the amount maturing in 2023 of 393.21 million baht and 394.09 million baht in 2024.

The Company adheres to the concept of managing the source of capital to synchronize with the debtor structure by using banks' short term loans to finance short term lending i.e. receivable financing, bid bond, project-related and working capital loans. The Company can adjust interest rate or fee in line with the capital cost which may change from time to time. The Company's long term borrowings are used to finance long term loans to customers or hire purchase loans where it charges fixed interest rate. Nevertheless, the difference in interest rate between the cost of fund and the rate charged to customers will have built-in cushion (interest spread) that covers the risk of interest rate fluctuations which could happen.

## **Liabilities**

As of 31 December 2022 and 2021, the Company had total liabilities of 909.03 million baht and 1,217.51 million baht respectively, decreased about 308.50 million baht or 25.34%. the majority of which were overdraft and short-term borrowings from financial institutions and issued debenture. The reduction of total liabilities from the repayment of short-term loan from financial institutions at beginning of the year.

## **Shareholders' equity**

In view that the Company offers diverse lending products covering all of the customers' business requirements. However, due to the economic slowdown, the Company There was a decrease in the amount of financing amount including increasing caution to mitigate the damage from non-performing loans arising from the release of old or new loans. As a result, the Company had loss operation for the year 2022 effect to decreased in retained earnings and shareholders' equity. However, the Company increased share capital and fully paid up at beginning of the year about 265.74 million baht. As a result, shareholder's equity as of 31 December 2022 and 2021 was 1,108.43 million baht and 939.60 million baht, respectively.

## **Appropriateness of capital structure**

As of 31 December 2022 and 2021, the Company's D/E ratio stood at 0.82 times and 1.30 times which indicates that the Company has a lower ratio compared to 2021 due to increase share capital and repayment of debenture during the year where the Company maintaining the debt-to-equity ratio in accordance with the regulations of issuing debentures and other credit lines with financial institutions

## (B) Capital Expenditures

Since 2020, the Company invested in several technological-oriented systems e.g. electronic document filing to enhance the security in document archiving and reduce storage space. In addition, there is credit processing and operation system which is still not complete costing about 20.68 million baht there is capital commitment about 4.2 million baht end of the year 2022. The system is test run processing after which the Company hopes shall speed up the operations with enhanced accuracy that should benefit the service and provide timely information for the management's decision making. The investment in each project is funded by the cash inflow from operations.

## (C) Factors affecting credit rating

On 30 September 2022, the Company obtained a credit rating of BB from Tris Rating Co., Ltd. (TRIS) with 'negative' outlook from BB+ 'Stable' owing to decrease in revenue as carefully low new financing to decrease new NPLs. As a result, financing amount decreased about 3,000 million baht when compared with prior year.

Moreover, the higher NPL ratio of 54.62% as of end this year from 29.52% and 15.29% at end of 2021 and 2020, respectively. The economic slowdown since 2019 coupled with the impact from Coronavirus Disease 2019 (COVID19) as a resulting to lockdown. Then, SMEs had directly impact in varies industry especially construction industry which is over 54% of total port as of the year 2022. At the same time, the high credit concentration remains a rating constraint, putting pressure on the Company's risk position.

The conclusion of the credit rating was a decrease of revenue and increase of non-performing loan customers were the main factor that affected the Company's credit rating. As a result, the Company focused on reducing the Non-Performing Loan (NPLs) ratio by applying stricter credit approval process/criteria, revised authority tables, review and follow up a liquidity of customers and reduce exposures to industries with high risk which the Company could reduce construction sector over 100 million baht from projects completion and reduce new loans of the sector. In addition, the Company also concentrated on collection and legal team both inside and outside company to decrease NPLs which the Company expect to reduce credit concentration in the next 2-3 years.

Even though, financing amount decreased from carefully as recession situation but the Company focused to increase revenue with strongest position due to full options products with suddenly service that main customers work with government or large private debtor since they have ability to pay. The Company also focus on low-risk product and has royalty program with existing customer whereas find new customer by digital marketing and explore new products based on strong equity and liquidity.

## ➤ Main influential factors that could affect future performance

Sufficient and diverse source of capital is an important factor in driving the business. The Company has raised capital via several channels e.g. capital increase, borrowings from various financial institutions including issuing various debt instruments e.g. Bills of Exchange (B/E), debenture issuance etc. The Company focusses on effective management of its finance both qualitatively and quantitatively in well diversified manner to reduce external risk factors that could impact capital sourcing in addition to reducing the risk of interest rate fluctuations and to effectively manage capital cost.

The Company received a credit rating of BB- from Tris Rating Co., Ltd. owing to the rising NPL ratio during the year and decrease in revenue which may affect the confidence of investors and the issuance of debenture including borrowings from financial institutions not to mention the potentially higher cost of funding if the credit rating suffers further downgrade.

Nevertheless, the effective risk management and control of non-performing loans throughout the year e.g. stricter lending approval process, reduction of exposure to high-risk industries, debtors deconcentrating, diversification of the lending portfolio by expanding to several industries, focuses on financing to customers who are government suppliers and low-risk financial products and strengthening the debt collection team to follow up the repayment closely. Note that the Company shall strive to reduce the NPL ratio continuously in the next 2-3 years.



**ONE**  
of Thailand's  
Top Non-Bank  
Lenders for SMEs

# 5 General Information and other important information

## The Company Information

Company Name	: Lease IT Public Company Limited
Nature of Business	: Leasing, Hire Purchase and Factoring including other financial services such as Bid Bond, Project Backup Financing, Trade Finance, Letter of Credit and Personal Loan
The Headquarters	: 1023 MS Siam Tower 29 <sup>th</sup> floor, Rama 3 Rd., Chongnonsi, Yannawa, Bangkok 10120
Company Registration Number	: 0107556000353
Telephone	: 0 2163 4260
Fax	: 0 2163 4291-4
Website	: www.leaseit.co.th

## Company information in Lease IT Public Company Limited holds shares of 10 percent or more

Details are shown in the shareholding structure of the Lease IT Group in Part 1, item 1.3.

## Information of other references

### 1. Ordinary share registrar

Thailand Securities Depository Co., Ltd.  
93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindang, Dindang, Bangkok 10400  
Telephone 0 2009 9726  
Fax 0 2009 9807-8  
or TSD Call Center 0 2009 9999

### 2. Debenture Registrar And bondholders' representatives

Debenture Registrar Registrar services section, Bank of Ayudhya Public Company Limited  
1222 AA floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120  
Tel. 0 2296 5690

Representative of Debenture Holders

Asia Plus Securities Company Limited  
3/1 floor, Sathorncity Tower No.175 South Sathorn Road,  
Thungmahamek, Sathorn, Bangkok 10120 Tel. 0 2680 1471

Globlex Securities Co., Ltd.  
87/2 CRC Tower 12<sup>th</sup> floor, All Season Place, Wireless Road, Lumpini, Pathomwan,  
Bangkok 10330 Tel. 0 2687 7159 Fax 0 2687 7006

DAOL (THAILAND) PUBLIC COMPANY LIMITED  
87/2 CRC Tower 9<sup>th</sup>, 18<sup>th</sup>, 39<sup>th</sup>, 52<sup>nd</sup> floor, All Season Place  
Wireless Road, Lumpini, Pathomwan, Bangkok 10330

BLUEBELL SECURITIES CO., LTD

1 Q House Lumpini, 25<sup>th</sup> floor South Sathorn Road, Thungmahamek, Sathorn,  
Bangkok 10120 Tel. 0 2249 2999

KINGSFORD SECURITIES PCL.

191 Silom Complex, 11<sup>th</sup>, 12<sup>th</sup>, 21<sup>st</sup> floor, Silom Road, Bangrak, Bangkok 10500  
Tel. 0 2829 6999

### 3. Auditor

Ms. Siriwan Suratepin Certified Public Account (Thailand) No. 4604

Ms. Sathida Rattananurak Certified Public Account (Thailand) No. 4753

Ms. Sarinda Hiranprasertwutthi Certified Public Account (Thailand) No. 4799

#### EY Office Ltd.

33<sup>rd</sup> floor, Lake Rajada Office Complex, No. 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110  
Tel. 0 2264 0777 Fax 0 2264 0789-90

### 4. Contacted financial institutions

Krungthai Bank Public Company Limited  
999 Pattanakarn Road, Suan Luang, Bangkok 10250  
Tel. 0 2319 3910

Bangkok Bank Public Company Limited  
333, 10<sup>th</sup> Floor, Silom Road, Kwaeng Silom, Khet Bangrak, Bangkok 10500  
Tel. 0 2626 3007

Krungsri Public Company Limited  
1222 Rama 3 Road, Bang Phongphang, Yannawa, Bangkok 10120  
Tel. 0 2296 2000

RHB Bank  
87/2 All Seasons Place, 18<sup>th</sup> Floors, Wireless Road, Lumpini, Pathumwan, Bangkok 10330  
Tel. 0 2126 8695

Bank of China  
179/4 Bangkok City Tower, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120  
Tel. 0 2286 1010

### 5. Legal dispute

As of December 31, 2022, the Company is not a party or a party. In the following cases

1. Cases that may have a negative impact on the Company's assets. Or subsidiaries with more than 5% of shareholders' equity as of December 31, 2022
2. Cases affecting business operations of the Company Significantly But can not estimate the impact in numbers
3. Cases that do not arise from normal business operations of the Company



## 6 Corporate Governance Policy

### Overview of policies and practices in corporate governance

#### 1. Policies and guidelines on board

The Company considers governance as an important mechanism leading to the efficient management transparency and accountability. Therefore, the main focus of the Company is Good Corporate Governance. This will help the Company to build trust and confidence among its stakeholders, investors, shareholders and all the concerned parties. Moreover, having Good Corporate Governance can be assumed as a tool to add value, create competitiveness, and promote sustainable growth of the Company in the long term. Nevertheless, the Company requires a policy of Good Corporate Governance. As defined by the SET, the Board of Directors had a meeting on 15<sup>th</sup> of July 2013 (3/2013) to discuss and cover 5 main categories

For establishing the corporate governance framework, the Company has studied the rules issued by the regulators, i.e. The Securities and Exchange Act, B.E. 2535, Public Limited Companies Act, B.E. 2535, Announcements and Rules of The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand, which are applied to the Company as appropriate. The Company has complied with all principles of good corporate governance of The Securities and Exchange Commission.

The Company's good corporate governance policy covers five principles, namely shareholder rights, equitable treatment of shareholders, roles toward stakeholders, disclosure of information and transparency as well as responsibilities of the Board. The Company has complied with all principles of good corporate governance of the Securities and Exchange Commission

For financial reports, the Company has prepared financial statements according to accounting standards and financial reporting standards promulgated by the Federation of Accounting Professions as well as generally accepted accounting principles of Thailand by selecting appropriate accounting policies and adhering to them regularly. The Board of Director is responsible for the specific financial statements of the Company. And the consolidated financial statements of the Company and its subsidiaries. Also, careful judgement and the best possible estimate are used in the making the disclosure of sufficient important information in the notes to the financial statements in order that the financial statements are reliable and beneficial to shareholders and general investors.

The Board of Directors representing the shareholders is responsible for supervising the business according to the laws, objectives, rules and resolutions of the shareholders' meeting. It also oversees the management to work for achieving the goal of performance in accordance with the strategies and annual plans approved by the Board of Directors.

The Board of Directors is also responsible for monitoring the performance according to specified work plans, including the implementation of risk management, internal control, compliance with relevant regulations and operational checks. This is to make the performance of duties of the Board more efficient, therefore the Board of Directors has appointed specific subcommittees consisting of members with knowledge, expertise and experience in such fields, namely the Audit Committee, Executive Committee. Also, it has appointed the Audit Committee to perform the duties on its behalf, the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance Committee.

The Company has separated the roles, duties and responsibilities between the Board of Directors and the management. The Board of Directors has performed its duties honestly and carefully to protect the interests of the Company. The Company has clearly specified the Board of Directors' approval power in important matters such as setting the goals, guidelines, strategies and policies, business plans and budget of the Company, reviewing, auditing and approving business expansion plans, large investment projects as well as investing with other entrepreneurs proposed by the management, etc.. This is detailed in Form 56-1 One Report under the topic of the scope of power and duties of the Chairman and the Board of Directors. Besides, so as to allow the directors to have time to perform their duties, therefore the number of no more than 5 listed companies has been fixed in which each director can hold a position without exception.

At present, the structure of the Board of Directors is comprised of independent directors, more than 1/3 of the committee. The Company currently has a total of 8 persons consisting of 3 executive directors and 5 non-executive directors. And 4/5 of Independent Director are also audit committees. There are 5 female directors in the Board of Directors. The Board of Directors appoints the audit committee in order to assist in the

governance of the Company. The Audit committee has rights and duties to acknowledge and investigate the authority of other sections. At least one of the audit committee member must have knowledge and experience in accounting sufficient to verify the reliability of the financial statements of the Company. The term of the independent director should not exceed 9 years from the date of first appointment as a director. There is 2 independent director who has held the position of independent director of the Company for more than 9 years. The Board of Directors is of the opinion that he has a transparent, unblemished work history and is able to express his opinions independently. has brought knowledge and expertise to give suggestions which is beneficial to the operation of the Company. And have full qualifications according to the qualifications of an independent director as determined by the Office of the Securities and Exchange Commission, and the Annual General Meeting of Shareholders has resolved to appoint that 2 independent directors back to be a director for another term. and when including the period of tenure until the end of the term will be 12 years, and 11 years.

The Company has no director holding positions in more than 5 listed companies (excluding advisory positions in listed companies).

**Conclusion**

- Total number of directors : 8 persons
- Independent Directors : 5 persons
- The Chairman and The Managing Director are different persons : ✓
- Average tenure : 5.41 years

	Proportion	Percentage
Independent Directors : All Directors	5:8	62.50
Non-Executive Directors : All Directors	5:8	62.50
Male Directors : All Directors	3:8	37.50
Female Directors : All Directors	5:8	62.50
Proportion of Independent Directors in Sub-Committee	4:4	100.00

The Company has no policy for the Managing Director of the Company be appointed as a director in another Company and more than 2 other listed companies (excluding affiliated companies), and may not be directors of the same type of business or business that may cause conflict of interest. Unless approved by the Board of Directors. However, The Managing Director of the Company does not hold directorship in more than 2 other listed company.

The Company has an independency policy that a chairman and the president will not be the same person in order to prevent any arbitrary of one subject in voting process. Therefore, the scope of authority of each position is clearly defined in the operation model of the Company. Board of Directors is supposed to be determined based on the elements of authority, and all the other directors also are appointed in the same way. The Chairman has been elected by the directors of the Company and acts as the chairman of the meeting. The chairman has the responsibility to ensure that the meetings of the Board of Directors of the Company proceed in accordance with the agenda, encourage all directors to participate in the meeting (such as asking questions or making observation notes), give advice and recommendation to the management and support the business operation of the Company. However, the Chairman will not interfere with the work of the management of the Company.

The Company has determined the diversify of the Board of Directors. The Board of Directors of the Company is composed of directors who possess of directors who possess qualifications, knowledge, expertise and experiences in various areas, including finance and accounting, business administration, law and telecommunications business. The independent directors possess higher qualifications than those required by the Securities and Exchange Commission and The Stock Exchange of Thailand, details of which can be found under section “Corporate Governance – Independent Directors”.

The Board of Directors has a policy to promote and facilitate training and educating people involved in the corporate governance system of the Company, including the directors, audit committee members, executives and company secretary so as to continuously improve the work performance, namely the courses of the Thai Institute of Directors as well as the courses important for company development organized by the Stock Exchange of Thailand, the Securities and Exchange Commission and the Federation of Accounting Professions.

The Board of Directors has a policy on orientation for new directors and enhancing knowledge for directors. The Company assigns the company secretary to prepare information for new directors in order to allow new directors to acknowledge the roles, duties and responsibilities of directors, policies, business information and corporate governance practices of the Company before performing the duties of directors, including promoting the creation of business knowledge and understanding for all directors to help support the directors’ performance of duties more efficiently. Furthermore, the Company has a policy to regularly enhance knowledge of executive directors. In 2022, there was no new director.

The managing director or chief executive of the Company, not as an employee or partner of the external auditors since the Company was established.

Similarly, the Board of Directors is supposed to appoint the duties and responsibilities of the Company’s secretary under the Act of Securities and Exchange.

## 2. Policies and practices related to shareholders and stakeholders

### A. Shareholder Care Equitable treatment of shareholders

#### Promoting the exercise of shareholders' rights

##### A1. The Rights of Shareholders and Promoting the exercise of Shareholder's Right

The Company recognizes the importance of fundamental rights of shareholders as the following: (a) the right to sell or transfer shares. (b) the right to receive a share of Company profits. (c) the right to receive adequate information of the Company. (d) the right to attend and vote at a meeting by the shareholders to appoint or remove directors. (e) the right to appoint an auditor and make a decision about the matters affecting the Company such as dividend payments. (f) the right to determine or modify regulations and the memorandum and articles of association as well. (g) the right to reduce or increase the Company's capital and so on.

Apart from the above-mentioned rights and empowerments, the Company has worked on various matters in order to promote and facilitate the exercise of shareholders as the following:

- (1) Informing the shareholders to attend a meeting at least 14 days in advance, specifying the date, time, place and agenda while handling the documents related to the matter entirety.
- (2) If the shareholder is unable to attend the meeting, the Company allows shareholders to delegate an independent director or any other person instead. Those attending the meeting as a proxy will be informed via invitation letter as well.
- (3) The Company also provides registration channels at the meeting venue specifically for individual shareholders and institutional investors and also arranges the computer system for registration and vote counting to expedite the registration and vote computation process.
- (4) Providing opportunity for shareholders to ask questions fully and freely.
- (5) Eventually at the end of the meeting, the Company will prepare a report with details correctly. Subsequently, that report can be verified by shareholders.

The Company held the 2022 Annual General Meeting of Shareholders (No.9) on 7 April 2022 at The ASIC meeting room, MS Siam Tower 31<sup>st</sup> floor, Bangkok, Thailand. There were 10 directors and management attending the 2022 Annual General Meeting of shareholders.

The Company engaged the Thailand Securities Depository Co., Ltd., its registrar, to send the invitation notice to the meeting, together with the supporting documents on its website at [www.leaseit.co.th](http://www.leaseit.co.th) at least 30 days prior to the meeting in order to facilitate the shareholders with an easy and prompt access to the information relating to the meeting

The Company provided opportunities for the shareholders to submit questions relevant to the meeting agenda in advance of the 2022 Annual General Meeting of shareholders (No.9) during 16 November – 30 December 2021. However, no question was submitted.

The Company must state the opinion of the Board of Directors in the notice of AGM. Within period required by the SEC or Securities Exchange so that shareholder can study the information before meeting. Typically, the shareholders will receive information through the electronic email, The Company's official website, and newspapers according to public companies limited act. The public Company limited has a policy to invite the shareholders and board of directors simultaneously including the president of committees (i.e. Chairman of the Audit Committee etc). Doing this jointly clarify and respond to inquiries by the shareholders attending the meeting.

Before the meeting began, the Company explained to all shareholders the criteria and the procedures for vote casting. There was also an external legal advisor who supervised the meeting and the voting process to ensure that they were conducted in accordance with applicable laws and the Articles of Association of the Company. At the meeting, the chairman of the meeting provided opportunities for the shareholders to express their opinions and to make inquiries relevant to the Company and the meeting agenda.

On the next day after the conclusion of the meeting, the Company informed the resolution of each agenda of the 2022 Annual General Meeting of shareholders (No.9) by indicating the votes as "approved", "disapproved" or "abstained from voting" to the Stock Exchange of Thailand including the Company's website.

The Board of Directors places importance on fair and equitable treatment to all shareholders; including both shareholder executive and non-executive shareholders. No matter shareholders are Thai or foreigner. Similarly, doesn't matter shareholders are in majority or minority. The following actions have been implemented:

- The Company has a policy to protect the rights of all shareholders. At the Annual General Meeting of shareholders, the chairman of the meeting conducted the meeting in accordance with the agenda as set forth in the invitation notice to the meeting. No agenda was added without prior notification to the shareholders. All shareholders were entitled to vote base on the amount of shares held by each shareholder whereby one share was equal to one vote.
- During 16 November - 30 December 2021, the Company provided opportunities for the shareholders to propose matters that they considered necessary for inclusion in the agenda of the 2022 Annual General Meeting of Shareholders (No.9) and to nominate candidates for election as directors. The Company also posted the criteria and procedures in relation thereto in the form of a newsletter to the Stock Exchange of Thailand and on its website at [www.leaseit.co.th](http://www.leaseit.co.th). However, no shareholders proposed matters for inclusion in the agenda of the meeting nor nominated any candidates for election as directors.
- The Company gave authority to Thailand Securities Depository Co., Ltd. (TSD) as the registrar of the Company to send invitation letter and attached document for Annual General Meeting 14 days in advance of the meeting. The Company also posted invitation letter and attached document for Annual General Meeting on Company's website at [www.leaseit.co.th](http://www.leaseit.co.th) 30 days in advance of the meeting so that the shareholders can reach the information regarding the meeting conveniently.
- The shareholders who could not attend the meeting in person were entitled to appoint an independent director of the Company or any other person to attend the meeting and vote on their behalf. The Company prepared proxy forms as prescribed by the Ministry of Commerce, whereby the shareholders may give their proxies voting instruction. The proxy forms were delivered to the shareholders together with the invitation notice to the meeting. Additionally, the shareholders could download the proxy forms the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

- The meeting will be in accordance with the regulations of the Company. The details of the agenda will be informed via the invitation letter entirety. Nevertheless, some unnecessary details about the agenda not added in notification letter of shareholders. The agenda itself is important due to the fact that shareholders have to take time to study it before making any decision whether attend or not.
- The Board of Directors have approved a policy on reporting the purchase/sale of securities of the Company to the Board of Directors which covered the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the Company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the Company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the Company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992. However, The Board of Directors and executives have to report the purchase/sale of securities of the Company to the Board meeting by quarter.

The Company prepared the minutes of the Annual General Meeting of shareholders, and posted the minutes of the meeting on the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

The Company has a policy in the involved transaction is deemed to be approved by shareholders in accordance with the requirements of the Stock Exchange of Thailand prior to the transaction. The Company will disclose the name and the relationship of the related parties, pricing, the value, including the comment of the Board of Directors on the transaction for shareholders to be clear in the Annual General Meeting.

The Company prohibits the transaction in a manner that provides financial assistance such as lending and credit guarantees.

The Company has transactions with affiliated Company which was done at a fair and at arm's length.

## A.2 The Equitable Treatment of Shareholders

All shareholders of the Company must be treated equally and fairly according to existing fundamental rights. Therefore, the Company has a policy and guidelines on supervision of using internal information of the Company for the wrongful benefit of one's own or others. This may cause damage to the shareholders as a whole, including encouraging equal treatment of all shareholders so as to ensure that all shareholders will enjoy equal protection of their basic rights.

## B. Prevention of internal information usage

In order for all shareholders to be treated equally, so the Board of Directors has established a policy and practices to protect the use of internal information by establishing the rules on securities trading, which require the directors and executives to prepare and submit the report on securities holding and trading of the Company within the time limit. Also, the company secretary must report the change in securities holding of directors and executives to the Board of Directors meeting on a quarterly basis by specifying the time for prohibiting securities trading as follows.

- (1) During 30 days before disclosure of the quarterly and annual financial statements and within 24 hours after disclosure of financial statements and other periods that the Company will set from time to time
- (2) In special circumstances, the person designated by the Company may sell the Company's securities during the prohibition period of securities trading if being in the situations such as having seriously financial difficulties or need to comply with any legal requirements or being subject to court order by preparing a memorandum stating the reason to seek approval for submission to
  - (2.1) Chairman of the Board (If the seller is a director or company secretary)
  - (2.2) Chairman of the Audit Committee (If the seller is Chairman of the Board)
  - (2.3) Chief Executive Officer/Managing Director (If the seller is the person designated by the Company who is not a director and company secretary).  
A copy of such memo must also be sent to the company secretary.

In the past year, there were no cases where directors, executives or employees of the Company use inside information for personal gain.

## C. Prevention of conflict of interests

The Company requires the directors and executives to report to the Board of Directors of the Company interests of one's own or related persons in business management of the Company or subsidiaries under Section 89/14 of the Securities and Exchange Act 1992 as amended by the Securities and Exchange Act (No. 4) 2008. By reporting when taking office for the first time, and to report everytime if there were a change in information according to the form approved by the Board of Directors. The objective is to allow the Company to have information for implementation of the regulations on connected transactions, which may cause a conflict of interests and may lead to transfer of interests of the Company and subsidiaries. Moreover, the directors and executives must perform their duties with caution and integrity. The decisions must be made without direct or indirect interests in the matters of decision-making. Information of such report is therefore beneficial for monitoring the performance of duties of directors and executives according to the aforementioned principles.

## D. Responsibility to stakeholders

The Company has many stakeholders, including shareholders, employees, customers, trade partners, creditors, competitors, including the community and society. All stakeholders must be treated by the Company according to existing rights under the laws and agreements with the Company fairly. Besides, in case of any damage, the Company will provide appropriate remedies to all parties with the following practices.

- Allowing reporting wrongful or illegal acts or complaints about breaking the law or code of conduct through the Audit Committee and providing measures to protect employees or whistleblowers
- Providing the channels for stakeholders to report or complain about rights violations and providing information to contact the assigned person clearly
- Providing an operational process after being informed of wrong or illegal acts by checking information and reporting to the Board of Directors on matters with significant impact
- Establishing the policies related to business ethics, viz. conflict of interest policy, anti-corruption policy, sustainability policy, policy on human rights and labor practices, whistleblowing policy, personal information protection policy, safety and occupational health policy

The Company realizes the rights of all groups of stakeholders, whether inside or outside Company, and has undertaken to ensure that such rights are well protected and treated, in order to create good understanding and co-operation between Company and its stakeholders, which will be advantageous to the operation of Company, create confidence and stability for Company and its stakeholder and increase the ability of Company to complete in the long term as the following:

### D.1 Role to employees

According to the Company's belief, a strong organizational foundation arises from the fact that employees are knowledgeable, competent, expert, recognize the importance of their roles and duties. If employees successfully perform their duties and achieve the goals, certainly the Company's business will become successful and achieve the targets likewise. Therefore, the Company has set practices toward employees.

1. The main focus of Company is on the personnel selection. The Company seeks to hire those kinds of employees who are appropriate to the position having the relevant experience compatible with the nature of the Company. The Company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the Company. Accordingly, the Company aspires to increase the potential of its employees throughout their career path by improving skills, knowledge and aptitude of its employees, as well as providing every employee with an opportunity to improve its career path on an equitable basis and offering incentives in remuneration so as to be reasonable compared with other leading companies in market as well as the quality of life for all employees equally. The Company has a policy to pay compensation in accordance with the results of operations of the Company in the short term, including the ability to make a profit each year in the form of incentives and bonus. The Company used the form of performance measures based on the Balanced Scorecard by using Key Performance Indicators (KPIs) as a tool to assist in the management strategy into action. By measurement or evaluation that helps organizations achieve consistency in unison. And focus on the things that are important to the success of the organization.

2. The Company places importance on the welfare and safety of its employees. The Company provides fundamental welfare and benefits as required by law, such as working hours, holidays, annual leaves, and any other types of leave, as well as social security, compensation fund and provident fund, and constantly communicates all benefits to its employees. In addition to those as prescribed by law, the Company also provides other welfare to its employees, such as health insurance, which covers outpatient and inpatient treatment, life insurance, personal accident insurance, annual health check-up, as well as providing healthcare measure, such as communication of preventive measures for epidemics and provision of protective masks and alcohol-based hand gel for its employees and visitors. In addition, the Company also provides financial aid to its employees in various cases, such as wedding, childbirth, ordination, death of close relatives and natural disasters, etc.

According to the record of accident and leaving of employees, zero of accident and leaving occurred from working in the year 2022.

### 3. Human Resources Management Policy

The Company has realized that employee are the highest value asset for operating the business, so that developing personnel's guideline should be long-term investment by developing work skill and knowledge. There are 2 methods for developing personnel, for example coaching & knowledge sharing and project assignment to make employee can apply to their job which can enhance the Company's strength and support sustainable growth. Thus, the Company has initiated developing personnel's project covering in each position,

#### D.2 Customers

The Company sets policies and guidelines for customers. All the conditions are clearly stated and fair. In addition, the Company is committed to providing customer service, as well as assisting and advising clients with courtesy while listening to their problems (and finally providing solutions to customers) without revealing on the clients' personal information. The Company has clearly defined customer selection criteria. It is based on the following criteria. (1) The presence of the customer. (2) The ability to repay customers and debtors. (3) Ability to complete work projects. The Credit Committee is responsible for considering the above criteria.

#### D.3 Partners

The Company has set policy on fair practice and responsible for all business partners based on trade agreements which specify conditions and guidelines to practice everything clearly and fairly. Moreover, the agreement cooperate the involved partners in such a way that brings benefit for two parties.

#### D.4 Creditors

Company aspires to maintain sustainable relationship with its creditors. The Company has a policy to treat its creditors equitably and fairly by providing correct, transparent and verifiable information to its creditors, and to strictly honour the terms and conditions of the contracts it has with its creditors whether in relation to the repayment of principal, interest and fees, maintenance of financial ratio or other conditions, etc. The Company will immediately inform its creditors in case the Company fails to comply with any condition in order to jointly find solutions. In the past year, the Company had no event of default obligation.

#### D.5 Competitors

Though there are many competitors in the market, the Company is committed to operate in such a way compatible with morality, ethics and high standard of service. Similarly, the rivals of the Company are considered and treated based on the moral and ethical issues. The first priority of the Company is to treat competitors with tightening a mutual understanding and cooperation between providing financial and quality standards to customers as well.

In 2022, there was no legal dispute between the Company and its subsidiaries with commercial competitors.

#### D.6 Society, Communities and the Environment

The Board of Director has a policy to focuses on the practical conduct with regard to their responsibilities to society and the nation. The Company offered various types of activities with co-operation from several public and private organizations to support community, society and environment

The Board of Directors has adopted a policy on the environment and promote the efficient use of resources. The Company has set guidelines that can be implemented within the Company such as energy saving, water saving, Recycle paper, a campaign of the waste, including waste water treatment prior to discharge into the sewer.

In additional, the Board of Directors of the Company encourages employee education and training with regard to environment matters. The Company has a policy to protect the environment which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. The Company has continuously taken actions to reduce environmental impact and control activities that may have environmental impact, including management of waste from the Company's operation.



## Policy on conflicts of interest

The Company has taken some measures in order to prevent the conflicts of the interests that may arise (within the transaction process) of the Company and those persons who may create inconsistency. Due to the fact that the stakeholders in any subject will not be able to take part in the transaction, therefore it is the Board of Directors to oversee whether the Company complies with the laws and regulations of the Securities and Exchange Commission announcements (as well as requirements of the Capital Market Supervisory Board and Exchange) or not. In addition, the Board of Directors have to monitor all the disclosure requirements relating to the transactions (and acquisition or disposition of assets) of the Company. Their job is to strictly investigate the compliance (of transactions and assets) with the accounting standards set by the Association of Accountants.

In addition, the Company may assign the Audit Committee or independent experts to examine and comment on the appropriateness of the price strategies as well as reasonableness of the transactions. The results of the investigations will be disclosed in the form of financial statement notes in Annual Registration Statements (Form 56-1) and Annual Report (Form 56-2). These forms have been audited or reviewed by the auditors of the Company.

## E. Compensation for rights violations

In case of rights violations, the Company will follow the established best practices and protect the whistleblowers. Later, if compensation is required, the Company will provide reasonable and fair compensation.

## F. Anti-corruption and Bribery Policy

The Board of Directors is determined to reject all kinds of corruptions and bribes in every level, whether in the transactions with government sector or private sectors. The Company has developed the anti-corruption policy in year 2015, and make a procedure document to prevent and monitor the risk of fraud. The code of conduct imposes restriction on directors, executives, employees and other persons acting on behalf of the Company in engaging in giving or receiving illegal or inappropriate gifts, whether in cash or in kind, in order to achieve business advantages or relationship with business partners, and requires for a risk assessment in relation to such anti-corruption regularly.

In 2016, the Company has assigned a unit which is no conflict of interest, to review back to all customers who open new financial amount in order to collect information on corruption and bribery. The results found that no corruption and bribery.

In 2017, the Company announced its intention to cooperate with the Thai private sector in the fight against corruption (Collective Action Coalition) on June 9, 2016. The Company will provide as following

- Assessing the risks associated with corporate fraud including the adoption of anti-corruption policy, compliance management plans and provide guidelines for conducting business for management and staff.
- Disclosing and sharing internal policies, experiences, good practices and promoting a key succession of business transactions guideline for accurate and transparent in Thailand.
- Collaborate with companies in the same industry, partners, and other stakeholders by creating an operational alignment and participating in anti-corruption activities.

In 2022, the Company invited new customers to join the announcement of its intention to fight against all forms of corruption continuously. And the anti-corruption policy has been sent to all executives and employees for acknowledgement.

## **G. The evaluation and follow up of Anti-corruption and Bribery policy and process of risk assessment from Corruption and Bribery**

The Company executives organized the internal control for effective operation and risk reduction from nature of business. The internal control mentioned consists of Preventive control and Detective control which helps lower the chance and motivation in bribery and corruption by using duty allocation to allocate role and duty among employees and arrange the evaluation process of anti-corruption policy. The executives can receive report of defect and doubted behavior of employees in time, so that they can improve the internal control and the audit can be a part of follow up and assessment process of

anti-corruption policy annually and reports the result to Board of Directors of the Company. The directors, executives and all employees are obliged to report the breach of such anti-corruption policy. In this regard, the Company has arranged appropriate protection measures for the reporters. Each year, the Company has arranged trainings for employees who are interested in, or working in relevant departments, to acknowledge the importance of, and have understanding on, the anti-corruption policy and procedures, as well as the risk assessment on corruption actions.

## **H. Policy and Guidelines on Non-Infringement of Intellectual Property or Copyright**

The Company set the policy and guideline of The Infringement of intellectual property and license as followings;

- The Company's employees must give respect and not to infringe the intellectual property and license of others. If the employees see the behavior of Infringement of intellectual property and license, they must report to their supervisors.
- Check the intellectual property or license of things before receiving or using internally in order to reduce Infringement of intellectual property.
- The employees have to report to supervisors when facing the breach of such infringement of intellectual property.
- In working process, the employees must protect the intellectual property of the Company, such as data, program and process and not to reveal to others outside the Company without the Company's permission.

### **Caution**

- 1) To copy adapt or apply any electronically equipment, data, or Information Technology without reasonable cause.
- 2) To use confidential data without owner's permission.
- 3) To make a decision on receiving, using and right protecting of intellectual property without the clear and accurate understanding.

## I. International Human Rights Principles

The Company supports internationally declared human rights which include declarations and treaties of the United Nations on human rights. Directors, executives and employees of the Company and other persons acting on behalf of the Company shall respect personal dignity, privacy and individual rights of each person they are in contact with in the course of their duties, and shall not take any action which results in or supports the violation of any human rights as prescribed in the code of conduct "Corporate Ethics-Good Governance of the Company".

The Company respects and is in line with the law on human rights, including preventing and avoiding human rights violation of its stuff, partners, and communities under the legal provisions defined by the Thai law with the following practices:

- Child Labor: The Company shall be in line with the law on minimum age for employment and shall not allow child labor to perform any task which is harmful to health and growth process, including not to effect on compulsory education.
- Forced Labor: The Company shall not conduct or support any kinds of forced labor and shall not charge or forfeit any identity documents of its stuff unless such implementation is not against any laws.
- Non-discrimination: The Company shall respect difference and treat its stuff equally without facilitate or derogate its stuff's rights unfairly caused from origin, nationality, race, color, ancestor, religion, social status, gender, age, disability or infirmity, political idea, as well as marital status. Moreover, it shall assign protection problem-solving measures in regard to sexual abuse.
- Compensation: The Company shall settle wage, compensation, and any forms of profit in accordance with the labor law and on due and shall not deduct its stuff's wage unless such deduction is not against any laws.
- Working hours: The Company shall set its normal working hours not exceeded the one defined by the law and maintain its stuff's working hours and overtime to be in line with what defined by the law.
- Freedom of association and collective bargaining: The Company shall respect its stuff's rights in association or any kinds of grouping which is not against any laws, including participating collective bargaining according to the law process.
- Occupational health, safety, environment and facilities: The Company shall constantly promote, support, and improve safe working environment, preventing impact on health of its stuff or related individuals from happening, as well as focusing on maintaining, preventing, and reducing environmental impact caused by the Company and related individuals' activities by being in line with the law. Furthermore, the Company shall provide hygienic and clean lavatories and drinking water, appropriate first aid requisites, clean dining area and food storage in accordance with the sanitation sufficiently and conveniently.

The Company is open for the opportunity to inform any clue of action which is a human rights violation via the complaint channel.

In 2022, there were no human rights complaint.

## J. Actions in case of whistleblower and protection of whistleblower

**Whistle Blowing policy:** Board of Directors give the opportunity to stakeholders both internal and external to give information, clues, opinion and recommendations (Whistle Blower) in unlawful, unethical issues, incorrect financial report or fault internal control through Audit Committee in order to examine and arrange the protection of whistle blowers policy.

The Company has set up a communication channel through its website at [www.leaseit.co.th](http://www.leaseit.co.th) to provide opportunities for shareholders and interested persons to opinion or complain directly to the Board of Directors of the Company in case there is an unfair treatment or a trouble arising from the action of the Company or shareholders can contact Board of Directors directly via;

1. Email to Investor Relation Team : [IR@leaseit.co.th](mailto:IR@leaseit.co.th)
2. Post : To The Audit Committee  
Lease IT Public Company Limited  
1023 MS Siam Tower 29<sup>th</sup> floor, Rama 3 Rd., Chongnonsi, Yannawa, Bangkok 10120

Furthermore, all employees must report an event or a behavior which is unlawful or suspected to be unlawful or violates the good governance of the Company or any rules or laws to their supervisors. The Company has also provided a channel for employees to consult or report directly to the assistant managing director upon becoming aware of or suspecting any conduct which is unlawful or violates the policy and has or may have impact on employees, other stakeholders and the Company.

**Process after receiving Whistle Blowing:** When there are complaints. The Audit Committee will appoint the Complaint Committee to investigate the fact and report to Audit Committee for consideration and recommendation to take remedial or legal action towards such offence. The information of the whistle blower and other details received by the Complaint Committee will be kept confidential for the confidence of the whistle blower or employees.

The Company specified the following procedure upon receiving complaints.

1. Accept complaints.
2. Investigate the truth and prepare summary of the event.
3. Report the matter to the Audit Committee for their consideration and recommendation. Come up with solutions or take legal actions in case an offence is committed.
4. Inform the outcome to the Company's board of directors including informing the complainant for acknowledgement.

### Measures to protect complainants, whistle blowers or persons providing cooperation.

1. Complainants, whistle blowers, affected persons or persons providing cooperation in good faith who are involved in all steps of the investigation shall be protected or are guaranteed non-retaliation.
2. The Company shall not divulge information on complainants, whistle blowers or involved persons. The matter shall be treated confidentially.
3. Complainants or affected persons shall be remedied and redressed in line with the company's appropriate action steps.

In order to avoid the repeat of ethically-related misconducts, the Company clearly outlined punishment for those who committed such misconducts and required the employee to pass the business ethic test.

During 2022, the Company received one complaint through the aforementioned channel and proceeded in accordance with the established procedures.

## K. Disclosure of Information and Transparency

One of the major concerns of the board of directors is to establish a very complete and accurate disclosure in transparency of the financial reporting, as well as providing general compliance with the rules of the Securities and Exchange Commission. Financial reports include important information that may affect the price and securities of the Company, which eventually affects the decision making process of the related investors. The Company decided to distribute the Company's information (equally and transparently) to shareholders and public via the media disclosure and the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th). The Company also holds an analyst briefing in each quarter to announce its quarterly operating results to shareholders, investor, analysts, fund managers, and other interested persons. The analyst briefing

The Board of Directors have approve a policy on reporting the purchase/sale of securities of the Company to the Board of Directors which covered the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the Company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the Company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the Company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992. However, The Board of Directors and executives have to report the purchase/sale of securities of the Company to the Board meeting by quarter.

Board of directors was well aware of the crucial responsibility towards the financial statements, therefore their main emphasis was to provide accurate and complete information which are true and reasonable. Accordingly, the financial statements of the Company were prepared in accordance with generally accepted accounting standards. By choosing the appropriate accounting policies and practices regularly (and implementing cautious discretions including adequate disclosure in the financial statements notes), the Board has managed to establish and maintain an effective internal control system in the financial office. All these transitions, let the Company to ensure reasonably that the accounting records are maintained property (with accurate, complete, and sufficient information) leading to identify weaknesses and flaws in order to prevent fraud or abnormal operation significantly. The appointed audit committee consisted of non-executive directors to serve on the audit of financial reports. Finally, the audit committee will report transactions and internal audits to the Board of Directors in terms of reports and surveys.

## L. Measures to take action against people failing to comply with such policies and practice guidelines

The Company has established appropriate penalties for the offenses without the need for punishment arranged in order, including verbal warning, written warning, suspension from job, non-consideration for salary adjustment, suspended bonus, laying off without compensation and according to legal penalties as well.

## Business Code of Conduct

The Company has established the business code of conduct for directors, executives and employees as practice guidelines, for working honestly, adhering to the rule of Law, transparency, morality and adhering to justice, be responsible to all stakeholders, not involved in human rights violations, anti-corruption, no conflict of interest not infringe on intellectual property, confidentiality. The Company has delivered to Code of Business Ethics to employee throughout the organization, including employees who come to work in 2022, according to the organization's vision, goals, strategies so as to create value in the organization, which can be summarized as follows.

1. Code of conduct toward all groups of stakeholders, i.e. shareholders, customers, business partners, creditors, competitors, community and society

1.1 The shareholders work to provide good performance and receive suitable returns, along with the availability of efficient systems for internal control and audit, risk management.

1.2 Customers: The customers must receive appropriate benefits and satisfaction by offering good products and services of quality, providing services with fairness, including keeping all customer information confidential.

1.3 Business partners and competitors: Fair treatment of business partners and competitors and maintaining confidentiality under the relevant rules and laws, including not seeking information of business partners and competitors dishonestly and unfairly

1.4 Creditors and business partners: Adherence to honesty in compliance with the conditions that are provided to all types of creditors and business partners, including the matters of guarantee conditions, capital management as well as liquidity management to provide the Company with strength and readiness to repay debt under the conditions as well as the rules and laws stipulated

1.5 Society and environment: Adherence to business operations with social responsibility and carefulness in considering any action that affects Public Interest. Furthermore, the Company will strive to take action and support activities that benefit the community and society as a whole, aim to comply with environmental laws and regulations, take care of the safety and environment of the Company effectively so as not to have any impact on nearby community and encourage employees' environmental awareness and responsibility

2. Adherence to the principles of good corporate governance, business operations with integrity

3. Adherence to transparency, fairness and auditability

4. Strict compliance with the laws, rules

The Company believes that compliance with the business code of conduct will help the Company to be an alternative funding source outside the financial institution sector, which can create the opportunities for small and medium-sized entrepreneurs to access funding source. This is consistent with the Company's mission and results in the Company being an organization of creating growth for everyone.



  
of Thailand's  
Top Non-Bank  
Lenders for SMEs

## Major changes and developments of policies, practices and corporate governance system in the past year

In 2021, the Company reviewed the charter of the Audit Committee to increase the efficiency of the Principle of Good Corporate Governance in 2017.

The Company participated in evaluation of listed companies corporate governance survey project of the year 2022 (CGR 2022). This is a survey and monitoring of development of corporate governance of listed companies in Thailand by using assessment criteria from the good corporate governance principles of the Organization for Economic Cooperation and Development (OECD). As to evaluation result, the Company has received Excellent rating of 5 stars.

Shareholder Meeting Quality Assessment Project of the year 2021 (AGM Checklist): The Company has been rated in 5TIA of 100 points. The Company participated in Thailand

Sustainability Investment (THSI) evaluation. The Company has been rated as one of 170 companies that were selected in the list of sustainability investment in 2022.

The Company has assigned a third party to conduct customer satisfaction surveys. With the objective to understand customer satisfaction To determine the needs and expectations of customers, And to identify strengths and weaknesses for improvement. Number of respondents 136 case. Are current customers using the amount of 122 customers. Not used in the past 6 months, 13 cases and opening the credit limit but never using 1 service.

The Company's satisfaction target must not be less than 80% or at a very satisfied level.

The results of the overall service satisfaction survey of the Company Very satisfied (82%).

The Company places importance on the disclosure of important information such as business strategy, performance indicators of the Company both financial information and non-financial, such as market share, customer satisfaction which was disclosed to investors and those interested in company information.

For the year 2021, the Factoring Chain International (FCI) has revealed the information about the purchase of accounts receivable in Thailand as following

**Number of Company** : 6 Companies

**Total Financing Amount** : 6,105 Million of EUR or  
230,836.16 Baht (Exchange  
rate 37.811 Baht per EUR)

**Average Growth Rate** : 3.90%

In 2021 The Company has total 7,025.38 million Baht of total loans, calculating 3.04% of the market share.

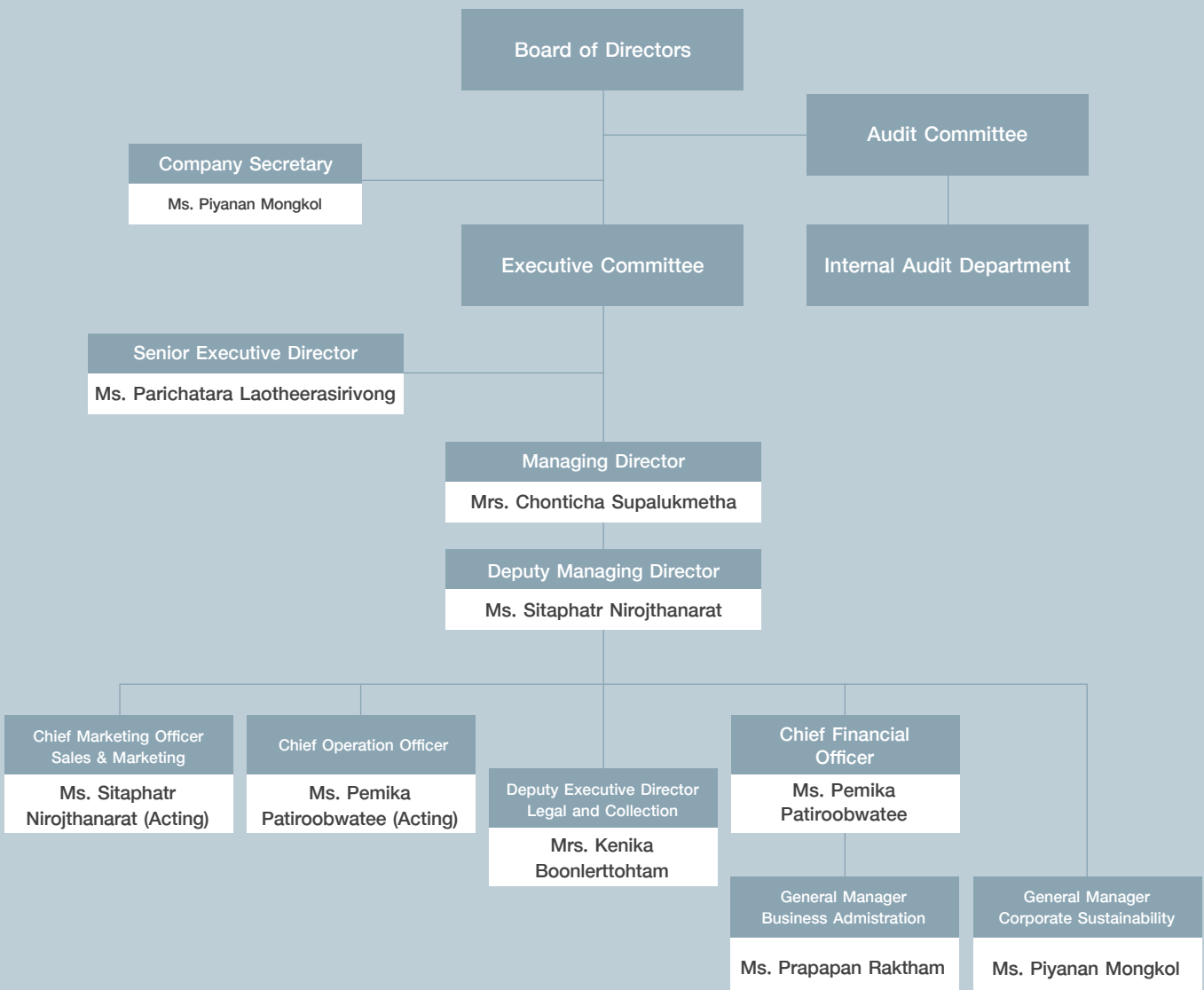


# 7 Corporate governance structure and important information about the board Sub-committees, management, employees and others

## Corporate Governance Structure

As of 31 December 2022

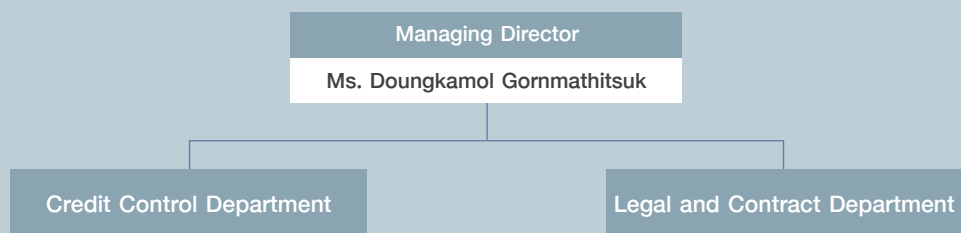
### (1) Lease IT Public Company Limited



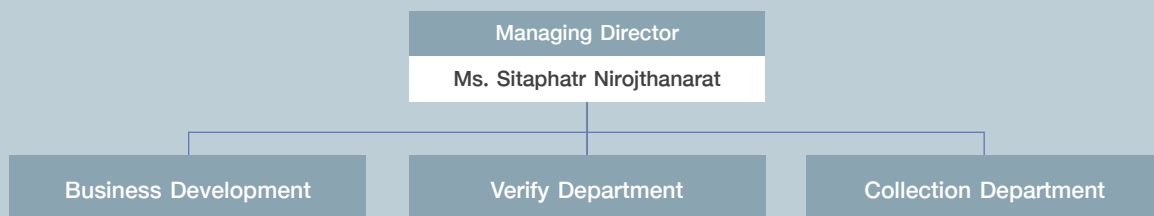




## (2) LIT Service Management Company Limited



## (3) Ulite Digital Company Limited



## Board of Directors

The Company has separated the roles, duties and responsibilities between the Board of Directors and the management. The Board of Directors has performed its duties with integrity and carefulness to protect the interests of the Company. The Company has clearly specified the Board of Directors' approval power in major matters such as setting the goals, guidelines, strategies, policies, business plans and budget of the Company, reviewing, auditing and approving business expansion plans, large investment projects as well as joint investment with other entrepreneurs proposed by the management, etc.

The Company's management structure consists of The Board of Directors and Sub-Committees are as follows: The Audit Committee also performs duties in place of the Nomination and Remuneration Committee. Supervisory board And the Risk Management Committee as well. And the management of the company is fully qualified according to Section 68 of the Public Company Act B.E. 2535 and the relevant Notification of the Capital Market Supervisory Board.

As of 31 December 2022, The Board of Directors consists of 8 persons

Name	Position
1. Police General Jate Mongkolhutthi	Chairman of the Board and Independent Director
2. Mr. Pongsak Chewcharat	Independent Director and Chairman of the Audit Committee
3. Mr. Suthud Khancharoensuk	Independent Director and Audit Committee
4. Associate Professor Dr.Suda Suwannapirom	Independent Director and Audit Committee
5. Mrs. Wasara Chotithammarat	Independent Director and Audit Committee
6. Ms. Parichatara Laotheerasirivong	Senior Executive Director <sup>(1)</sup>
7. Mrs. Chonticha Supaluxmetha	Director <sup>(1)</sup> and Managing Director
8. Ms. Sitaphatr Nirojthanarat	Director <sup>(1)</sup> and Deputy Managing Director

**Remark :** <sup>(1)</sup> Authorized Director, by two authorized directors sign together and affix the company seal.  
Where by Ms. Piyanan Mongkol as the Company Secretary.

## Composition of the Board of Directors

The Board of Directors must consist of at least 5 directors. Besides, no less than half of the total number of directors must have residence in the Kingdom. As of 31 December 2022, the Board of Directors is composed of 5 independent directors (more than one third of the total board, accounting for (62.5%), 2 executive directors. (The proportion of non-executive directors to all directors is 75%). The Board of Directors appoints the Chairman and Vice Chairman. At the Board meeting, the Chairman of the Board will act as the chairman of the meeting. However, in case that the Chairman of the Board lacks independence or has a conflict of interests in the agenda considered, another independent director shall chair the meeting for such consideration.

## Detailed scope of authority, duties of the Chairman of the Board of Directors and the Board of Directors

- **Roles and duties of the Chairman of the Board of Directors**

**The Company's Articles of Association Clause 27 stipulates that,** for convening the Board meeting, the Chairman of the Board or the assigned person must deliver the scheduled meeting letter to directors at least 7 days before the meeting date. However, in case of necessity, urgency, to protect the rights or benefits of the Company, the scheduled meeting can be notified by other methods and the meeting date can be scheduled earlier than that. If two or more directors request a meeting of the Board of Directors, the Chairman of the Board shall set the meeting date within fourteen (14) days from the date of receiving such request.

Besides, to allow division of the authority, duties in determining the Company's policies and management of the Company to be clearly separated from each other, so the Company requires the Chairman of the Board and the managing director to be different persons.

**Roles and duties of the Chairman of the Board are as follows.**

1. Convening the meeting of the Board of Directors, chairing the meeting of the Board of Directors and the shareholders' meeting and playing a role in setting the agenda together with the managing director
2. Playing a role in controlling the meeting effectively, complying with the Company regulations, encouraging and allowing the directors to express their opinions independently
3. Encouraging the Board of Directors to perform the duties at full capacity according to the scope of authority, responsibilities and good corporate governance principles
4. Supervising and monitoring work management of the Board of Directors and other subcommittees to achieve the objectives set
5. Casting a vote if the Board of Directors meeting votes and the votes of both sides are equal

● **Roles and duties of the Board of Directors**

1. The Board of Directors has the authority, duties and responsibilities for managing the Company in accordance with the laws, objectives and Articles of Association of the Company as well as the rightful resolutions of the shareholders' meeting with integrity and carefulness to protect the interests of the Company.
2. Providing the balance sheet as well as profit and loss statement of the Company at the end of the Company's accounting period, which have been already verified by the auditor and presenting to the shareholders' meeting for consideration and approval.
3. Setting the goals, guidelines, policies, business plans and budget of the Company. Monitoring and Supervision of the administration of the management according to established policies, work plans and budget with efficiency and effectiveness.
4. Reviewing, checking and approving business expansion plans, large investment projects as well as investing with other entrepreneurs proposed by the management.

5. Formulating the Risk Management policy to cover the entire organization and supervising to have a risk management system or process with appropriate support measures and control methods to reduce the impact on the Company's business.

6. Determining the management structure, having the power to appoint the Executive Committee, managing director and other subcommittees as appropriate, e.g. the Audit Committee, Nomination Committee, Remuneration Committee, etc., including setting the scope of power, duties of the Executive Committee, managing director and appointed subcommittees.

The authorization under the specified scope of power, duties must not have the characteristic of enabling such Executive Committee, managing director and various subcommittees to consider and approve transactions that may have conflicts, interests or other conflicts of interest with the Company or subsidiaries (if any), except approval for transactions in accordance with the policies and criteria already approved by the Board of Directors.

7. The Board may authorize one or more directors or any other person to perform any act on behalf of the Board under control of the Board or may authorize such persons to have the power as the Board deems appropriate and within a period of time deemed by the Board as suitable. The Board may cancel, revoke, change or modify such authorization when considered appropriate.

That authorization must not have the characteristic of enabling such persons to consider and approve any transaction in which one or the person may have a conflict, interests or a conflict of interests in any other manner to be done with the Company or subsidiaries (if any) as defined in the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other announcements of relevant agencies except approval for transactions in accordance with the policies and criteria already approved by the Board of Directors.

## Sub-Committee

### Audit Committee

The Audit Committee of the Company is appointed by the Board of Directors. The Audit Committee of the Company is comprised of 4 person. The current audit committee has a term of 3 years, consisting of 4 independent directors.

Name	Position	Appointment Date	Duration of Appointment (Year)
1. Mr. Pongsak Chewcharat	Chairman of Audit Committee	2 December 2020	2 years 1 month
2. Mr. Suthud Khancharoensuk	Audit Committee Member	29 April 2013	9 years 8 months
3. Associate Professor Dr.Suda Suwannapirom	Audit Committee Member	14 October 2016	6 years 2 months
4. Mrs. Wasara Chotithammarat	Audit Committee Member	1 July 2020	2 years 6 months

The audit committee is a director who has sufficient knowledge and experience to review the reliability of the financial statements. By Mr. Pongsak Chivacharat, Chairman of the Audit Committee. He has experience from many financial institutions. Mrs. Wasara Chotithammarat Audit Committee Member She graduated with a bachelor's degree in accounting and a master's degree in business administration.

The Audit Committee has to meet together at least four times a year. In each meeting, the Audit Committee can invite the management to attend meetings to clarify related issues. In 2022, there are 9 meetings.

The Audit Committee has been assigned to look after the nomination and remuneration committee and Corporate Governance Committee and Risk Management Committee.

#### **The duties and responsibilities of the audit committee are as follows:**

1. To review the sufficiency, credibility and objectivity of the listed company's financial reports.
2. To review the adequacy and effectiveness of internal control systems and internal audit functions, and consider and advise on the appointment of external auditors.
3. To review compliance with relevant laws.
4. To consider and nominate a person who is independent to act as auditor of the Company and propose the remuneration of such persons. As well as attending meetings with the external auditors without management participants with at least 1 time per year.

5. To consider compliance in regard to disclosures concerning all connected transactions or conflicts of interest.
6. To report the committee's activities in the Company's annual report.
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter,
  - (h) other transactions which is according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. To handle any other matters assigned by the board of directors.

## The Executive Committee

The Executive Committee of the Company is comprised of 4 persons.

Name	Position
Ms. Parichatara Laotheerasirivong	Chairman of the Executive Committee
Mrs. Chonticha Supaluxmetha	Director and Managing Director
Ms. Sitaphatr Nirojthanarat	Director and Deputy Managing Director
Mrs. Pemika Patiroobwatee	Chief Financial Officer

### The duties and responsibilities of the Executive Committee are as follows:

1. Consider making decisions on important management tasks as presented by the Managing Director.
2. Approve all types of loans in the amount not exceeding 70,000,000 baht and report to the Board of Directors at the first meeting.

## The Nomination Committee, the Remuneration Committee the Corporate Governance Committee and the Risk Management Committee

The Board of Directors has assigned the Audit Committee to perform the duties of the Nomination and Remuneration Committee. Supervisory board and the Risk Management Committee with the scope of duties as follows:

### The duties and responsibilities of the Nomination Committee are as follows:

1. Making recommendations on qualified candidates for election as directors of the Company and its key subsidiaries.
2. Making recommendations on qualified candidates for election as Chief Executive Officer and its key subsidiaries.
3. Reviewing the structure, size and composition of the Board taking into account the current requirements and future development of the Company, and make recommendation to the Board with regard to any adjustments as deemed necessary.
4. Paying attention to the Board self-assessment evaluation and recommends any improvement as it deems necessary.

5. Monitoring that steps be taken to ensure that shareholders have the opportunity to propose candidates for the Board.
6. In evaluating qualified candidates for every committee position. Must be considered qualified, experience and what talent is required?
7. Considering if a rotation of the members of the Board is necessary.
8. Justifying its recommendations and thus any dissenting votes must be stated in the recommendation.
9. Ensuring the Company's compliance with relevant laws and regulations regarding nomination and qualifications of directors.
10. Satisfying itself with regard to succession planning for the Board and key management appointments.
11. Ensuring appropriate disclosure of information on its activities.
12. Carrying out and evaluation once a year of its work, functions, performance.

**The duties and responsibilities of the Remuneration Committee are as follows:**

1. To review and recommend the remuneration of the Chief Executive Officer and the executive management.
2. To review the on-going appropriateness and relevance of the remuneration policy.
3. To ensure that all relevant legal requirements regarding disclosure of remuneration, in all forms, are complied with.
4. To report to the Board of Directors regarding the remuneration of the Chief Executive Officer (including base pay, incentive payments, equity awards and retirement or severance rights), having regard to the remuneration policy and whether in respect of any elements of remuneration, any shareholder approvals are required.
5. To review the contractual rights of the Chief Executive Officer on termination, and any payments made or proposed, to determine whether they are reasonable in the circumstances.
6. To provide the Board of Directors with minutes of Remuneration Committee meetings and to report the Remuneration Committee's actions to the Board of Directors with appropriate recommendations.
7. To provide a statement for inclusion in the annual report that describes the Remuneration Committee's composition and how its responsibilities were discharged.
8. To perform such other functions as may be assigned to it by the Board of Directors.

**The duties and responsibilities of the Corporate Governance Committee are as follows:**

1. Overseeing that the Company adheres to generally accepted principles for governance and effective control of the Company's activities and maintain a corporate culture that encourages good corporate governance practices.
2. Establishing and maintaining an appropriate corporate governance policy and procedures.
3. Ensuring the implementation of the governing documents as adopted by the Board and the policy and procedures to secure adequate corporate governance in the Company.
4. Ensuring that the Chief Executive Officer at least annually perform an assessment of the implementation of the governing documents and the level of compliance, and report to the Board.

5. Reviewing and reporting to the Board on material matters, findings and recommendations pertaining to corporate governance.
6. Justifying its recommendations and thus any dissenting votes must be stated in the recommendation.
7. Ensuring the Company's compliance with relevant laws and regulations regarding good corporate governance.
8. Ensuring appropriate disclosure of information on its activities and the Company's corporate governance practices.
9. Carrying out an evaluation once a year of its work, functions, performance.

**Scope of power, duties of the Risk Management Committee is as follows.**

1. Setting and reviewing the policy, framework for corporate risk management.
2. Supervising and encouraging the implementation of corporate risk management consistent with business strategies and goals as well as the changing circumstances.
3. Providing recommendations, guidance, monitoring and evaluation of risk management to the Risk Management and Internal Control Committee (RMCC).
4. Considering the corporate risk management report and commenting on the potential risks, including guidelines for determining Mitigation Plan and development of corporate risk management system for RMCC so as to be continuously effective.
5. Reporting the results of corporate risk management to the Board of Directors for acknowledgment. In case there are factors or important events with potentially significant impact on the Company, it is necessary to report to the Board of Directors for acknowledgment and consideration as soon as possible.
6. Arranging evaluation of its performance, duties and ability to perform the duties once a year.

## Executives

2022, The Company's Executive management consists of 8 persons

Name	Position
1. Mrs. Chonticha Supaluxmetha	Managing Director
2. Ms. Sitaphatr Nirojthanarat	Deputy Managing Director Acting Chief Marketing Officer and Managing Director of Ulite Digital Company Limited (Subsidiary)
3. Ms. Pemika Patiroobwatee	Chief Financial Officer Acting Chief Operation Officer
4. Ms. Kenika Boonlerttohtam	Deputy Executive Director, Legal and Collection
5. Ms. Piyanan Mongkol	Company Secretary and General Manager, Corporate Sustainability
6. Ms. Prapapan Raktham	General Manager, Administration

## Remuneration Policy for Executive Directors / Executives

### Remuneration for Directors and Executives

**Remuneration in money** The 2022 Annual General Meeting of Shareholders (No. 9) resolved to approve the directors' remuneration for the year 2022 as follows:

(1) Monthly remuneration

Each director receives monthly remuneration according to his position in the Board of Directors. And sub-committees Excluding directors who perform management duties who receive monthly remuneration as management.

The Chairman of Director	150,000 Baht/Month
Director	40,000 Baht/Month
The Chairman of Audit Committee	35,000 Baht/Month
Audit Committee	10,000 Baht/Month

(2) Meeting Allowance Board of Directors and sub-committees 5,000 baht/person/meeting, will be paid only for the meeting In case of meeting on the same day, the meeting allowance will be paid only once.

(3) the remuneration of directors in bonus form from the operating. It depends on the performance and the resolution of the shareholders' meeting.

**Other Remuneration** –None –

## Director's Remuneration for the year 2022

(unit : baht)

Name	Numbers in attending the meeting / Total meeting 2022			Board of Directors Remuneration		Sub-Committee Remuneration		Grand Total
	Onsite	Online	Total	Remuneration	Allowance	Remuneration	Allowance	
1. Police General Jate Mongkolhutthi	16	2	18/18	1,680,000	85,000	-	-	1,765,000
2. Mr. Pongsak Chewcharat	15	1	16/18	480,000	75,000	420,000	40,000	1,015,000
3. Mr. Suthud Khancharoensuk	14	2	16/18	480,000	80,000	120,000	40,000	720,000
4. Associate Professor Dr.Suda Suwannapirom	15	3	18/18	480,000	85,000	120,000	40,000	725,000
5. Mrs. Wasara Chotithammarat	13	5	18/18	480,000	85,000	120,000	40,000	725,000
6. Ms. Parichatara Laotheerasirivong*	17	1	18/18	-	85,000	-	-	85,000
7. Mrs. Chonticha Supaluxmetha	15	3	18/18	-	85,000	-	-	85,000
8. Ms. Sitaphatr Nirojthanarat	15	3	18/18	-	85,000	-	-	85,000
<b>Total</b>				<b>3,600,000</b>	<b>665,000</b>	<b>780,000</b>	<b>160,000</b>	<b>5,205,000</b>

Remark : Ms. Parichatara Laotheerasirivong, Ms.Chonticha Supaluxmetha and Ms. Sitaphatr Nirojthanarat receive a monthly salary as Executive of the Company

### Executive compensation

The Company determines executive compensation in a manner comparable to the industry, experience, duties, scope of roles and responsibilities as follows:

(1) Monetary compensation

In 2022, the Company has paid compensation consisting of Salaries and bonuses for executives totaling 14.67 Million Baht

(2) Other compensation

- Provident fund

The Company has provided a provident fund for the management and employees. The Company contributes 5% of the salary, in the year 2022 the company has made contributions to the provident fund for executives, totaling 0.53 Million Baht.

- The Company pays other remuneration to Executive such as social commission and other benefit 0.12 Million Baht.



**ONE**  
of Thailand's  
Top Non-Bank  
Lenders for SMEs



## Information about employees

Department	Number of Employees	
	2022	2021
1. Sales and Marketing	11	18
2. Financial and Accounting	7	8
3. Administration	3	3
4. Operation	13	16
5. Internal Audit	1	2
6. Business Development	3	3
7. Information Technology	2	3
8. Legal and Debt Collection	8	7
9. Secretary to CEO	1	1
10. Credit Control and Legal Contract (LIT Service Management Co., Ltd.)	9	10
11. Ulite Digital Co., Ltd.	4	3
<b>Total</b>	<b>62</b>	<b>74</b>

The Company and its Subsidiaries have 62 employees. In the year 2022, the Company has paid the total compensation to 47.46 Million Baht, which the remuneration are salary, subsidy, cost of living, commissions Special allowance Social Security Fund and Contributions to the Provident Fund.

### Information of employees who participated in the provident fund in 2022 as follows:

Company	Have / without provident fund	Number of employees participating in the provident fund	Percentage of employees participating in the provident fund / total employees (%)
Lease IT	have	24 persons	50.00%
Subsidiary	have	5 persons	38.46%

## Other important information

### 1. Company Secretary

The Board of Directors has appointed Ms. Piyanan Mongkol, Sustainability Development General Manager as Company Secretary since 30 April 2019 by qualifications and responsibilities of the Company Secretary appears in Annex 1.

### 2. The Secretary of the Audit Committee

The Audit Committee has appointed Patcharakorn Janthavisuth, Manager of Internal Audit Department. Serves as the secretary of the Audit Committee, the details of the secretary of the Audit Committee appears in Annex 3

### 3. Investor Relations Department

The Company has established an investor relations department to efficiently and regularly communicate with its shareholders and general investors, to ensure that significant information is disclosed accurately, promptly and transparently. Any interested person can obtain the Company's information from the Investor Relations Section at telephone number +66 2163 4260 ext 710 or email address IR@leaseit.co.th. Nevertheless, the investor relation section of the Company has not been established so far, due to the fact that activities of the specialized agencies are still not much to be considered for investigation. Instead, it is the Managing Director and/or Chief Financial Officer that acts as a direct information provider in regard to shareholders, analyst and related agencies.

### 4. Audit Fee

The Audit Committee of the Company is responsible for selecting the Company's auditors to propose to the shareholders' meeting for consideration appointment Under the regulations of the Office of the Securities and Exchange Commission Which requires review of the auditor's qualifications Performance of duty And auditors' remuneration on a regular basis.

The Audit Committee reviewed the above criteria. And consider nominating Ms. Siriwan Suratepin, Certified Public Accountant No. 4604 Ms. Sathida Rattananurak Certified Public Accountant No. 4753 and Ms.Sarinda Hiranprasertwutthi Certified Public Accountant No. 4799 EY Office Company Limited is the auditor of the Company and its subsidiaries for the year 2022. Proposed to the 2022 Annual General Meeting of Shareholders (No.9) for approval. The 2022 Annual General Meeting of Shareholders (No.9) has approved as proposed.

Remuneration the Company has to pay to the company. EY Office Limited in 2022 is as follows

(Unit : Baht)

	Amount
1. Audit Fee	2,290,000
2. Others (consisting of travel expenses and document expenses)	6,783
3. Other service fees such as tax planning accounting system	-
<b>Total</b>	<b>2,226,783</b>

## Summary of the Board's performance of duties in the past year

The Board of Directors performed the duties with integrity and carefulness to protect the Company's interests. The Company has clearly specified the Board of Directors' authorities in major matters such as setting the goals, guidelines, policies, business plans, budget of the Company, reviewing, auditing and approving business expansion plans, large investment projects as well as investment with other entrepreneurs proposed by the management.

The Board of Directors has been assigned by the shareholders to supervise the business according to the Company's objectives under the scope specified in the

Articles of Association and resolutions of the shareholders' meeting with integrity and impartiality so as to comply with relevant laws and regulations appropriately. One or more directors or any other person may be assigned to perform any action on behalf of the Board. That authorization must be within the scope of power of the Board. Furthermore, the scope of the authority, duties of the proxies are clearly stipulated.

The Board of Directors is responsible for overseeing the management to work according to the goals, strategies and plans approved by the Board of Directors to maximize the benefits of the Company and all stakeholders.

### 1. Nomination, development and evaluation of performance of the Board

For appointment of the directors, the Audit Committee, which is also assigned to the duties of the Nomination Committee, as independent directors of the whole board, is responsible for selecting and screening qualified persons according to the Company's Articles of Association and nominating qualified persons to obtain professional and diverse directors. Consideration is based on the structure, size and composition of the Board. Opinions are also proposed to the Board of Directors for approval from the Board of Directors. Then, that name-list of directors will be presented to the shareholders' meeting to continue to elect the directors according to criteria.

As to criteria for selecting the persons to be directors of the Company, the Audit Committee acting on behalf of the Nomination and Remuneration Committee will recruit by selecting qualified, knowledgeable, talented and experienced persons, which will be beneficial to business operations and have qualifications not contrary to the Public Limited Companies Act 1992 and the announcement of the Securities and Exchange Commission as well as relevant notifications of the Stock Exchange of Thailand for presentation to the Board of Directors. If the Board of Directors agrees, then that is

proposed to the shareholders for consideration. In 2022, the Company allowed minor shareholders to propose the agenda and nominate the persons to be elected as the Company's directors. Between 16 November - 30 December 2021, upon expiration of the period to grant such right, no shareholder proposed an additional agenda or nominated the person to be elected as the Company's director for the Annual General Meeting of Shareholders 2022.

For voting to elect the directors, the Company requires the shareholders to use the ballots to elect individual directors. The shareholders must cast all their votes to elect the persons nominated as directors one by one. Voting results must receive a majority vote of all votes of the shareholders who attend the meeting and have the right to vote.

In 2022, the Audit Committee acting as the Nomination and Remuneration Committee proposed to the shareholders 'meeting to consider paying the directors' remuneration at the 2022 Annual General Meeting of Shareholders (No. 9) on 7 April 2023 with the resolution of the meeting approving as proposed.

## Composition and appointment of independent directors

Board of Directors will jointly consider the qualifications of the persons who will be appointed as independent directors by considering the qualifications and prohibited characteristics of the directors under the Public Limited Act Securities and Exchange Law Notification of the Capital Market Supervisory Board including relevant announcements, regulations and or regulations. In addition, the Board of Directors an independent director will be considered from qualified persons. Work experience and other suitability together, then it will be presented to the shareholders' meeting for further appointment as the Company's directors. The Company has a policy to appoint at least one-third of the total number of independent directors. And must have at least 3 persons.

### Qualification of Independent Director

1. Not hold shares in exceeding 1% of the voting shares of the Company is subsidiaries, associated, or related companies (including the shares held by connect parties under section 258 of Securities and Exchange laws).
2. Not participate in management and not be an employee, a staff, an advisor who regularly earn monthly salary or controlling party of the Company, parent company.
3. Not have and have not any business relationship with the Company, subsidiary, associated company, or major shareholder, or with the person having power to control LIT that may have conflict of interest, in the manner in which his/her independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the Company, subsidiary, associated company, or major shareholder, or the person having power to control LIT unless such an independent director has not been a person referred to above for at least two years.
4. Not be a person having relationship either through blood or lineage or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child or and directors or management person or major shareholder of the Company, or of the person being nominated to be a director or management person of a person having power to control LIT.
5. Not be and have not been an auditor of the Company, subsidiary, associated company, or major shareholder, or of any of the person having power to control LIT, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, subsidiary, or major shareholder, or the person having power to control LIT, unless such an independent director has not been a person referred to above for at least two years.
6. Not be and have not been a professional advisor, including legal or financial advisor who obtains fee more than two million Baht a year from LIT, subsidiary, associated company, or major shareholder, or from the person having power to control LIT, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years.
7. Not have any characteristics by which his/her independent comment or opinion on the Company's operation may be affected.

## Composition and appointment of the Audit Committee

The Audit Committee must consist of at least three directors, with at least one member having financial and accounting knowledge. The audit committee plays an important role in ensuring good corporate governance. The composition of the committee and qualifications of audit committee members are listed below. The committee:

1. Not be a members a non-executive director who is assigned to make decision about the Company's operation, subsidiary, associated company, or the juristic that may have conflict of interest.
2. Not be a director of the parent company, its subsidiaries or subsidiaries of the same company that is listed.
3. Have a adequately acknowledge, experience to perform in audit committee. Therefore, the Audit committee shall have at least one person who is knowledgeable and experienced enough to be able to serve on a review of the reliability of the financial statements.

Each member of the Audit Committee has a term of office of 3 years.

## Directors Recruitment

The Board of Directors has established the committee structure to consist of directors with various qualifications. By being a person with knowledge, ability, experience, morality and ethics Trusted Is generally accepted a wide variety of skills comprising skills in areas such as finance accounting, industrial management, strategy, corporate governance, law and management. In recruitment new directors, the Company considers the composition of the Board according to the Board skill matrix to consider the qualifications, knowledge, skills and experience necessary of the directors to be recruited in order to ensure that the composition of the Board is consistent with the business strategy.

Selection of persons to be appointed as directors is done through the shareholders' meeting. The Nominating Committee will select from experience, knowledge, capability and qualifications as required by law. Propose to the Board of Directors for consideration and presentation to the shareholders Then, the shareholders' meeting will select the directors in accordance with the rules and procedures prescribed in the Articles of Association of the Company.

**Skill Matrix**

Expertise	Chairman of the Board/ Independent Director	Chairman of Audit Committee/ Independent Director	Independent Director/ Audit Committee	Independent Director/ Audit Committee	Independent Director/ Audit Committee	Senior Executive Director	Director/ Managing Director	Director/ Deputy Managing Director
Accounting					•		•	
Financial		•	•		•	•	•	
Auditing	•	•	•	•	•	•		
Fundraising			•	•	•	•	•	
Governance	•	•	•	•	•	•	•	•
Management	•	•	•	•	•	•	•	•
In terms of credit industry	•		•			•		•
Technology		•	•					•
Law	•							
Crisis Management	•	•	•	•	•	•		
Policy	•	•	•	•	•	•	•	•
Risk Management	•	•		•	•	•		
Strategy	•	•	•	•	•	•	•	•
Marketing				•				•
Bureaucratic process	•	•		•		•		

## Top management recruitment

The Board of Directors has the succession plan of the organization's top executives as a policy, which the top executives including Assistant Managing Director, Chief Financial Officer. The guidelines are clearly defined. The Board of Directors of the Company is responsible for selection, track the implementation of the succession plan. and consider the selection of Managing Director. The Managing Director is responsible for the selection, track the implementation of the succession plan and consider the selection of Assistant Managing Director and Chief Financial Officer.

When a successor completes the position with higher responsibilities and becomes vacant or has a new position. To present the adjustment, promotion, promotion and maintenance. According to the Company's policy.

In 2022, the Company has updated the Succession Plan to be in line with the Company structure.

## Development of Directors and Management

Board of Directors has set a policy to promote and facilitate the training and education of the personnel involved in the governance of the Company, including the committee, audit committee, management and the Company's secretary. The main objective of the Company was to provide continuous operational improvements especially the course that organized by Thai Institute of Directors (IOD), Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC) and Federation of Accounting Professions of Thailand.

For the year 2022, directors and executives attended trainings/seminars in various courses as follows:

1. Mrs. Chonticha Supaluxmetha Course : Director Certification Program (DCP) class 317/2022, Digital Asset and Business Growth Opportunity (New S-Curve)
2. Ms. Sitaphatr Nirojthanarat Course : Customer Insights & Engagement, Digital Asset and Business Growth Opportunity (New S-Curve)
3. Ms. Pemika Patiroobwatee Course : TFRS 2023, Business Combinations and Advanced Consolidation Operations (Workshop), The rules for calculating accounting profit and tax are different, CFO Refresher, Keep up with the times and analyze financial reports in depth class 2/2022, TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2022 Title : Restructuring Business for Growth. Techniques for increasing stock value of listed companies from the perspective of securities analysts class 2, Digital Asset and Business Growth Opportunity (New S-Curve)

4. Ms. Piyanan Mongkol Course : HR Strategy in New Normal, How to use SET Sustainability Reporting Guide by ESG Metrics basic level and industry group, Business Model Reinvention for Corporate Sustainability, Preparing for assessment THSI2022, Green & Sustainable Finance, Sustainable business operation issues that businesses should pay attention to, Intensive tutoring to the full 100 in online format, Digital Asset and Business Growth Opportunity (New S-Curve)
5. Ms. Prapapan Raktham Course : Digital Asset and Business Growth Opportunity (New S-Curve)

## Evaluation

The Board of Directors conducts an evaluation on the performance of the Board of Directors and an individual director self-assessment on an annual basis in order to provide an opportunity for each directors to express his or her view on the performance of the Board of Directors as a whole and to consider and review the results, problems and obstacles on its performance over the previous year. The evaluation results are as follows.

Self-assessment of the Board of Directors (as a whole)  
The main topics of the assessment are: (1) Structure and qualifications of directors (2) Roles, duties and responsibilities of the board (3) Board meeting (4) Performance of the duties of the directors (5) Relationship with the management (6) Director's self-development and executive development  
The summary of the Board of Directors' assessment (as a whole) has a **92.44%** grade point average.

Evaluation of the performance of individual directors (self)  
The main topics of the assessment are: (1) Structure and qualifications of directors (2) Board meeting (3) Roles, duties and responsibilities of the board  
The summary of the Board of Directors' assessment (as a whole) has a **88.02%** grade point average.

Self-assessment of the sub-committees  
The main topics of the assessment are: (1) The board structure and qualifications are appropriate. Making the work of the board efficient (2) The meeting of the sub-committees was conducted. This is to enable the board to perform its duties efficiently. (3) Roles, duties and responsibilities of sub-committees  
Have given importance to Take the time to consider Sufficient review

Summary of the self-assessment results of the sub-committees on a board basis  
Have a grade point average **92.61%**

The Board of Directors holds a Board of Directors' meeting without the presence of the executive director or member of the management at least once a year. The meeting provides the directors with the opportunity to review the performance of the Board of Director, the management and the Company as well as to consider and discuss management issues or other issues which are of the interest of the Board of Directors. The resolutions of the meeting would be notified to the Chief Executive Officer for acknowledgement and consideration for further improvement.

The Board of Directors has a policy to evaluate the annual performance of the Chief Executive Officer/Managing Director every year. The Criteria for Annual Performance Assessment of the Managing Director was approved on 9 February 2018. The Criteria have been clarified and acknowledged by the Managing Director (CEO). The performance evaluation has been conducted since 2018.

Annual performance evaluation of the Managing Director  
The main topics of the assessment are: (1) Leadership (2) Strategy (3) Strategy implementation (4) Planning and financial performance (5) Relationship with the Board (6) External relations (7) Administration and personnel relations (8) Succession (9) Knowledge of products and services (10) Personal feature (11) Sustainability performance  
The evaluation results are with a **76.35%** grade point average.

## 2. Meeting attendance and remuneration for individual directors

Directors' meeting attendance details in 2022 are as follows:

Name	Number of times attended		
	Board of Directors	Audit Committee	Annual General Meeting
1. Police General Jate Mongkolhutthi	18/18	-	1/1
2. Mr. Pongsak Chewcharat	16/18	9/9	1/1
3. Mr. Suthud Khancharoensuk	16/18	9/9	1/1
4. Associate Professor Dr.Suda Suwannapirom	18/18	9/9	1/1
5. Mrs. Wasara Chotithammarat	18/18	9/9	1/1
6. Ms. Parichatara Laotheerasirivong	18/18	-	1/1
7. Mrs. Chonticha Supaluxmetha	18/18	-	1/1
8. Ms. Sitaphatr Nirojthanarat	18/18	-	1/1

## Board of Director Meeting

A meeting of the Board of Directors of the Company is held at least once for every quarter. The Company inform the directors of the dates and time of the meetings in advance every year so that the directors can manage their schedule to attend the meetings accordingly. There are clear agenda for each meeting. The Company sends the meeting invitation, together with the supporting documents, to the directors at least five days in advance to allow the directors having sufficient time to study the information prior to the meeting. The senior management of the Company will join the meeting in order to clarify and answer the Board of Directors' queries. The chairman will allow every director to express his/her opinion before proceeding with the vote and concluding a resolution of the meeting in each agenda. In addition, the Company has a policy that requires a minimum number of quorum at the time of the commission will vote on all must be present for at least 2 out of 3 of its members. The Company record the minutes of the meetings in writing and kept the originals with the meeting invitation notices and the relevant supporting documents and are also maintained to facilitate the directors and relevant persons for the purpose of examination.

## Remuneration of Directors and Executives

The Company has determined remuneration for the directors and executives at an appropriate level, which is sufficient to retain competent directors and executives. While it avoids paying excessive remuneration, it remains the rate at the level comparable to companies in the same group of industry. Factors to be considered include experience, obligations, appraisal and scope of roles and responsibilities. The remuneration payment of the directors must be approved be the Company's shareholders. For remuneration of executives, it will be in accordance with principles and policies as determined by the Company's Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each executive, and operational performance of the Company.

At the 2022 Annual General Meeting of shareholders, the meeting approved the remuneration of the Board of Directors and the subcommittees as follows:

Position	Monthly Allowance (Baht/Month)	Meeting Allowance* (Baht/Month)
Chairman of the Board	150,000	5,000
Director	40,000	5,000

Position	Monthly Allowance (Baht/Month)	Meeting Allowance* (Baht/Month)
Chairman of Audit Committee	35,000	5,000
Audit committee Member	10,000	5,000

**Note :** \* Director's transportation fee is the transportation expenses for the Board of Directors meeting. Audit Committee Pay only when attending the meeting In the event that the Board of Directors and the Audit Committee meet on the same day, only one time of director transportation fee shall be paid.

In determining the remuneration of the Chief Executive Office, the Remuneration Committee will consider the performance of the Chief Executive Officer during the previous year pursuant to the specified key performance indicators (KPIs), each of which has different weighted scores. Also in 2015, the Company is prepared to grant to management to buy securities. This is the long-term incentive compensation that is consistent with the Company's portfolio and benefits given to shareholders.

## 3. Supervision of Subsidiaries and Associated Companies

The Company considered sending 2 director and 2 executives to be directors in 2 subsidiaries namely, LIT Service Management Company Limited, U Lite Digital Company Limited. Such directors and executives have been approved by the Board of Directors' meeting. However, if such director and executive cease to be a director of the subsidiary The Board of Directors will consider sending people to look after the benefits from time to time. The Company has established a policy for important transactions such as connected transactions.



## 4. Following up on compliance with corporate governance policies and practices

The Company pays attention to good corporate governance. The relevant policies and practices have been established in the Company's corporate governance policy and business ethics. Along with promoting real action to build confidence among all groups of stakeholders

Over the past year, the Company has followed up on the implementation of good corporate governance, covering 1) employee care and non-discrimination 2) anti-unfair competition 3) environmental stewardship health and safety in the organization. 4) Information security. The follow-up results showed that the Company had completely followed the guidelines of each issue.

### (1) Prevention of Conflicts of Interest

The Company has established a policy on the Board of Directors. Executives and employees are required to perform their duties in the best interests of the Company. Any person who has an interest or is involved in the consideration Such person must notify the Internal Audit Department. Who supervise such matters and do not participate in the consideration of such transactions

#### Policy on conflicts of interest

The Company has taken some measures in order to prevent the conflicts of the interests that may arise (within the transaction process) of the Company and those persons who may create inconsistency. Due to the fact that the stakeholders in any subject will not be able to take part in the transaction, therefore it is the Board of Directors to oversee whether the Company complies with the laws and regulations of the Securities and Exchange Commission announcements (as well as requirements of the Capital Market Supervisory Board and Exchange) or not. In addition, the Board of Directors have to monitor all the disclosure requirements relating to the transactions (and acquisition or disposition of assets) of the Company. Their job is to strictly investigate the compliance (of transactions and assets) with the accounting standards set by the Association of Accountants.

In addition, the Company may assign the Audit Committee or independents experts to examine and comment on the appropriateness of the price strategies as well as reasonableness of the transactions. The results of the investigations will be disclosed in the form of financial statement notes in Annual Registration Statements These forms have been audited or reviewed by the auditors of the Company. Details appear in Part 2 Corporate Governance, Chapter 9 Internal Control and Connected Transactions.

### (2) Use of internal information

The Company supervises the use of internal information according to the law and good corporate governance principles, which have been established in writing. In summary, the important policies and guideline are as follows.

1. The Company has required the directors, executives and employees to sign so as to acknowledge the relevant announcements of the SEC stipulating that the directors and executives are responsible for reporting changes in securities holding to the SEC according to Section 59 of the Securities and Exchange Act 1992 within 3 business days from the date of change in securities holding and must notify the company secretary to record the changes and summarize the number of securities of individual directors and executives for presentation to the Board of Directors in the next meeting. Also, penalties are notified for violating or failure to comply with such requirements.
2. The Company has the regulations prohibiting disclosure of financial statements or other information affecting the securities prices of the Company to third parties or non-related persons. Also, it is not permissible to trade securities during 1 month before information on financial statements or other information affecting the securities prices of the Company/group of companies will be released to the public and within 24 hours after disclosure of financial statement. Non-compliance with such requirements is a violation of discipline, punishable, ranging from warning, cutting wages, suspension from job without being paid to dismissal.

Such guidelines have been approved by the Board of Directors. The Company Secretary will notify via email/line to relevant persons. In the past year, it was not found that the directors and executives traded securities during the period required by the Company to refrain from trading.

In the year 2022, the directors and executives traded the Company's Securities a total of 2 times and there were completely and correctly according with the Company's Policy. And no one traded the Company Securities during the silence period.

## Guideline on the Use of Internal information

- The directors, management and employees of the Company are prohibited to reveal the confidential and/or private data about the Company. The reason is to stop the personnel to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly and whether they received benefits or not.
- The directors, management, employees, spouse, and children of the staff of the Company are prohibited to use some internal data (not publish to the public yet) because it may affect the price of the securities of the Company. Knowing such kind of information has potential risk to let the people take advantage of buying, selling, offering, or persuading others to do business with the securities of the Company, whether directly or indirectly, or whether such action is done for the benefit of themselves or others, or to allow others to do so by their benefits. Obviously, the risk is only when the data have been made public yet. Any violation of such terms will be punished by disciplinary measures of the Company.
- The Company has informed the executives about the securities report of the Company and also identified to their spouses and underage children. More details about the conditions and possibilities of violation of the personal/sensitive information are discussed in Section 59 of the Securities and Exchange Commission.
- The Company has defined the rules in not allowing the board, committee, employees, spouse and children of staffs sell or buy securities during the period of 1 month prior to the public disclosure of financial statements and within 24 hours after disclosure of financial statement.

The Company will inform the executive, officers and employees of the Company to know about the above requirements.

The Company has not been fined impeach or take civil action by regulators such as the SEC or the SET regarding stock trading by using Internal Information.

## (3) Anticorruption

The Company has established policies and procedures to combat corruption. The Board has assigned the Audit Committee to supervise the internal control system. The executives are responsible for raising awareness and communicating their duties in good faith to all employees.

### A) Anti-Corruption and Bribery

The Board of Directors is determined to reject all kinds of corruptions and bribes in every level, whether in the transactions with government sector or private sectors. The Company has developed the anti-corruption policy in year 2015, and make a procedure document to prevent and monitor the risk of fraud. The code of conduct imposes restriction on directors, executives, employees and other persons acting on behalf of the Company in engaging in giving or receiving illegal or inappropriate gifts, whether in cash or in kind, in order to achieve business advantages or relationship with business partners, and requires for a risk assessment in relation to such anti-corruption regularly.

In 2016, the Company has assigned a unit which is no conflict of interest, to review back to all customers who open new financial amount in order to collect information on corruption and bribery. The results found that no corruption and bribery.

In 2017, the Company announced its intention to cooperate with the Thai private sector in the fight against corruption (Collective Action Coalition) on June 9, 2016. The Company will provide as following

- Assessing the risks associated with corporate fraud including the adoption of anti-corruption policy, compliance management plans and provide guidelines for conducting business for management and staff.
- Disclosing and sharing internal policies, experiences, good practices and promoting a key succession of business transactions guideline for accurate and transparent in Thailand.
- Collaborate with companies in the same industry, partners, and other stakeholders by creating an operational alignment and participating in anti-corruption activities.

## The evaluation and follow up of Anti-corruption and Bribery policy and process of risk assessment from Corruption and Bribery

The Company executives organized the internal control for effective operation and risk reduction from nature of business. The internal control mentioned consists of Preventive control and Detective control which helps lower the chance and motivation in bribery and corruption by using duty allocation to allocate role and duty among employees and arrange the evaluation process of anti-corruption policy. The executives can receive report of defect and doubted behavior of employees in time, so that they can improve the internal control and the audit can be a part of follow up and assessment process of anti-corruption policy annually and reports the result to Board of Directors of the Company. The directors, executives and all employees are obliged to report the breach of such anti-corruption policy. In this regard, the Company has arranged appropriate protection measures for the reporters. Each year, the Company has arranged trainings for employees who are interested in, or working in relevant departments, to acknowledge the importance of, and have understanding on, the anti-corruption policy and procedures, as well as the risk assessment on corruption actions.

### The Infringement of intellectual property and license policy

The Company set the policy and guideline of The Infringement of intellectual property and license as followings;

- The Company's employees must give respect and not to infringe the intellectual property and license of others. If the employees see the behavior of Infringement of intellectual property and license, they must report to their supervisors.
- Check the intellectual property or license of things before receiving or using internally in order to reduce Infringement of intellectual property.
- The employees have to report to supervisors when facing the breach of such infringement of intellectual property
- In working process, the employees must protect the intellectual property of the Company, such as data, program and process and not to reveal to others outside the Company without the Company's permission.

### Caution

- 1) To copy adapt or apply any electronically equipment, data, or Information Technology without reasonable cause.
- 2) To use confidential data without owner's permission.
- 3) To make a decision on receiving, using and right protecting of intellectual property without the clear and accurate understanding.

## (4) Whistleblowing Actions in case of whistleblower and protection of whistleblower.

The Company has set up a communication channel through its website at [www.leaseit.co.th](http://www.leaseit.co.th) to provide opportunities for shareholders and interested persons to opinion or complain directly to the Board of Directors of the Company in case there is an unfair treatment or a trouble arising from the action of the Company or shareholders can contact Board of Directors directly via;

1. Email to Investor Relation Team : [IR@leaseit.co.th](mailto:IR@leaseit.co.th)
2. Post : To The Audit Committee  
Lease IT Public Company Limited 1023 MS Siam Tower 29<sup>th</sup> floor,  
Rama 3 Rd., Chongnonsi, Yannawa, Bangkok 10120

Furthermore, all employees must report an event or a behavior which is unlawful or suspected to be unlawful or violates the good governance of the Company or any rules or laws to their supervisors. The Company has also provided a channel for employees to consult or report directly to the assistant managing director upon becoming aware of or suspecting any conduct which is unlawful or violates the policy and has or may have impact on employees, other stakeholders and the Company.

There is one complaint from the Company's operation related to fraud or violation of the Company's Good Governance Policy. At present, the procedure has been carried out and the investigation has been recorded in writing. Including correcting and designing measures to prevent recurrence.

## Report on the performance of the Audit Committee for the past year

### 1. Number of meetings and individual attendance

In 2022, the Audit Committee held 9 meetings as follows:

Name	Number of meetings / Number of meetings in the year
1. Mr. Pongsak Chewcharat	9/9
2. Mr. Suthud Khancharoensuk	9/9
3. Associate Professor Dr.Suda Suwannapirom	9/9
4. Mrs. Wasara Chotithammarat	9/9

### 2. Performance of the Audit Committee

#### Audit Committee

The Audit Committee consists of 4 independent directors and is responsible for reviewing the financial reporting process of the Company, the internal control system and internal audit system, compliance with laws relating to the business of the Company, considering and selecting the Company's auditors and reviewing connected transactions, transactions of interested persons or transactions which may give rise to conflicts of interest, etc.

In carrying out its duty on the selection of the auditors of the Company, the Audit Committee will consider the selection of auditors pursuant to the Company's assessment criteria, which consist of the auditors' experience, performance, understanding of the financial business and expertise on auditing, as well as their independence in performing their works during the past

year, in order to propose the appointment of the auditors to the Board of Directors and the shareholders' meeting for consideration. At the 2022 Annual General Meeting of shareholders, which was held on 7 April 2023, Miss Siriwan Suratepin certified public accountant No. 4604 or Miss Sathida Rattananurak certified public accountant No. 4753 or Miss Sarinda Hiranprasertwut certified public accountant No. 4799 all from EY Office Limited were appointed as the auditors of the Company.

Audit committee meetings are held on a quarterly basis. Or at least 4 times a year. In 2022, the Company holds 9 Audit Committee meetings, where the Audit Committee will act in place of the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee.

## Summary of the performance of duties of other sub-committees

Performance of the Audit Committee, which serves other sub-committees as follows:

### Remuneration Committee

The Audit Committee has been assigned to perform the duties of the Nomination and Remuneration Committee. Responsible for considering and giving recommendation on remuneration of the chairman and other directors, considering and approving remuneration of the Chief Executive Officer and considering the correctness and appropriateness of the remuneration policy, etc.

### Nominating Committee

The Audit Committee has been assigned to perform the duties of The Nomination. Responsible for selection of qualified candidates to be nominated for election as directors of the Company and its key subsidiaries. Additionally, the nomination committee has considered and nominated a qualified candidate for appointment as the Chief Executive Officer of the Company to the Annual General Meeting.

In 2022, the Audit Committee acts as the Nomination and Remuneration Committee. There were 4 meetings.

### Corporate Governance Committee

The Audit Committee has been assigned to perform the duties of The Corporate Governance Committee. Responsible for developing and promoting a good corporate governance so as to be in compliance with the international standard and acceptable to shareholders, investors, regulators, and other stakeholders.

In 2022, the Audit Committee acts as the Corporate Governance Committee. There were 2 meetings.

### Risk Management Committee

The Audit Committee has been assigned to perform the duties of The Risk Management Committee. Responsible for managing risk that may affect the objective of the organization which includes safety and Hygiene risk of employees, society and community, together with environment to be in compliance with the international standard.

In 2022, the Audit Committee acts as the Risk Management Committee. There were 2 meetings.



**ONE**  
of Thailand's  
**Top Non-Bank  
Lenders for SMEs**



# 9 Internal control and related transactions

## Internal Control

In the board meeting No.2/2023 held 22<sup>nd</sup> February 2023, 4 audit committees member, who are the risk Management committee, attended the meeting. They evaluated the adequacy of the internal control system of the Company through making inquiries from executives. As a result of that, they concluded that the evaluation of the internal control system of the Company includes 5 parts as follows:

### 1. Control Environmental

The Company aims to set target of doing business and sets budget for evaluate its performance. The budget would under the approval of the Board of Directors. Furthermore, the Company set the appropriate and reasonable business target in line with economic situation. The executive responsible for each function is regularly reviewed by the Company. The Company structure is suitable for nature of work and responsibility. The Company set the supervision line clearly in order that every unit can proceed effectively. The Company sets the policy and authorities or proceeds the important issues in writing according to level of authorization and creates workflow of each unit under the audit process of internal control unit regularly. Moreover, the Company has fair operation policy and plan with customers to protect customers' benefit and keep customers' royalty in long term.

### 2. Risk Assessment

The Company analyzes the cause of risk factors in order to reduce risk that can occur and follow up the cause of the risk factors and find the way to prevent the risks. The employees know their roles, duties and risks together with the measurement to control that risks they are responsible to. The measurement is informed in working procedure, training and company's policy.

### 3. Control Activities

The Company set the level of approval authority clearly, work flow manual, detail of employees in each unit and job description clearly. As the related transaction policy, the Company proceed according to the principles approved by Board of Directors and approved by Audit committee. The stakeholders cannot vote for that kind of issue. The Board of Directors must aware of benefit of the Company to the utmost and consider as if the transaction was made by external party.

### 4. Information and Communication

The Company provides information systems, quality and adequate decisions, both of financial data and other information. The Company's accounting policies as standard that is acknowledged in the auditor's report.

To the efficiency of Information Technology System, the Company controlled to access the Information Technology systems, data, recall and the infringement of license and protection of the intellectual property of the Company and our customer.

The Company had a policy to evaluate and reported to Board of Directors every quarter.



## 5. Monitoring

The Company follows up the meeting results every three months in order to report the result to Board of Directors with reasons and recommendation for improvement. Meantime, the executives also hold the meeting weekly to evaluate the situations in order to set the problem-solving guideline in time.

The majority of the members of Board of Directors were agreed upon developing an internal system which controls transactions with major shareholders, directors, executives or related persons sufficiently, adequately and appropriately

### **Observations of Internal Audit on Internal Controls of the Company**

Internal Audit department has been monitoring the management system core areas by providing feedback to the Company. In practice, the internal audit department leads to improve the quality of internal audits continuously by increasing the checks and balances (Check and Balance) on every control system. The internal audit department conducted a follow-up check-in on systems of 2022. The results of such investigation of internal audit on internal controls could provide good detections and recommendations for the Company to revise various issues successfully.

### **Observations of Auditor on Internal Controls of the Company**

The EY Office Limited, the auditor of the Company as for the year ending 31 December 2022, examined the effectiveness of internal control system in order to set the appropriate scope of audit work. The result of the audit is believed that the Company's financial statements are correct in all material respects in accordance with generally accepted accounting standards and financial reporting standards.



## Details of inter-transaction

Transactions between the parties with persons who may have conflicts Details are summarized as follows

The parties who have conflicts	Relations	Transactions	Amount in Baht			Significant and Reasonable of Transactions
			2022	2021	2020	
			Transaction	Transaction	Transaction	
SVOA PCL., ("SVOA")	The major shareholder of the Company Holding 35.80% of shares as of July 9, 2020	<b>Expenses :</b> 1. Service expenses <ul style="list-style-type: none"> <li>• Executive meeting expenses</li> <li>• Administration expenses (I.e. Human Resource, IT and Building)</li> <li>• Other expenses (I.e. Party Leisure expenses, Reception expenses and Welfare expenses)</li> </ul> <b>Remaining amount :</b> The remaining of liabilities*  <b>The Guarantee :</b> The guarantee amount had used amount	-  446,190.50  959.00  74,900.00  -	-  445,872.00  -  74,900.00  -	21,102.42  444,696.00  66,677.35  74,900.00  -	Service expense is comprised of HR service, meeting room and building service, IT consultation service expense which related with our business operation. Pricing is reasonable since service fee to SVOA is cheaper than investing in system or hiring new employee to operate. For meeting room and building rental service, it is the same rate with related companies in SVOA group. Expense charge to the Company as actual usage.

\*The liabilities outstanding at the end of the reporting year.



The parties who have conflicts	Relations	Transactions	Amount in Baht			Significant and Reasonable of Transactions
			2022	2021	2020	
			Transaction	Transaction	Transaction	
IT City PCL., ("IT City")	SVOA Public Company Limited is a major shareholder.	<b>Expenses :</b> 1. Purchases of equipment ● Computer and Equipment 2. Commission expense 3. Marketing Expense 4. Other expenses (Marketing expense, miscellaneous expenses, maintenance expense) <b>Remaining amount :</b> The remaining of liabilities*	 10,475,792.06 10,040 9,000 34,399.67 923,930.64	 3,007,698.96 - - 15,160.45 381,446.95	 118,108.45 - - 2,516.38 -	 The Company purchases assets for operation in accordance with market price.  The expenses used in the Company that calculated by actual usage

\*The liabilities outstanding at the end of the reporting year.

The parties who have conflicts	Relations	Transactions	Amount in Baht			Significant and Reasonable of Transactions
			2022	2021	2020	
			Transaction	Transaction	Transaction	
ARIP PCL., ("ARIP")	The common major shareholder is Mr. Min Inthanes.	<b>Expenses :</b> 1. Sale Promotion <ul style="list-style-type: none"> <li>• Advertise expenses</li> <li>• Facebook Management</li> <li>• Giftset VIP Y2020</li> <li>• The business plus Media on 22/12/20 ARIP</li> <li>• AR Group live Boardcast BOD2020 ARIP</li> <li>• Brochures LeaseIT / ARIP</li> <li>• Line Management / LIT Line</li> <li>• Digital Marketing Email Blasting Lite / Leaseit Short Motion VDO</li> <li>• Copy Write, Design and Blast EDM</li> <li>• New Branding Banner Design</li> </ul> 2. Other expense <ul style="list-style-type: none"> <li>• Training</li> <li>• VDO Presentation</li> <li>• Expense for SETS (i.e AGM Meeting, rental expense)</li> </ul> <b>Remaining amount :</b> The remaining of liabilities*	- - - - - - 51,538.52 - 95,607.00 79,141.35  127,734.69 - 47,803.50  32,100.00	70,000.00 108,814.00 45,224.16 - - - 121,553.20 27,070.80 - -  - - 63,696.00 207,012.10	612,328.00 618,339.20 44,406.07 84,704.00 31,764.00 95,292.00 - - - -  - 63,653.18 - 409,223.53	The expense is advertising expense for brand awareness and promoting Company in accordance with market price.  The expense is training expense for development employees.

\*The liabilities outstanding at the end of the reporting year.

The parties who have conflicts	Relations	Transactions	Amount in Baht			Significant and Reasonable of Transactions
			2022	2021	2020	
			Transaction	Transaction	Transaction	
SPVI Public Company Limited ("SPVI")	IT City Public Company Limited is a major shareholder  IT City Public Company Limited has SVOA Public Company Limited as a major shareholder.	<b>Expenses :</b> 1. Purchases of equipment 2. Commission expense 3. Marketing expense  <b>Remaining amount :</b> The remaining of liabilities*	67,975,445.87 - - 92,259.00	64,990,713.61 119,450.00 29,216.82 5,607,259.41	- - - -	The Company purchases assets for operation in accordance with market price.
Dataone Asia Co., Ltd. ("Data One")	SVOA Public Company Limited is a major shareholder.	<b>Expenses :</b> 1. Purchases of equipment <ul style="list-style-type: none"> <li>● Equipment</li> <li>● Computer software</li> </ul> 2. The rental and service expenses  3. Maintenance  4. Other expenses  <b>Remaining amount :</b> The remaining of liabilities*	- 462,209.50 425,128.20 710,872.41 810,127.84 152,817.50	- - 381,844.60 358,353.26 809,594.03 -	198,207.36 - 381,950.36 - 807,458.68 -	The Company purchases assets for operation in accordance with market price.  The expenses is rental for operation that calculated by area usage.  Maintenance  Other expenses are cleaning, utilities, parking etc which in accordance with market price.

\*The liabilities outstanding at the end of the reporting year.

The parties who have conflicts	Relations	Transactions	Amount in Baht			Significant and Reasonable of Transactions
			2022	2021	2020	
			Transaction	Transaction	Transaction	
Advanced Research Group Co., Ltd. (ARG)	There is a common major shareholder, Mr. Min Incthanet	<b>Expenses :</b> 1. Registration fees for change of director 2. Consultant fees 3. Registration capital fee <b>Revenues :</b> • Sales <b>Remaining amount :</b> The remaining of liabilities*	5,000.00 - 10,623.00 - -	5,308.00 106,160.00 - - -	- 105,880.00 - 1,532,124 107,000.00	The transaction was important that consistent with the market price. The Company has considered the proposals and in accordance with market price. The revenue from procurement goods services which calculated by cost of goods sold.
Touch Printing Republic Co., Ltd.	It has the common major shareholder which is SVOA and has a common director, Mr. Sophon Incthanet, who is the spouse of Ms. Sitaphatr Niroththanarat.	<b>Expenses :</b> - <b>Remaining amount :</b> The remaining of liabilities*	- -	- -	- -	The expenses is for making premium gifts for customers during festival period in accordance with market price.

\*The liabilities outstanding at the end of the reporting year.

The parties who have conflicts	Relations	Transactions	Amount in Baht			Significant and Reasonable of Transactions
			2022	2021	2020	
			Transaction	Transaction	Transaction	
Core and Peek Co., Ltd.	There is a common major shareholder, Mr. Min Incthanet	<b>Expenses :</b> <ul style="list-style-type: none"> <li>• Premium gift sets</li> </ul> <b>Remaining amount :</b> The remaining of liabilities*	-	-	-	
Digitech ONE Co., Ltd.	There is a common major shareholder, Mr. Min Incthanet	<b>Expenses :</b> 1. Purchase equipment and computer software 2. Maintenance <b>Remaining amount :</b> The remaining of liabilities*	-	260,000.00 33,456.34 -	200,000.00 - 214,000.00	The expense is for maintenance equipment and software. Maintenance Server
Business Online Public Company	There is a common major shareholder, Mr. Min Incthanet	<b>Expenses :</b> 1. Service expense 2. Marketing expense <b>Remaining amount :</b> The remaining of liabilities*	443,189.62 319,433.61 107,000.00	268,024.24 - -	- - -	The expense is for analysis system, The expense is for Social Business fee.

\*The liabilities outstanding at the end of the reporting year.

## Opinions of the Audit Committee

The Company's Audit Committee has considered information concerning the related transactions and has the opinion that such related transactions were reasonable and were transactions which occurred as per market prices or fair prices and there were no differences from selling and purchasing from other third parties.

- **Necessities and reasonableness of related transactions**

Operations concerning the related transactions were necessary and reasonable for the maximum benefits of the Company and were as per normal business

- **Procedures on approval of related transaction**

For procedures on approval of related transaction in the future, the Company shall comply with the laws on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Any transactions which the director or other person may have conflict of interest with the Company has been stipulated in the connected transactions and acquisition and disposal of assets of the Company, except when it is an approval of transaction in the nature course of the business of the Company. In addition, the Company has specified approval authorization rights clearly.

- **Trends of related transactions in the future**

The Company expected that such related transactions shall continue to occur in the future because the related transactions of the Company and the person who may have conflict of interest shall be as per normal business practices of the Company. In addition, the Company has appointed the Audit Committee to Audit and consider the disclosure of information of related transactions which may have conflict of interest so they shall be correctly and completely be in accordance to the law on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as compliance with the regulations related to disclosure of information on connected transactions and acquisition or disposal of assets and in accordance with the generally accepted accounting standards specified by the Federation of Accounting Professions. Details are shown in Section 2 Corporate Governance, Chapter 9 Internal Control and Related Transactions.

- **Policy on Conflict of Interest**

The Company has established measures to prevent conflict of interest that may arise from related transactions of the Company and persons who may have conflict of interest. The Executives and Stakeholders are not allowed to take part in the approval of those transactions. The Company's Board of Directors must ensure that the Company has complied with the Securities and Exchange Act, and regulations, notifications regarding the disclosure of related transactions, the acquisition or disposition of significant assets of the Company, and the accounting standards prescribed by the Federation of Accounting Professions.

In addition, the Company will provide the audit committee or auditors or independent specialist as the case may be, to review and give opinion on the suitability of prices and justification of transactions, and will disclose related transactions in the notes to the financial statements which revealed in Annual Registration Statements (Form 56-1 One Report) that have been verified or reviewed by the Company's Auditors. Details are shown in Section 2 Corporate Governance, Chapter 9 Internal Control and Related Transactions.

**Independent Auditor's Report**

To the Shareholders of Lease IT Public Company Limited

**Opinion**

I have audited the accompanying consolidated financial statements of Lease IT Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lease IT Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lease IT Public Company Limited and its subsidiaries and of Lease IT Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are describe below.

***Allowances for expected credit losses of receivables***

The Group has adopted the set of Thai Financial Reporting Standards related to financial instruments. The set of standards includes Thai Financial Reporting Standard No. 9 Financial Instruments which stipulates a basis for calculating impairment of financial instruments using the expected credit loss method. The basis involves complex calculation modelling which requires management to use significant judgements and estimates in developing expected credit loss models in compliance with Thai Financial Reporting Standards. Significant management judgements include the identification of criteria for assessment of a significant increase in credit risk since initial recognition, the consideration of the future economic forecast based on weighted probabilities of situations to be incorporated in the models and a management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model.

The Group has adopted the policy on the recognition of allowance for expected credit losses, as discussed in Note 4.4 to financial statements. As at 31 December 2022, the Group had net book value of trade and other receivables, installment account receivables, loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables amounting to totaling Baht 1,292 million representing 64 percent of the total assets (The Company only: Baht 1,271 million representing 64 percent of total assets), with allowance for expected credit losses amounting to Baht 663 million (The Company only: Baht 647 million), which is material amounts to the financial statements.

Because of the materiality and the use of management's significant judgements and estimates, as mentioned above, I therefore addressed the adequacy of allowances for expected credit losses of receivables as a key audit matter.



I gained an understanding of, assessed and tested the internal controls relating to the calculation of allowance for expected credit losses of receivables, taking into account the balance, complexity and credit risk of each receivables portfolio. I compared the accounting policies of the Group with Thai Financial Reporting Standards. I considered and assessed model development process and tested the accuracy of the data used in model development on a sampling basis. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses, including the method used to incorporate the management overlay to address the limitations of the model and the recording of allowance for expected credit losses.

Moreover, I examined the allowances for expected credit losses by assessing the classification of receivables based on changes in credit risk since initial recognition, testing the calculation of the allowances for expected credit losses at the end of accounting period, and testing the completeness of the data used in the calculation of allowances for expected credit losses, including assessing the adequacy of disclosure in accordance with the relevant financial reporting standards.

#### **Interest income recognition**

The Group has adopted a policy on the recognition of interest income as discussed in Note 4.1 to financial statements. In 2022, the Group's revenue mainly consisted of interest incomes from receivables for a total of Baht 98 million (representing 63 percent of total revenue) (the Company only: Baht 94 million representing 71 percent of total revenue). The incomes were generated from various types of loans provided to a large number of customers. Therefore, I addressed the amount and timing of interest income recognition as a key audit matter.

I assessed and tested the Group's information technology system controls and the internal controls related to the loan origination, loan receipt and interest income recognition processes, by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select each type of loan agreements to assess whether the recording of loans and receipt of repayment, and the interest income recognition were consistent with the conditions of the relevant agreements and in compliance with the Group's recognition policy. In addition, I performed analytical procedures on the data regarding the interest incomes recognised throughout the period and tested the accounting entries for interest incomes made through journal vouchers on a sampling basis.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

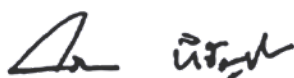
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.



Sarinda Hirunprasurtwutti  
Certified Public Accountant (Thailand) No. 4799

EY Office Limited  
Bangkok: 22 February 2023

Lease IT Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	467,703,921	70,642,985	456,942,355	61,683,109
Trade and other receivables	8	7,773,491	3,784,679	6,734,168	2,421,992
Installment account receivables	9	19,395,952	26,345,589	-	-
Current portion of loan receivables	10	224,730,075	454,078,310	224,730,075	454,078,310
Current portion of factoring receivables	11	464,549,637	696,967,880	464,549,637	696,967,880
Current portion of financial lease receivables	12	35,982,295	48,228,961	35,982,295	48,228,961
Current portion of hire-purchase receivables	13	14,820,344	46,937,111	14,820,344	46,937,111
Other current assets		7,339,911	3,272,802	5,918,233	2,877,644
<b>Total current assets</b>		<b>1,242,295,626</b>	<b>1,350,258,317</b>	<b>1,209,677,107</b>	<b>1,313,195,007</b>
<b>Non-current assets</b>					
Restricted bank deposits	15	54,872,894	58,344,053	54,872,894	58,344,053
Loan receivables - net of current portion	10	437,698,549	474,743,340	437,698,549	474,743,340
Factoring receivables - net of current portion	11	72,578,352	63,952,971	72,578,352	63,952,971
Financial lease receivables - net of current portion	12	10,588,752	31,780,514	10,588,752	31,780,514
Hire-purchase receivables - net of current portion	13	3,668,111	2,577,099	3,668,111	2,577,099
Investments in subsidiaries	16	-	-	19,999,970	19,999,970
Property foreclosed		6,332,657	3,503,065	6,332,657	3,503,065
Equipment	17	9,228,730	7,791,360	9,013,631	7,450,371
Right-of-use assets	18	7,760,256	16,443,450	6,596,453	14,770,831
Intangible assets	19	38,119,205	38,849,104	31,976,621	32,090,172
Deferred tax assets	20.1	134,314,830	108,878,506	129,935,023	106,860,201
<b>Total non-current assets</b>		<b>775,162,336</b>	<b>806,863,462</b>	<b>783,261,013</b>	<b>816,072,587</b>
<b>Total assets</b>		<b>2,017,457,962</b>	<b>2,157,121,779</b>	<b>1,992,938,120</b>	<b>2,129,267,594</b>

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

**Lease IT Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	21	50,000,000	320,000,000	50,000,000	320,000,000
Trade and other payables		3,792,364	9,162,732	1,080,883	2,639,947
Short-term loans from subsidiary	6	-	-	-	13,000,000
Current portion of debentures	22	393,206,340	391,398,797	393,206,340	391,398,797
Current portion of lease liabilities	18	3,616,930	3,717,358	3,014,104	3,169,408
Income tax payable		772,028	8,571,949	-	6,309,392
Other current financial liabilities	23	38,562,329	62,071,821	38,310,004	61,833,605
Other current liabilities		16,782,223	18,091,270	14,670,214	15,844,479
<b>Total current liabilities</b>		<b>506,732,214</b>	<b>813,013,927</b>	<b>500,281,545</b>	<b>814,195,628</b>
<b>Non-current liabilities</b>					
Debentures - net of current portion	22	394,088,818	390,531,203	394,088,818	390,531,203
Lease liabilities - net of current portion	18	4,077,539	7,380,332	3,385,898	6,136,829
Provision for long-term employee benefits	24	3,745,328	5,803,652	3,672,925	5,282,069
Other long-term provisions		384,784	384,784	319,516	319,516
Other non-current financial liabilities	23	-	410,000	-	410,000
<b>Total non-current liabilities</b>		<b>402,296,469</b>	<b>404,509,971</b>	<b>401,467,157</b>	<b>402,679,617</b>
<b>Total liabilities</b>		<b>909,028,683</b>	<b>1,217,523,898</b>	<b>901,748,702</b>	<b>1,216,875,245</b>

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

Lease IT Public Company Limited and its subsidiaries

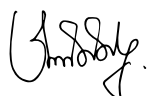
Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital					
Registered					
601,732,935 ordinary shares of Baht 1 each					
(2021: 558,357,230 ordinary shares of Baht 1 each)	25	<u>601,732,935</u>	<u>558,357,230</u>	<u>601,732,935</u>	<u>558,357,230</u>
Issued and fully paid-up					
442,931,237 ordinary shares of Baht 1 each					
(2021: 221,449,456 ordinary shares of Baht 1 each)		442,931,258	221,449,456	442,931,258	221,449,456
Share premium		519,409,060	82,317,791	519,409,060	82,317,791
Warrants	26	-	392,750,380	-	392,750,380
Retained earnings					
Appropriated - statutory reserve	27	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		<u>116,088,839</u>	<u>213,080,110</u>	<u>98,849,100</u>	<u>185,874,722</u>
Total equity attributable to owners of the Company		<u>1,108,429,157</u>	<u>939,597,737</u>	<u>1,091,189,418</u>	<u>912,392,349</u>
Non-controlling interests of the subsidiaries		<u>122</u>	<u>144</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>1,108,429,279</u>	<u>939,597,881</u>	<u>1,091,189,418</u>	<u>912,392,349</u>
<b>Total liabilities and shareholders' equity</b>		<u>2,017,457,962</u>	<u>2,157,121,779</u>	<u>1,992,938,120</u>	<u>2,129,267,594</u>
		-	-	-	-

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




Directors

Lease IT Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Interest incomes	28	98,424,798	216,684,674	94,013,357	215,334,252
Fee and service incomes	29	46,873,360	88,554,355	19,780,961	48,586,104
Other incomes	30	11,273,705	26,149,525	19,180,033	55,718,898
<b>Total revenues</b>		<u>156,571,863</u>	<u>331,388,554</u>	<u>132,974,351</u>	<u>319,639,254</u>
<b>Expenses</b>					
Service expenses	31	26,391,233	44,500,834	14,366,450	28,278,101
Administrative expenses		76,835,090	81,315,119	70,159,412	77,333,098
Expected credit losses	14	126,966,660	237,474,758	112,336,430	234,969,912
<b>Total expenses</b>		<u>230,192,983</u>	<u>363,290,711</u>	<u>196,862,292</u>	<u>340,581,111</u>
<b>Operating loss</b>		<u>(73,621,120)</u>	<u>(31,902,157)</u>	<u>(63,887,941)</u>	<u>(20,941,857)</u>
Finance cost		<u>(49,836,590)</u>	<u>(87,326,032)</u>	<u>(49,809,167)</u>	<u>(87,780,898)</u>
<b>Loss before income tax</b>		<u>(123,457,710)</u>	<u>(119,228,189)</u>	<u>(113,697,108)</u>	<u>(108,722,755)</u>
Income tax revenues	20.2	<u>23,426,753</u>	<u>23,735,612</u>	<u>23,794,155</u>	<u>27,621,096</u>
<b>Loss for the year</b>		<u>(100,030,957)</u>	<u>(95,492,577)</u>	<u>(89,902,953)</u>	<u>(81,101,659)</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
		3,799,618	-	3,596,664	-
Less: Income tax effect	20.2	<u>(759,924)</u>	<u>-</u>	<u>(719,333)</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>3,039,694</u>	<u>-</u>	<u>2,877,331</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(96,991,263)</u>	<u>(95,492,577)</u>	<u>(87,025,622)</u>	<u>(81,101,659)</u>
<b>Total profit (loss) attributable to:</b>					
Equity holders of the Company		(100,030,965)	(95,492,638)	(89,902,953)	(81,101,659)
Non-controlling interests of the subsidiaries		8	61	-	-
		<u>(100,030,957)</u>	<u>(95,492,577)</u>	<u>(89,902,953)</u>	<u>(81,101,659)</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(96,991,271)	(95,492,638)	<u>(87,025,622)</u>	<u>(81,101,659)</u>
Non-controlling interests of the subsidiaries		8	61		
		<u>(96,991,263)</u>	<u>(95,492,577)</u>		
<b>Loss per share</b>					
32					
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(0.23)</u>	<u>(0.30)</u>	<u>(0.21)</u>	<u>(0.25)</u>
Weighted average number of ordinary shares (shares)		<u>436,180,670</u>	<u>319,871,436</u>	<u>436,180,670</u>	<u>319,871,436</u>
<b>Diluted loss per share</b>					
Loss attributable to equity holders of the Company		<u>(0.23)</u>	<u>(0.30)</u>	<u>(0.21)</u>	<u>-0.25</u>
Weighted average number of ordinary shares (shares)		<u>436,180,670</u>	<u>320,536,975</u>	<u>436,180,670</u>	<u>320,536,975</u>

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



Lease IT Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings				
				Appropriated - statutory reserve	Unappropriated			
<b>Balance as at 1 January 2021</b>	221,449,456	82,317,791	392,750,380	30,000,000	348,433,650	1,074,951,277	173	1,074,951,450
Loss for the year	-	-	-	-	(95,492,638)	(95,492,638)	61	(95,492,577)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(95,492,638)	(95,492,638)	61	(95,492,577)
Dividend paid (Note 33)	-	-	-	-	(39,860,902)	(39,860,902)	(90)	(39,860,992)
<b>Balance as at 31 December 2021</b>	<u>221,449,456</u>	<u>82,317,791</u>	<u>392,750,380</u>	<u>30,000,000</u>	<u>213,080,110</u>	<u>939,597,737</u>	<u>144</u>	<u>939,597,881</u>
<b>Balance as at 1 January 2022</b>	221,449,456	82,317,791	392,750,380	30,000,000	213,080,110	939,597,737	144	939,597,881
Loss for the year	-	-	-	-	(100,030,965)	(100,030,965)	8	(100,030,957)
Other comprehensive income for the year	-	-	-	-	3,039,694	3,039,694	-	3,039,694
Total comprehensive income for the year	-	-	-	-	(96,991,271)	(96,991,271)	8	(96,991,263)
Issuance of ordinary share during the year (Note 25)	221,449,456	44,289,891	-	-	-	265,739,347	-	265,739,347
Transfer expired warrants to share premium (Note 25)	-	392,646,248	(392,646,248)	-	-	-	-	-
Issuance of ordinary share during the year								
from exercised warrants (Note 25)	32,346	155,130	(104,132)	-	-	83,344	-	83,344
Dividend paid from the subsidiary	-	-	-	-	-	-	(30)	(30)
<b>Balance as at 31 December 2022</b>	<u>442,931,258</u>	<u>519,409,060</u>	<u>-</u>	<u>30,000,000</u>	<u>116,088,839</u>	<u>1,108,429,157</u>	<u>122</u>	<u>1,108,429,279</u>

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

## Lease IT Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2021</b>	221,449,456	82,317,791	392,750,380	30,000,000	306,837,283	1,033,354,910
Loss for the year	-	-	-	-	(81,101,659)	(81,101,659)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(81,101,659)	(81,101,659)
Dividend paid (Note 33)	-	-	-	-	(39,860,902)	(39,860,902)
<b>Balance as at 31 December 2021</b>	<u>221,449,456</u>	<u>82,317,791</u>	<u>392,750,380</u>	<u>30,000,000</u>	<u>185,874,722</u>	<u>912,392,349</u>
<b>Balance as at 1 January 2022</b>	221,449,456	82,317,791	392,750,380	30,000,000	185,874,722	912,392,349
Loss for the year	-	-	-	-	(89,902,953)	(89,902,953)
Other comprehensive income for the year	-	-	-	-	2,877,331	2,877,331
Total comprehensive income for the year	-	-	-	-	(87,025,622)	(87,025,622)
Issuance of ordinary share during the year (Note 25)	221,449,456	44,289,891	-	-	-	265,739,347
Transfer expired warrants to share premium (Note 25)	-	392,646,248	(392,646,248)	-	-	-
Issuance of ordinary share during the year from exercised warrants (Note 25)	32,346	155,130	(104,132)	-	-	83,344
<b>Balance as at 31 December 2022</b>	<u>442,931,258</u>	<u>519,409,060</u>	<u>-</u>	<u>30,000,000</u>	<u>98,849,100</u>	<u>1,091,189,418</u>

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

Lease IT Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2022

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Loss before income tax	(123,457,710)	(119,228,189)	(113,697,108)	(108,722,755)
Adjustment to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	10,980,643	11,368,595	8,669,816	9,852,127
Expected credit losses	14 127,045,140	237,474,758	112,414,910	234,969,912
Bad debts recovery	(78,480)	-	(78,480)	-
Gain on sales of trading securities	(309,314)	(315,654)	(309,314)	(315,654)
Gain (loss) on disposal/write-off of equipment	12	(999)	12	(999)
Amortisation of deferred interest income under agreements of financial lease and hire-purchase receivables	(12,532,931)	(18,405,307)	(12,532,931)	(18,405,307)
Provision for long-term employee benefits	1,741,294	1,390,261	1,987,520	1,273,582
Interest income	(496,621)	(446,605)	(482,205)	(435,681)
Dividend income from subsidiaries	16 -	-	(9,999,970)	(29,999,910)
Finance cost	49,836,590	87,326,032	49,809,167	87,780,898
Profit from operating activities before change in operating assets and liabilities	52,728,623	199,162,892	35,781,417	175,996,213
Operating assets (increase) decrease				
Trade and other receivables	1,370,574	1,123,833	1,047,211	2,989,700
Installment account receivables	(7,680,592)	(28,797,230)	-	-
Loan receivables	174,521,613	133,056,551	174,521,613	133,056,551
Factoring receivables	207,496,324	138,958,674	207,496,324	138,958,674
Financial lease receivables	38,438,940	21,739,068	38,438,940	21,739,068
Hire-purchase receivables	34,458,960	60,016,836	34,458,960	60,016,836
Property foreclosed	(2,829,592)	(1,361,940)	(2,829,592)	(1,361,940)
Other current assets	(4,067,109)	(34,284)	(3,040,589)	170,133
Operating liabilities increase (decrease)				
Trade and other payables	(3,381,374)	5,684,481	(83,320)	(256,304)
Other current financial liabilities	(23,509,492)	(2,694,799)	(23,523,601)	(2,616,579)
Other current liabilities	(879,231)	(6,705,862)	(744,448)	(7,618,513)
Other non-current financial liabilities	(410,000)	(11,703,053)	(410,000)	(11,703,053)
Cash flows from operating activities	466,257,644	508,445,167	461,112,915	509,370,786
Interest received	496,621	446,605	482,205	435,681
Cash paid for long-term employee benefits	-	(6,461,974)	-	(6,461,974)
Interest paid	(51,361,744)	(84,598,222)	(51,424,251)	(85,161,071)
Corporate income tax paid	(16,076,547)	(34,148,255)	(11,816,524)	(26,562,094)
Cash received from amount recovered (Bad debt recovered)	78,480	-	78,480	-
<b>Net cash flows from operating activities</b>	<b>399,394,454</b>	<b>383,683,321</b>	<b>398,432,825</b>	<b>391,621,328</b>

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

**Lease IT Public Company Limited and its subsidiaries**

**Statements of cash flows (continued)**

**For the year ended 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Cash flows from investing activities</b>					
Cash paid for purchases of trading securities		(460,000,000)	(870,000,000)	(460,000,000)	(870,000,000)
Cash receipt from sales of trading securities		460,309,314	870,315,654	460,309,314	870,315,654
Increase in restricted bank deposits		3,471,159	17,150,391	3,471,159	17,150,391
Cash receipt from dividend from subsidiaries	16	-	-	9,999,970	29,999,910
Cash paid for purchases of equipment		(9,186)	(316,632)	-	(160,972)
Proceeds from sales of equipment		-	1,000	-	1,000
Cash paid for purchases of intangible assets		(4,553,871)	(11,438,617)	(3,063,120)	(10,841,617)
Proceeds from sales of intangible assets		-	-	-	5,992,244
<b>Net cash from (used in) investing activities</b>		<b>(782,584)</b>	<b>5,711,796</b>	<b>10,717,323</b>	<b>42,456,610</b>
<b>Cash flows from financing activities</b>					
Decrease in bank overdrafts		-	(7,915,380)	-	(7,915,380)
Cash receipt from short-term loans from financial institutions		50,000,000	1,285,000,000	50,000,000	1,285,000,000
Repayment of short-term loans from financial institutions		(320,000,000)	(1,115,000,000)	(320,000,000)	(1,115,000,000)
Cash receipt from short-term loans from subsidiary		-	-	-	14,000,000
Repayment of short-term loans from subsidiary	6	-	-	(13,000,000)	(55,000,000)
Cash receipt from issuance of ordinary shares		265,739,347	-	265,739,347	-
Cash received from issuance of debentures	22	400,000,000	393,800,000	400,000,000	393,800,000
Cash paid for redemption of debentures	22	(393,000,000)	(870,600,000)	(393,000,000)	(870,600,000)
Repayment of lease liabilities		(4,373,595)	(6,021,941)	(3,713,593)	(5,427,941)
Repayment of liabilities under hire-purchase receivables agreements		-	(5,360,700)	-	(5,360,700)
Cash receipt from exercise of warrants		83,344	-	83,344	-
Dividend paid		(30)	(39,857,148)	-	(39,857,058)
<b>Net cash used in financing activities</b>		<b>(1,550,934)</b>	<b>(365,955,169)</b>	<b>(13,890,902)</b>	<b>(406,361,079)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>397,060,936</b>	<b>23,439,948</b>	<b>395,259,246</b>	<b>27,716,859</b>
Cash and cash equivalents at beginning of the year		70,642,985	47,203,037	61,683,109	33,966,250
<b>Cash and cash equivalents at end of the year</b>		<b>467,703,921</b>	<b>70,642,985</b>	<b>456,942,355</b>	<b>61,683,109</b>

**Supplement cash flows information**

Non-cash transactions

Accounts payable from purchases of computer software

under installation	898,134	2,887,128	769,384	2,245,128
--------------------	---------	-----------	---------	-----------

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

**Lease IT Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2022**

**1. General information**

Lease IT Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is SVOA Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in providing financial services in form of hire-purchase, leasing, factoring services for sales and services, and loans. The registered office of the Company is at 1023, 29th Floor, MS SIAM Tower, Chong Nonsi, Yannawa, Bangkok.

**2. Basis of preparation of the financial statements**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Lease IT Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (“collectively as “the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (%)	2021 (%)
<u>Held by the Company</u>				
LIT Service Management Co., Ltd.	Providing services relating to data information, credit analysis and credit management	Thailand	100	100
Ulite Digital Co., Ltd.	Providing installment trading business on electronic platform	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries have been prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statement presents investment in subsidiaries under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### **Interest incomes**

Interest incomes from installment contracts, loan, factoring, financial lease and hire-purchase contracts are recognised on an accrual basis using the effective interest method over the period of contracts. The effective interest rate is applied to the gross carrying amount of receivables, unless the receivables subsequently become credit-impaired when it is applied to the net carrying amount (gross carrying amount net of the expected credit loss allowance) of the financial asset

#### **Fee and service incomes**

Fee and service incomes are recognised at a point in time upon completion of the service or recognised over the period of contracts, except for fees related to loans directly which are recognised on an accrual basis using the effective interest method over the period of contracts.

#### **Dividends**

Dividends are recognised when the right to receive the dividends is established.

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### **Direct expenses charged on loans**

Initial direct expenses at the inception of contract i.e. commission expenses are to be deferred and amortised using the effective interest method.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Receivables**

Receivables which included trade receivables, installment receivables, loan receivables, factoring receivables, financial lease and hire-purchase receivables are stated at net realisable value. Unearned financial lease and hire-purchase incomes (unearned interest income) are presented as deduction from financial lease and hire-purchase receivables, and deferred direct expenses are presented as deduction from unearned interest incomes.

#### **4.4 Allowance for expected credit losses - Installment receivables, Loan receivables, factoring receivables, and financial lease and hire-purchase receivables**

The Group recognised expected credit losses on financial assets consisting of installment receivables, loan receivables, factoring receivables, financial lease and hire-purchase receivables, together with financial guarantee contracts, which are measured at amortised cost using the General Approach. The Group classifies their financial assets into three stages based on the changes in credit risk since initial recognition as follow:

##### Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Group recognises allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Group will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

##### Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the Group recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.



### Stage 3: Financial assets that are credit-impaired (Non-Performing)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit-impaired, the Group recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

At each reporting date, the Group is to evaluate the increase in credit risk of loan receivables, factoring receivables, and financial lease and hire-purchase receivables since initial recognition by comparing the default risk between the reporting date and initial recognition date. For the basis used in the evaluation, the Group applies an internal quantitative and qualitative basis and uses forecast information to assess the deterioration in credit quality of customers such as:

- Days past due
- Compliance with conditions under debt restructuring contracts or according to court proceedings
- High-risk group and that are closely monitored by management

The Group evaluates the significant increase in credit risk since initial recognition as either individual or collective assessment. The collective assessment is made for portfolios of facilities with similar credit risk characteristics such as payment schedules and contractual credit terms for loan receivables, sectors of business entities being main sources of revenues for factoring receivables, number of parties involved in financial lease and hire-purchase contracts.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes arrears of overdue payment or having indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring. The Group's policy for overdue receivables are as follows:

- Installment receivables are overdue for more than 90 days
- Loan receivables are overdue for more than 90 days or post-dated cheque exceeds 60 days
- Factoring receivables from a private sector are overdue for more than 90 days or for more than 120 days in case of a government sector
- Financial lease and hire-purchase receivables are overdue for more than 90 days

The Group considers their historical loss experiences, adjusted by present perceivable information, and determines adjustment of economic future forecast based on weighted probabilities of situations in calculating the expected credit losses at least once a year. The Group uses most of information announced by the Bank of Thailand or government agencies, adjusted by an internal point of view and weighting of base scenario, best scenario and worst scenario in order to reflect the fair expected credit losses.

The measurement of expected credit losses for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Expected credit losses are recognised through profit or loss in the statements of comprehensive income.

#### **4.5 Property foreclosed**

Property foreclosed represent assets repossessed from receivables and are stated at the lower of cost and estimated net realisable value.

#### **4.6 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

#### **4.7 Equipment and depreciation**

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building improvement	-	5	years
Furniture	-	5	years
Computers	-	3	years
Office equipment	-	5	years
Motor vehicles	-	10	years

Depreciation is included in determining income.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in part of profit or loss when the asset is derecognised.

#### 4.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible asset with finite useful lives is as follows:

Computer software	5 - 10 years
-------------------	--------------

No amortisation is provided on computer software under installation.

#### 4.9 Leases

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

##### **The Group as a lessee**

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

##### ***Right-of-use assets***

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Office building	6 years
Motor vehicles	10 years

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

### ***Lease liabilities***

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

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

## **4.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### 4.11 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

#### 4.12 Employee benefits

##### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### Post-employment benefits

###### *Defined contribution plans*

The Group and its employees have jointly established a provident fund together with the group company of a major shareholder. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques using the projected unit credit method.

Actuarial gain and loss arising from defined benefit plan are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring related cost.

#### **4.13 Provisions**

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

#### **4.14 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

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

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

#### **4.15 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost and fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### ***Financial assets at amortised cost***

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

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

#### ***Financial assets at FVTPL***

Financial assets which are security investments held for trading measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

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

### **Derecognition of financial instruments**

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

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

#### **Impairment of financial assets**

The Group recognises the allowance for expected credit losses (“ECLs”) on their financial assets measured at amortised cost without any signs of credit-impaired events. The financial reporting standards requires to recognise impairment based on an Expected Credit Losses Model and management overlay for the factors which are not captured by the model. The Group accounts for changes in expected credit losses in stages, with different methods in determining the allowance for credit losses and the effective interest rate applied at each stage as mentioned in Note 4.1 and 4.4.

For trade receivables which do not contain a significant financing component, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

#### **Offsetting of financial instruments**

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



#### 4.16 Fair value measurement

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

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

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

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

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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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

In determining an allowance for expected credit losses for each type of receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic conditions for groupings of various customer segments with similar credit risks, the development of complex expected credit losses model with a series of underlying assumptions, etc. The Group's historical credit loss experiences and forecast economic conditions may also not be representative of whether a customer will actually default in the future. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

## **Leases**

### ***Determining the lease term with extension and termination - The Group as a Lessee***

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

### ***Estimating the incremental borrowing rate - The Group as a Lessee***

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

## **Deferred tax assets**

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

## **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statements of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Also, change in assumptions about these factors could affect the fair value presented in the statements of financial position and disclosures of fair value hierarchy.

## 6. Related party transactions

During the years, the Group had significant business transactions with its related parties. Such transactions arose in the ordinary courses of business and were concluded on commercial terms or on bases agreed upon between the Company and its related parties. The pricing policies for these related party transactions are summarised as follows:

1. Rental and service expenses are charged at agreed prices.
2. Sales and purchases of equipment and computer software are at market prices.
3. Dividend income is recognised when declared.
4. Loans between related party is charged at the rate of 1.5 percent per annum.
5. Purchases of goods and services are at market prices.

During the years, significant transactions between the Company and its related parties are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	10,000	30,000
Collection of payment from customers on behalf of subsidiary	-	-	1,297	7,012
Commission payment on behalf of subsidiary	-	-	1,279	3,821
Interest expenses	-	-	63	563
<u>Transactions with a major shareholder</u>				
Service expenses	447	446	447	446
Collection of payment from customers collected by related companies on behalf of the Company	58	-	21	-
Dividend payment	-	14,271	-	14,271
<u>Transactions with related companies</u>				
Rental and service expenses	3,632	2,512	2,712	2,085
Purchases of equipment and computer software	-	373	-	59
Purchases of goods and services	78,461	67,944	-	-
Collection of payment from customers collected by related companies on behalf of the Company	205	-	154	-

The balance of the accounts as at 31 December 2022 and 2021 between the Company and its related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiary	-	-	65	175
Total trade and other receivables - related parties	-	-	65	175
<u>Financial lease receivables - related parties</u>				
Related companies	-	537	-	537
Total financial lease receivables - related parties	-	537	-	537
<u>Hire-purchase receivables - related parties</u>				
Related companies	597	4,481	597	4,481
Total hire-purchase receivables - related parties	597	4,481	597	4,481
<u>Other current assets - related parties</u>				
Related companies	683	708	550	522
Total other current assets - related parties	683	708	550	522
<u>Trade and other payables - related parties</u>				
Subsidiary	-	-	98	113
Major shareholder	75	75	75	75
Related companies	1,308	6,196	139	207
Total trade and other payables - related parties	1,383	6,271	312	395

Short-term loans from subsidiary

Balances of loans between the Group as at 31 December 2022 and 2021 and its movement is as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance	During the period		Balance
	as at	Increase	Decrease	as at
31 December			31 December	
Company	2021	2022	2022	2022
LIT Service Management Co., Ltd.	13,000	-	(13,000)	-
Total	13,000	-	(13,000)	-

The Company had short-term loans from subsidiary in the form of at-call loan agreements carried interest 1.5 per annum.

#### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2022	2021
Short-term employee benefits	20,025	22,540
Post-employment benefits	1,749	2,115
Total	<u>21,774</u>	<u>24,655</u>

#### 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	46	36	40	30
Bank deposits	467,658	70,607	456,902	61,653
Total	<u>467,704</u>	<u>70,643</u>	<u>456,942</u>	<u>61,683</u>

As at 31 December 2022, bank deposits in saving accounts carried interest rates 0.13 - 0.35 percent per annum (2021: 0.05 - 0.13 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - unrelated parties</u>				
Aging counted from due dates				
Not yet due	-	385	-	385
Past due				
Up to 1 month	1,408	-	1,408	-
6 - 12 months	295	1,715	295	1,715
Over 12 months	105	105	-	-
Total	1,808	2,205	1,703	2,100
Less: Allowance for expected credit losses	(1,431)	(1,283)	(1,378)	(1,230)
Total trade receivables - unrelated parties - net	377	922	325	870
<u>Other receivables</u>				
Other receivables - related parties	-	-	65	175
Other receivables - unrelated parties	7,551	3,018	6,499	1,532
Total	7,551	3,018	6,564	1,707
Less: Allowance for expected credit losses	(155)	(155)	(155)	(155)
Total other receivables - net	7,396	2,863	6,409	1,552
Trade and other receivables - net	7,773	3,785	6,734	2,422

## 9. Installment account receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Installment account receivables	41,053	35,757
Less: Unearned financial incomes	(5,208)	(6,959)
Total	35,845	28,798
Less: Allowance for expected credit losses	(16,449)	(2,452)
Installment account receivables - net	<u>19,396</u>	<u>26,346</u>

As at 31 December 2022 and 2021, the installment accounts receivable classified by their aging counted from due dates were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
<u>Aging counted from due dates</u>		
Not yet due	10,655	20,240
Past due		
Up to 1 month	3,199	2,887
1 - 3 months	3,465	2,210
3 - 6 months	5,519	2,581
6 - 12 months	8,250	880
Over 12 months	4,757	-
Total loan receivables	35,845	28,798
Less: Allowance for expected credit losses	(16,449)	(2,452)
Loan receivables - net	<u>19,396</u>	<u>26,346</u>

During the year, the Company recorded bad debt written-off and reversed allowance for expected credit losses relating to such receivables amounting to Baht 0.6 million (2021: Nil).

## 10. Loan receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of loan receivables		Loan receivables - net of current portion		Total	
	2022	2021	2022	2021	2022	2021
Loan receivables	310,489	550,741	823,665	757,934	1,134,154	1,308,675
Less: Allowance for expected credit losses	(85,759)	(96,663)	(385,966)	(283,191)	(471,725)	(379,854)
Loan receivables - net	<u>224,730</u>	<u>454,078</u>	<u>437,699</u>	<u>474,743</u>	<u>662,429</u>	<u>928,821</u>

As at 31 December 2022 and 2021, the loan receivables classified by their aging counted from due dates were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2022	2021
<u>Aging counted from due dates</u>		
Not yet due	95,845	318,922
Past due		
Up to 1 month	81,936	59,767
1 - 3 months	79,940	142,105
3 - 6 months	32,209	265,471
6 - 12 months	104,844	237,950
Over 12 months	<u>739,380</u>	<u>284,460</u>
Total loan receivables	1,134,154	1,308,675
Less: Allowance for expected credit losses	<u>(471,725)</u>	<u>(379,854)</u>
Loan receivables - net	<u>662,429</u>	<u>928,821</u>

As at 31 December 2022, the rights on debt collection transferred to the Company as collaterals under agreement between receivables and their counterparties represents 60.3 percent (2021: 69.1 percent) of the loan receivables of the Company.

During the current year, the Company had not recorded bad debt written-off and reversed allowance for expected credit losses relating to such receivables (2021: Baht 0.1 million).



## 11. Factoring receivables

The Company has policy to provide credits approximately at 5 - 100 percent (2021: 1 - 100 percent) of invoice amounts.

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of factoring receivables		Factoring receivables - net of current portion		Total	
	2022	2021	2022	2021	2022	2021
Factoring receivables	548,737	768,090	144,805	132,949	693,542	901,039
Less: Allowance for expected credit losses	(84,187)	(71,122)	(72,227)	(68,996)	(156,414)	(140,118)
Factoring receivables - net	464,550	696,968	72,578	63,953	537,128	760,921

As at 31 December 2022 and 2021, the factoring receivables classified by their aging counted from due dates were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2022	2021
<u>Aging counted from due dates</u>		
Not yet due	354,246	570,295
Past due		
Up to 1 month	42,999	78,707
1 - 3 months	11,590	18,934
3 - 6 months	22,288	24,578
6 - 12 months	95,227	86,246
Over 12 months	167,192	122,279
Total	693,542	901,039
Less: Allowance for expected credit losses	(156,414)	(140,118)
Factoring receivables - net	537,128	760,921

During the current year, the Company had not recorded bad debt written-off and reversed allowance for expected credit losses relating to such receivables (2021: Baht 0.8 million).

## 12. Financial lease receivables

As at 31 December 2022, terms for financial lease receivables are 2 - 4 years (2021: 3 - 4 years) on average and are payable in equal installments, with interests charged at fixed rates throughout contracts. The balances of financial lease receivables are classified by due date per contract, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of financial lease receivables		Financial lease receivables - net of current portion		Total	
	2022	2021	2022	2021	2022	2021
Financial lease receivables	50,089	62,049	14,831	39,242	64,920	101,291
Less: Unearned financial incomes	(3,564)	(7,853)	(1,140)	(3,529)	(4,704)	(11,382)
Total	46,525	54,196	13,691	35,713	60,216	89,909
Less: Allowance for expected credit losses	(10,543)	(5,967)	(3,102)	(3,932)	(13,645)	(9,899)
Financial lease receivables - net	35,982	48,229	10,589	31,781	46,571	80,010

As at 31 December 2022 and 2021, financial lease receivables classified by their aging counted from due dates (determined based on an individual contract, whereby if any installment is overdue, the whole contract balance is considered to be overdue) were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2022	2021
<u>Aging counted from due dates</u>		
Not yet due	43,085	72,013
Past due		
Up to 1 month	16,452	2,524
1 - 3 months	-	30
3 - 6 months	679	14,636
Over 12 months	-	706
Total	60,216	89,909
Less: Allowance for expected credit losses	(13,645)	(9,899)
Financial lease receivables - net	46,571	80,010

### 13. Hire-purchase receivables

As at 31 December 2022, terms for hire-purchase receivables are 1 - 3 years (2021: 2 - 3 years) on average and are payable in equal installments, with interests charged at fixed rates throughout contracts. The balances of hire-purchase receivables were classified by due date per contract, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of hire-purchase receivables		Hire-purchase receivables - net of current portion		Total	
	2022	2021	2022	2021	2022	2021
Hire-purchase receivables	16,551	52,033	6,166	2,902	22,717	54,935
Less: Unearned financial incomes	(541)	(2,163)	(240)	(164)	(781)	(2,327)
Total	16,010	49,870	5,926	2,738	21,936	52,608
Less: Allowance for expected credit losses	(1,190)	(2,933)	(2,258)	(161)	(3,448)	(3,094)
Hire-purchase receivables - net	14,820	46,937	3,668	2,577	18,488	49,514

As at 31 December 2022 and 2021, hire-purchase receivables classified by their aging counted from due dates (determined on an individual contract, whereby if any installment is overdue, the whole contract balance is considered to be overdue) were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2022	2021
<u>Aging counted from due dates</u>		
Not yet due	8,869	45,295
Past due		
Up to 1 month	7,731	692
1 - 3 months	1,470	1,882
3 - 6 months	993	4
6 - 12 months	238	636
Over 12 months	2,635	4,099
Total	21,936	52,608
Less: Allowance for expected credit losses	(3,448)	(3,094)
Hire-purchase receivables - net	18,488	49,514

#### 14. Allowance for expected credit losses

As at 31 December 2022 and 2021, allowances for expected credit losses and book values of installment account receivables, loan receivables, factoring receivables, financial lease and hire-purchase receivables and interest receivables classified by credit quality analysis were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements									
	Installment account receivables		Loan receivables		Factoring receivables		Financial lease and hire-purchase receivables		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Book value</b>										
Stage 1	13,853	23,127	96,946	286,321	384,556	600,051	40,348	121,870	535,703	1,031,369
Stage 2	3,465	2,210	300,962	556,145	21,265	88,448	21,613	-	347,305	646,803
Stage 3	18,527	3,461	736,246	466,209	287,721	212,540	20,191	20,647	1,062,685	702,857
Total book value	35,845	28,798	1,134,154	1,308,675	693,542	901,039	82,152	142,517	1,945,693	2,381,029
<b>Allowance for expected credit losses</b>										
Stage 1	28	47	2,775	11,439	3,175	6,382	122	243	6,100	18,111
Stage 2	1,039	668	120,093	136,139	6,814	28,686	2,161	-	130,107	165,493
Stage 3	15,382	1,737	348,857	232,276	146,425	105,050	14,810	12,750	525,474	351,813
Total allowance for expected credit losses	16,449	2,452	471,725	379,854	156,414	140,118	17,093	12,993	661,681	535,417
<b>Net book value</b>	19,396	26,346	662,429	928,821	537,128	760,921	65,059	129,524	1,284,012	1,845,612

Total allowance for expected credit losses as presented above excludes that of trade and other receivables.

(Unit: Thousand Baht)

Separate financial statements

	Loan receivables		Factoring receivables		Financial lease and hire-purchase receivables		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<b>Book value</b>							
Stage 1	96,946	286,321	384,556	600,051	40,348	121,870	521,850	1,008,242
Stage 2	300,962	556,145	21,265	88,448	21,613	-	343,840	644,593
Stage 3	736,246	466,209	287,721	212,540	20,191	20,647	1,044,158	699,396
Total book value	1,134,154	1,308,675	693,542	901,039	82,152	142,517	1,909,848	2,352,231
<b>Allowance for expected credit losses</b>								
Stage 1	2,775	11,439	3,175	6,382	122	243	6,072	18,064
Stage 2	120,093	136,139	6,814	28,686	2,161	-	129,068	164,825
Stage 3	348,857	232,276	146,425	105,050	14,810	12,750	510,092	350,076
Total allowance for expected credit losses	471,725	379,854	156,414	140,118	17,093	12,993	645,232	532,965
<b>Net book value</b>	662,429	928,821	537,128	760,921	65,059	129,524	1,264,616	1,819,266

Total allowance for expected credit losses as presented above excludes that of trade and other receivables.

As at 31 December 2022, the Group classified stage 3 receivables in respect of their credit risks from risk assessment of installment account receivables, loan receivables, factoring receivables, financial lease and hire-purchase receivables and interest receivables, of which the total book value was Baht 1,062.7 million (2021: Baht 702.9 million). Status of receivables can be classified as follows:

1. Receivables with 90 days overdue for Baht 412.7 million (2021: Baht 193.0 million), of which the debt collection process is under close-monitoring.
2. Receivables with acknowledgement of debt or debt restructuring contracts for Baht 100.5 million (2021: Baht 89.1 million), of which the payment has been followed up in order to ensure that it is in accordance with contractual conditions. Such receivables with an amount of Baht 14.5 million (2021: Baht 21 million) contained collateral with a total value of Baht 0.9 million (2021: Baht 6.1 million) in form of land which was registered as mortgage and of which the ownership had been transferred to the Group.
3. Receivables under litigation which are during prosecution of civil and criminal cases as well as during court trials for Baht 549.5 million (2021: Baht 420.8 million). Such receivables with an amount of Baht 76.8 million (2021: Baht 17.3 million) contained collaterals with a total value of Baht 39.3 million (2021: Baht 8.6 million) in form of land and building which were registered as mortgage and of which the ownership had been transferred to the Group.

As at 31 December 2022, the Company has account receivables overdue more than 12 months but have not been classified as receivables with credit impairment because these are receivables from ongoing projects with Government agencies, for which collection is proved to be quite certain. However, the Company has appropriately and adequately set up allowance for expected credit losses based on the heightened risk from uncollectible receivables.

Movements of allowance for expected credit losses for installment receivables, loan receivables, factoring receivables, financial lease and hire-purchase receivables and interest receivables for the year ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	535,417	299,067	532,965	299,067
Allowance for doubtful accounts	126,819	237,230	112,189	234,778
Written-off	(633)	(880)	-	(880)
Bad debts recovery	78	-	78	-
Balance at end of the year	<u>661,681</u>	<u>535,417</u>	<u>645,232</u>	<u>532,965</u>

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Installment account receivables</b>				
Beginning balance	47	668	1,737	2,452
Change due to staging of financial assets	(8)	(562)	570	-
Change due to remeasurement of loss allowance	(39)	(89)	5,469	5,341
Net financial assets purchased or acquired	28	1,022	8,239	9,289
Bad debt written-off	-	-	(633)	(633)
Ending balance	28	1,039	15,382	16,449

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Loan receivables</b>				
Beginning balance	11,439	136,139	232,276	379,854
Change due to staging of financial assets	(10,151)	(55,008)	65,159	-
Change due to remeasurement of loss allowance	(536)	23,904	46,428	69,796
Net financial assets purchased or acquired	2,024	15,058	4,993	22,075
Ending balance	2,776	120,093	348,856	471,725

(Unit: Thousand Baht)

## Consolidated and separate financial statements

31 December 2022

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Factoring receivables</b>				
Beginning balance	6,382	28,686	105,050	140,118
Change due to staging of financial assets	(603)	(21,396)	21,999	-
Change due to remeasurement of loss allowance	(5,385)	(5,922)	18,513	7,206
Net financial assets purchased or acquired	2,781	5,446	785	9,012
Amount recovered	-	-	78	78
Ending balance	3,175	6,814	146,425	156,414

**Financial lease and hire-purchase receivables**

Beginning balance	243	-	12,750	12,993
Change due to staging of financial assets	(72)	72	-	-
Change due to remeasurement of loss allowance	(115)	2,089	2,060	4,034
Net financial assets purchased or acquired	66	-	-	66
Ending balance	122	2,161	14,810	17,093

(Unit: Thousand Baht)

## Consolidated financial statements

31 December 2021

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Installment account receivables</b>				
Beginning balance	-	-	-	-
Net financial assets purchased or acquired	47	668	1,737	2,452
Ending balance	47	668	1,737	2,452



(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2021				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Loan receivables</b>				
Beginning balance	60,247	8,748	138,735	207,730
Change due to staging of financial assets	(44,335)	14,777	29,558	-
Change due to remeasurement of loss allowance	(13,497)	80,571	62,384	129,458
Net financial assets purchased or acquired	9,024	32,043	1,657	42,724
Bad debt written-off	-	-	(58)	(58)
Ending balance	11,439	136,139	232,276	379,854
<b>Factoring receivables</b>				
Beginning balance	5,327	12,372	71,237	88,936
Change due to staging of financial assets	455	2,127	(2,582)	-
Change due to remeasurement of loss allowance	(4,856)	10,726	30,818	36,688
Net financial assets purchased or acquired	5,456	3,461	6,399	15,316
Bad debt written-off	-	-	(822)	(822)
Ending balance	6,382	28,686	105,050	140,118
<b>Financial lease and hire-purchase receivables</b>				
Beginning balance	353	-	2,048	2,401
Change due to staging of financial assets	(94)	-	94	-
Change due to remeasurement of loss allowance	(138)	-	10,608	10,470
Net financial assets purchased or acquired	122	-	-	122
Ending balance	243	-	12,750	12,993

## 15. Restricted bank deposits

As at 31 December 2022, the Company had bank deposits subject to withdrawal restrictions of Baht 55 million (2021: Baht 58 million). Restricted bank deposits comprised bank deposits of Baht 15 million (2021: Baht 3 million) of which rights had been transferred to the Company by debtors and withdrawal restrictions were imposed by the bank granting credit facilities to the Company, and bank deposits of Baht 40 million that were used to secure bank guarantees issued by banks on behalf of the Company's customers (2021: Baht 55 million).

## 16. Investments in subsidiaries

Detail of investments in subsidiaries as presented in separate financial statements is as follows:

Subsidiary company	Paid up capital		Shareholding percentage		Investment value under cost method		Dividend received during the years	
	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)				
LIT Service Management Co., Ltd.	10,000	10,000	100	100	10,000	10,000	10,000	30,000
Ulite Digital Co., Ltd.	10,000	10,000	100	100	10,000	10,000	-	-
Total					<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>30,000</u>

## 17. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building improvement	Furniture	Computers	Office equipment	Motor vehicles	Total
<b>Cost</b>						
31 December 2020	12,928	407	10,352	4,700	-	28,387
Additions	-	-	172	145	-	317
Write-offs	-	-	(21)	-	-	(21)
31 December 2021	12,928	407	10,503	4,845	-	28,683
Additions	-	-	-	9	-	9
Transfer of right-of-use assets	-	-	-	-	7,780	7,780
Write-offs	-	-	(286)	-	-	(286)
31 December 2022	12,928	407	10,217	4,854	7,780	36,186
<b>Accumulated depreciation</b>						
31 December 2020	4,180	366	8,041	3,190	-	15,777
Depreciation for the year	2,585	20	1,933	597	-	5,135
Depreciation for write-offs	-	-	(20)	-	-	(20)
31 December 2021	6,765	386	9,954	3,787	-	20,892
Depreciation for the year	2,585	20	307	419	778	4,109
Depreciation for write-offs	-	-	(286)	-	-	(286)
Transfer of right-of-use assets	-	-	-	-	2,243	2,243
31 December 2022	9,350	406	9,975	4,206	3,021	26,958
<b>Net book value</b>						
31 December 2021	6,163	21	549	1,058	-	7,791
31 December 2022	3,578	1	242	648	4,759	9,228
<b>Depreciation charge for the years (Included in administrative expenses)</b>						
2021						5,135
2022						4,109

(Unit: Thousand Baht)

	Separate financial statements					Total
	Building improvement	Furniture	Computers	Office equipment	Motor vehicles	
<b>Cost</b>						
31 December 2020	12,666	407	10,181	4,562	-	27,816
Additions	-	-	86	76	-	162
Write-offs	-	-	(21)	-	-	(21)
31 December 2021	12,666	407	10,246	4,638	-	27,957
Transfer of right-of-use assets	-	-	-	-	7,780	7,780
Write-offs	-	-	(285)	-	-	(285)
31 December 2022	12,666	407	9,961	4,638	7,780	35,452
<b>Accumulated depreciation</b>						
31 December 2020	4,091	366	7,938	3,143	-	15,538
Depreciation for the year	2,534	20	1,876	559	-	4,989
Depreciation for write-offs	-	-	(20)	-	-	(20)
31 December 2021	6,625	386	9,794	3,702	-	20,507
Depreciation for the year	2,533	20	267	375	778	3,973
Transfer of right-of-use assets	-	-	-	-	2,243	2,243
Depreciation for write-offs	-	-	(285)	-	-	(285)
31 December 2022	9,158	406	9,776	4,077	3,021	26,438
<b>Net book value</b>						
31 December 2021	6,041	21	452	936	-	7,450
31 December 2022	3,508	1	185	561	4,759	9,014
<b>Depreciation charge for the years</b> (Included in administrative expenses)						
2021						4,989
2022						3,973

As at 31 December 2022, certain furniture, computers and office equipment have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 12.8 million, the Company only: Baht 12.7 million (2021: Baht 12.3 million, the Company only: Baht 12.2 million).

## 18. Leases

### The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 3 - 4 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Office building	Motor vehicles	Total
1 January 2021	13,148	7,507	20,655
Depreciation for the year	(3,287)	(925)	(4,212)
31 December 2021	9,861	6,582	16,443
Effect from lease modification	431	-	431
Transfer out to fixed assets	-	(5,537)	(5,537)
Depreciation for the year	(3,430)	(147)	(3,577)
31 December 2022	6,862	898	7,760

(Unit: Thousand Baht)

	Separate financial statements		
	Office building	Motor vehicles	Total
1 January 2021	10,918	7,507	18,425
Depreciation for the year	(2,729)	(925)	(3,654)
31 December 2021	8,189	6,582	14,771
Effect from lease modification	358	-	358
Transfer out to fixed assets	-	(5,537)	(5,537)
Depreciation for the year	(2,849)	(147)	(2,996)
31 December 2022	5,698	898	6,596

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	8,143	11,984	6,770	10,041
Less: Deferred interest expenses	(448)	(887)	(370)	(735)
Total	7,695	11,097	6,400	9,306
Less: Portion due within one year	(3,617)	(3,717)	(3,014)	(3,169)
Lease liabilities - net of current portion	4,078	7,380	3,386	6,137

A maturity analysis of lease payments is disclosed in Note 37.3 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	3,577	4,212	2,996	3,654
Interest expense on lease liabilities	540	781	450	673

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 4.4 million (2021: Baht 6 million).

## 19. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer	Computer	Total
	software	software under installation	
<b>Cost</b>			
1 January 2021	12,853	18,605	31,458
Additions	5,590	6,424	12,014
Transfer in/ (out)	6,192	(6,192)	-
31 December 2021	24,635	18,837	43,472
Additions	720	1,845	2,565
31 December 2022	25,355	20,682	46,037
<b>Accumulated amortisation</b>			
1 January 2021	2,602	-	2,602
Amortisation for the year	2,021	-	2,021
31 December 2021	4,623	-	4,623
Amortisation for the year	3,295	-	3,295
31 December 2022	7,918	-	7,918
<b>Net book value</b>			
31 December 2021	20,012	18,837	38,849
31 December 2022	17,437	20,682	38,119
<b>Amortisation charge for the years</b> (included in administrative expenses)			
2021			2,021
2022			3,295

(Unit: Thousand Baht)

Separate financial statements

	Computer software	Computer software under installation	Total
<b>Cost</b>			
1 January 2021	12,494	18,405	30,899
Additions	4,565	6,424	10,989
Disposal	-	(5,992)	(5,992)
31 December 2021	17,059	18,837	35,896
Additions	-	1,588	1,588
31 December 2022	17,059	20,425	37,484
<b>Accumulated amortisation</b>			
1 January 2021	2,597	-	2,597
Amortisation for the year	1,209	-	1,209
31 December 2021	3,806	-	3,806
Amortisation for the year	1,701	-	1,701
31 December 2022	5,507	-	5,507
<b>Net book value</b>			
31 December 2021	13,253	18,837	32,090
31 December 2022	11,552	20,425	31,977
<b>Amortisation charge for the years</b> (included in administrative expenses)			
2021			1,209
2022			1,701



## 20. Income tax

### 20.1 Deferred tax assets

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses	132,654	107,371	129,353	106,870
Provision for long-term employee benefits	749	1,161	735	1,056
Leases	1,278	154	1,255	133
Deferred initial fees income from financial lease and hire-purchase contracts	8	16	8	16
Installments sales received in advance	1,042	1,392	-	-
<b>Total</b>	<b>135,731</b>	<b>110,094</b>	<b>131,351</b>	<b>108,075</b>
<b>Deferred tax liabilities</b>				
Deferred commission expenses	(111)	(235)	(111)	(235)
Deferred expense on debenture issuance	(1,301)	(974)	(1,301)	(974)
Difference of income recognised under financial lease contracts	(4)	(6)	(4)	(6)
<b>Total</b>	<b>(1,416)</b>	<b>(1,215)</b>	<b>(1,416)</b>	<b>(1,215)</b>
<b>Deferred tax assets - net</b>	<b>134,315</b>	<b>108,879</b>	<b>129,935</b>	<b>106,860</b>

### 20.2 Income tax expenses

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current income tax charge for the year	2,769	25,121	-	19,305
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(26,196)	(48,857)	(23,794)	(46,926)
<b>Income tax revenue reported in the statements of comprehensive income</b>	<b>(23,427)</b>	<b>(23,736)</b>	<b>(23,794)</b>	<b>(27,621)</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on actuarial gains and losses	760	-	719	-

Reconciliations between accounting loss and income tax revenue for the years ended 31 December 2022 and 2021 are shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting loss before tax	(123,458)	(119,228)	(113,697)	(108,723)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(24,692)	(23,846)	(22,739)	(21,745)
Effects of:				
Bad debts written-off	125	176	-	176
Non-deductible expenses	351	(16)	46	(16)
Additional expense deductions allowed	(69)	(110)	(69)	(110)
Income not subject to tax	-	(53)	(2,000)	(6,039)
Others	858	113	968	113
Total	1,265	110	(1,055)	(5,876)
Income tax revenue reported in the statements of comprehensive income	(23,427)	(23,736)	(23,794)	(27,621)

## 21. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate		Consolidated and separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	(Percent	(Percent		
	per annum)	per annum)		
Short-term loans from financial institutions	MOR - 1.75	3.44 - 3.70, MOR - 1.75	50,000	320,000
Total			50,000	320,000

Short-term loan agreements contain certain covenants that, among other things, require the Company to maintain debt to equity ratio at the rate prescribed in the agreements, and the portion of the Company's shares held by its major shareholder.

## 22. Debentures

			(Unit: Thousand Baht)	
			Consolidated and separate financial statements	
No.	Date of issuance	Conditions	2022	2021
1.	19 December 2019	Issued name registered, secured and unsubordinated debentures with a debenture holders' representative, 3-year debentures at a coupon rate of 5.50% per annum with interest payable every 3 months, and maturity on 19 December 2022	-	393,000
2.	23 March 2021	Issued name registered, unsecured and unsubordinated debentures with a debenture holders' representative, 2-year debentures at a coupon rate of 5.70% per annum with interest payable every 3 months, and maturity on 23 March 2023	393,800	393,800
3.	23 December 2022	Issued name registered, secured and unsubordinated debentures with a debenture holders' representative, 1.5-year debentures at a coupon rate of 7.00% per annum with interest payable every 3 months, and maturity on 23 June 2024	400,000	-
Total			793,800	786,800
Less: Deferred issuing expenses			(6,505)	(4,870)
Debentures			787,295	781,930
Less: Portion due within one year			(393,206)	(391,399)
Debentures - net of current portion			394,089	390,531

Movements of the debenture account for the years ended 31 December 2022 and 2021 were summarised below.

			(Unit: Thousand Baht)	
			Consolidated and separate financial statements	
			2022	2021
Balance at beginning of the year			786,800	1,263,600
Add: Increase during the year			400,000	393,800
Less: Redemption during the year			(393,000)	(870,600)
Balance at end of the year			793,800	786,800

Such debentures contain certain covenants which the Company has to comply with, such as financial ratios, dividend payment and disposal of assets, etc.

On 23 December 2022, the Company issued secured debentures which contain certain conditions that the Company has to comply with, such as values of right transfer in cash receipts from factoring receivables, loan receivables, financial lease receivables and hire-purchase receivables must not less than 1.5 times of the unredeemed debentures value throughout the period of those secured debentures, excluding receivables which have credit losses.

### 23. Other financial liabilities

The balance of other financial liabilities as at 31 December 2022 and 2021 is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Other current financial liabilities</b>				
Bid bonds deposit awaiting for return to				
customers - current portion	20,751	37,176	20,751	37,176
Cash receipt awaiting for return to receivables	15,469	18,001	15,217	17,763
Credit deposit	2,342	6,895	2,342	6,895
<b>Total</b>	<b>38,562</b>	<b>62,072</b>	<b>38,310</b>	<b>61,834</b>
<b>Other non-current financial liabilities</b>				
Bid bonds deposit awaiting for return to				
customers - net of current portion	-	410	-	410
<b>Total</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>410</b>
<b>Total other financial liabilities</b>	<b>38,562</b>	<b>62,482</b>	<b>38,310</b>	<b>62,244</b>

As at 31 December 2022, the Company had bid bonds deposit awaiting for return to customers of Baht 21 million (2021: Baht 38 million) which arose from the Company being a guarantor with a bank that issued bank guarantees for bid bonds on behalf of the Company's customers.

## 24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits				
at beginning of year	5,804	10,875	5,282	10,470
Amount included in profit or loss:				
Current service costs	1,132	1,245	998	1,135
Interest costs	94	146	85	139
Past service costs	515	-	905	-
Benefits paid during the year	-	(6,462)	-	(6,462)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	40	-	36	-
Financial assumptions changes	(744)	-	(714)	-
Experience adjustments	(3,096)	-	(2,919)	-
Provision for long-term employee benefits	<u>3,745</u>	<u>5,804</u>	<u>3,673</u>	<u>5,282</u>

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is approximately 13 - 21 years (2021: 13 years) and the Company only: 13 years (2021: 13 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated and separate	
	financial statements	
	2022	2021
Discount rate	2.8	1.7
Future salary increase rate	5.0	5.5
Employee turnover rate (depending on age of employees)	10.0 - 25.0	10.0 - 30.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

As at 31 December 2022

	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Discount rate	(0.3)	0.4	(0.3)	0.4
Salary increase rate	0.4	(0.3)	0.4	(0.3)
Employee turnover rate (20 of based assumption)	(0.4)	0.5	(0.4)	0.5

(Unit: Million Baht)

As at 31 December 2021

	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Discount rate	(0.5)	0.5	(0.4)	0.5
Salary increase rate	0.6	(0.5)	0.5	(0.5)
Employee turnover rate (20 of based assumption)	(0.6)	0.9	(0.6)	0.7

## 25. Share capital

25.1 On 17 December 2021, the Company's Extraordinary General Meeting of shareholders No. 1/2021 passed the resolution approving the following:

1. Approved a reduction in the Company's registered capital from Baht 300,000,000 (300,000,000 ordinary shares with a par value of Baht 1 each) to Baht 299,999,532 (299,999,532 ordinary shares with a par value of Baht 1 each) by cancelling the 468 authorised but unissued ordinary shares from stock dividend.
2. Approved an increase in the Company's registered capital from Baht 299,999,532 (299,999,532 ordinary shares with a par value of Baht 1 each) to Baht 558,357,230 (558,357,230 ordinary shares with a par value of Baht 1 each) by issuing 258,357,698 new ordinary shares with a par value of Baht 1 each. The Company registered the share capital increase with the Ministry of Commerce on 24 December 2021.

3. Approved the allocation up to 258,357,698 new ordinary shares with a par value of Baht 1 each as follows:
  - 3.1 No more than 221,449,456 new ordinary shares of the Company with a par value of Baht 1 each to be offered to existing shareholders of the Company in proportion to the number of shares held by each shareholder at a price of Baht 1.20 each. The Company received the paid-up share capital on 21 January 2022.
  - 3.2 No more than 36,908,242 new ordinary shares of the Company with a par value of Baht 1 each to support the exercise of the warrants No.2 (LIT-W2) to purchase ordinary share of the Company.

On 7 April 2022, the Company's Annual General Meeting of shareholders 2022 passed the resolution approving the follows:

1. Approved an increase in the Company's registered capital from Baht 558,357,230 (558,357,230 ordinary shares with a par value of Baht 1 each) to Baht 601,732,935 (601,732,935 ordinary shares with a par value of Baht 1 each) by issuing 43,375,705 new ordinary shares with a par value of Baht 1 each. The Company registered the share capital increase with the Ministry of Commerce on 19 April 2022.
2. Approved the allocation 43,375,705 new ordinary shares with a par value of Baht 1 each to support the exercises of warrants No.1 (LIT-W1)

## 25.2 Additional share subscription from the exercise of warrants

During the current year, the Company received additional share subscriptions totaling Baht 83,344 from the exercise of warrants, as detailed below.

	Warrants	Ordinary shares	Exercise price	Amount
	(units)	(shares)	(Baht per share)	(Thousand Baht)
LIT-W1	41,653	32,325	2.58	83.30
LIT-W2	21	21	2.00	0.04

### 25.3 Reconciliation of number of ordinary shares

During the current year, the movements of registered capital, paid-up capital and premium on ordinary shares of the Company are as follows:

	Registered capital		Paid-up capital		Share premium
	Number of ordinary shares	Amount	Number of ordinary shares	Amount	
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
As at 1 January 2022	558,357	558,357	221,449	221,449	82,318
Increase from registered capital	43,376	43,376	-	-	-
Increase from issuance of ordinary shares	-	-	221,449	221,449	44,291
Increase from exercising of the rights of the warrants	-	-	33	33	154
Transfer expired warrants to share premium	-	-	-	-	392,646
As at 31 December 2022	<u>601,733</u>	<u>601,733</u>	<u>442,931</u>	<u>442,931</u>	<u>519,409</u>

### 26. Warrants

26.1 On 26 April 2017, the Company issued and allocated 160,000,000 units of warrants for rights to purchase the Company's ordinary shares No. 1 (LIT-W1) to the existing shareholders of the Company. Details are as follows:



Type	Name registered and transferrable
Offering price per unit	Baht 2.50
Maturity of warrants	5 years from the date of issuance
Exercise price	Baht 4.0 per share with adjusted exercise price at Baht 2.577 per share effective from 24 December 2021
Conversion ratio	1 ordinary share per 2 warrants with adjusted conversion ratio at 1 ordinary share per 1.28849 warrants effective from 24 December 2021
Conditions and period of exercise	<ol style="list-style-type: none"> <li>1) Exercises of the warrants can be made on the 25<sup>th</sup> of January, April, July and October of each year throughout the term of the warrants, with the first exercise date on 25 July 2017, and the warrant holders have to deliver notification of their intention to exercise the warrants at least 5 business days prior to each exercise date. The final exercise date is 25 April 2022 and warrant holders have to deliver notification of their intention to exercise the warrants at least 15 business days prior to this final exercise date.</li> <li>2) The warrant holders shall exercise rights to purchase at least 100 ordinary shares at a time, and at round numbers only. If warrant holders have rights to purchase fewer than 100 ordinary shares they are to exercise these rights on a single occasion.</li> <li>3) Unexercised warrants can be accumulated to exercise during the next exercise period, until the maturity of the warrants.</li> </ol>

During the current year, 41,653 LIT-W1 warrants has been converted, there were 157,058,499 unexercised LIT-W1 warrants. However, LIT-W1 expired on 25 April 2022 and was transferred to share premium amounting to Baht 392.6 million in the year.

26.2 On 1 February 2022, the Company issued and allocated 36,907,466 units as the second warrants issuance of Lease IT Public Company Limited (LIT-W2). Details are as follows:

Type	Name registered and transferrable
Offering price per unit	Baht 0
Maturity of warrants	3 years from the date of issuance
Exercise price	Baht 2.00 per share, subject to change in accordance with the conditions of rights adjustments
Conversion ratio	1 ordinary share per 1 warrant, subject to change in accordance with the conditions of rights adjustments
Conditions and period of exercise	<ol style="list-style-type: none"><li>1) Exercises of the warrants can be made on the 25<sup>th</sup> of June and December of each year throughout the term of the warrants, with the first exercise date being 25 June 2022, and the warrant holders have to deliver notification of their intention to exercise the warrants at least 5 business days prior to each exercise date. The final exercise date is 31 January 2025 and warrant holders have to deliver notification of their intention to exercise the warrants at least 15 business days prior to this final exercise date.</li><li>2) Unexercised warrants can be accumulated to exercise during the next exercise period, until the maturity of the warrants.</li></ol>

As at 31 December 2022, 21 LIT-W2 warrants has been converted, there were 36,907,445 unexercised LIT-W2 warrants.

## 27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

**28. Interest incomes**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest incomes from				
Installment account receivables	4,411	1,351	-	-
Loan contracts	22,973	99,251	22,972	99,251
Factoring contracts	58,484	97,678	58,484	97,678
Financial lease contracts	8,747	11,083	8,747	11,083
Hire-purchase contracts	3,786	7,322	3,786	7,322
Loans to customers	24	-	24	-
Total interest incomes	98,425	216,685	94,013	215,334

**29. Fee and service incomes**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Fee and service incomes from				
Installment account receivables	15,055	4,260	-	-
Loan contracts	12,054	35,959	100	251
Factoring contracts	15,706	40,033	15,707	40,033
Financial lease contracts	95	149	95	149
Hire-purchase contracts	67	46	53	46
Letters of guarantee	3,817	8,097	3,817	8,097
Others	79	10	9	10
Total fee and service incomes	46,873	88,554	19,781	48,586

**30. Other incomes**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Dividend income from subsidiary	-	-	10,000	30,000
Interest incomes from late payment	3,684	19,313	3,684	19,313
Gain from sales of trading securities	309	316	309	316
Others	7,281	6,521	5,187	6,090
Total other incomes	11,274	26,150	19,180	55,719

### 31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salaries and other employee benefits	57,725	69,150	52,260	60,237
Expected credit losses	127,045	237,475	112,415	234,970
Depreciation and amortisation	10,981	11,368	8,670	9,852
Sale promotion expenses	8,283	14,711	5,002	10,287
Lease and services expenses	5,920	5,279	4,817	4,486
Legal advisor fees	4,699	4,244	3,769	3,414
Special business tax	3,434	8,396	3,418	8,394
Financial management fees	1,877	4,514	1,791	4,450

### 32. Earnings per share

Basic loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

Diluted loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

As at 31 December 2022, the warrants were excluded from the potential ordinary shares since their exercise price was in excess of the fair value of the ordinary shares.

Basic loss per share and diluted loss per share for the year ended 31 December 2021 were calculated below.

	Consolidated financial statements			Separate financial statements		
	Loss for the year	Weighted average number of ordinary shares	Loss per share	Loss for the year	Weighted average number of ordinary shares	Loss per share
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)	(Thousand Baht)	(Thousand shares)
<b>Basic loss per share</b>						
Loss for the year	(95,493)	319,871	(0.30)	(81,102)	319,871	(0.25)
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (LIT-W1)	-	666		-	666	
<b>Diluted loss per share</b>						
Loss for the year - assuming the conversion of dilutive potential ordinary shares	<u>(95,493)</u>	<u>320,537</u>	<u>(0.30)</u>	<u>(81,102)</u>	<u>320,537</u>	<u>(0.25)</u>

### Weighted average number of ordinary shares

	(Unit: Thousand Shares)	
	Consolidated and separate financial statements	
	For the year ended 31 December	
	2022	2021
Balance brought forward	221,449	221,449
Add: Increase from exercising of the rights of the warrants	23	-
Weighted average number of ordinary shares issued and adjusted during the period	214,709	-
Weighted average number of ordinary shares	<u>436,181</u>	<u>221,449</u>

The number of outstanding ordinary shares for calculating earnings per share was retrospectively adjusted to reflect the newly issued ordinary shares to existing shareholders (Right Offering) proportionate to their respective shareholding as if the event had occurred since the beginning of the comparative period presented. As a result, the 2021 profit (loss) per share was adjusted to give a comparative result.

### 33. Dividend payment

Dividend	Approved by	Dividend per share (Baht per share)	Amounts of dividend paid (Thousand Baht)	Dividend payment period
<b>For the year 2021</b>				
Dividend for 2020	Annual General Meeting of the shareholders on 31 March 2021	0.18	39,861	April 2021

No dividend payment during the year 2022.

### 34. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its services and has three reportable segments as follows:

1. Lending business in term of hire-purchase, financial leases, factoring from selling and service, loans and sales of goods.
2. Providing the data information and credit analysis included the project management
3. Online shopping service platform with installment payment.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment performance is measure based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Revenue and profit, and total assets and total liabilities information regarding the Group's operating segments for the years ended 31 December 2022 and 2021 are as follows.

### 34.1 Results of operations separated by business segment

(Unit: Thousand Baht)

	2022				Consolidated financial statements
	Financial services in various forms	Credit information services and analysis	Online shopping service platform	Elimination of transaction	
<b>Revenue</b>					
Revenues from customers					
- Interest incomes	94,013	-	4,412	-	98,425
- Fee and service incomes	19,781	12,037	15,055	-	46,873
Other incomes	9,180	558	2,056	(520)	11,274
<b>Total revenues</b>	<b>122,974</b>	<b>12,595</b>	<b>21,523</b>	<b>(520)</b>	<b>156,572</b>
Finance cost	(49,809)	(90)	(458)	520	(49,837)
Service expenses	(14,366)	(4,989)	(7,036)	-	(26,391)
Administrative expenses	(70,159)	(3,634)	(3,042)	-	(76,835)
Expected credit losses	(112,337)	-	(14,630)	-	(126,967)
Income tax revenues (expenses)	23,794	(1,082)	715	-	23,427
<b>Profit (loss) for the year</b>	<b>(99,903)</b>	<b>2,800</b>	<b>(2,928)</b>	<b>-</b>	<b>(100,031)</b>

(Unit: Thousand Baht)

	2021				Consolidated financial statements
	Financial services in various forms	Credit information services and analysis	Online shopping service platform	Elimination of transaction	
<b>Revenue</b>					
Revenues from customers					
- Interest incomes	215,334	-	1,351	-	216,685
- Fee and service incomes	48,586	35,708	4,260	-	88,554
Other incomes	25,719	731	366	(666)	26,150
<b>Total revenues</b>	<b>289,639</b>	<b>36,439</b>	<b>5,977</b>	<b>(666)</b>	<b>331,389</b>
Finance cost	(87,781)	(108)	(103)	666	(87,326)
Service expenses	(28,278)	(8,411)	(7,812)	-	(44,501)
Administrative expenses	(77,333)	(2,337)	(1,645)	-	(81,315)
Expected credit losses	(234,970)	(53)	(2,452)	-	(237,475)
Income tax revenues (expenses)	27,621	(5,093)	1,208	-	23,736
<b>Profit (loss) for the year</b>	<b>(111,102)</b>	<b>20,437</b>	<b>(4,827)</b>	<b>-</b>	<b>(95,492)</b>

### 34.2 Assets and liabilities separated by business segment

(Unit: Thousand Baht)

	Financial services in various forms	Credit information services and analysis	Online shopping service platform	Elimination of transaction	Consolidated financial statements
<b>Segment assets</b>					
31 December 2022	<u>1,992,938</u>	<u>39,113</u>	<u>35,689</u>	<u>(50,282)</u>	<u>2,017,458</u>
31 December 2021	<u>2,129,268</u>	<u>47,898</u>	<u>41,244</u>	<u>(61,288)</u>	<u>2,157,122</u>
<b>Segment liabilities</b>					
31 December 2022	<u>901,749</u>	<u>4,058</u>	<u>33,503</u>	<u>(30,281)</u>	<u>909,029</u>
31 December 2021	<u>1,216,875</u>	<u>5,808</u>	<u>36,128</u>	<u>(41,287)</u>	<u>1,217,524</u>

#### Geographic information

The Group only operates in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

#### Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### 35. Provident fund

The Group and its employees jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The fund is monthly contributed by the employees at the rate of 5 percent of their basic salaries and by the Group at the same rate. The fund is managed by SCB Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund. The contributions for the years 2022 and 2021 amounting to Baht 1.05 million and Baht 1.38 million, respectively, were recognised as expenses for the Group (The Company only: Baht 0.97 million and Baht 1.24 million, respectively).



### 36. Commitments and contingent liabilities

As of 31 December 2022 and 2021, the Group has commitments other than those disclosed in other notes as follows:

#### 36.1 Capital commitments

As at 31 December 2022, the Group had capital commitments of Baht 4.2 million and the Company only of Baht 4.2 million relating to the development and installation of the Company's credit business and operating information technology system (2021: The Group: Baht 6 million and the Company only: Baht 5.7 million).

#### 36.2 Service commitments

The Group have entered into several agreements in respect of other services. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2022 and 2021, The Group has future minimum payments from service agreements as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Payable				
In up to 1 year	6.4	6.3	4.9	4.7
In over 1 and up to 3 years	5.3	9.6	4.2	6.8

#### 36.3 Guarantees

As at 31 December 2022, the Company had commitments of approximately Baht 25 million (2021: Baht 70 million) as a result of its guarantees to banks on behalf of customers to whom the banks issued bank guarantees for bid bonds. The Company has pledged deposits of Baht 40 million (2021: Baht 55 million) to secure these bank guarantees as Note 15.

### 37. Financial instruments

#### Financial risk management objectives and policies

The Group's financial instruments, principally comprise cash and cash equivalents, other current financial assets, trade and other receivables, installment account receivables, loan receivables, factoring receivables, financial lease receivables, hire-purchase receivables, restricted bank deposits, bank overdrafts and short-term loans, trade and other payables, long-term loans, debentures, and financial liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

### **37.1 Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, installment account receivables, loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables which is the risk that a counterparty or a borrower fails to comply with conditions and covenants stated in the agreement resulting in non-performing debt and adverse effect over the Group's income and capital fund. The Group manages the risk, adopting appropriate credit control policies and procedures, evaluating credit analysis from customers' information and monitoring status of customers on a continuous basis. The maximum exposure to credit risk is limited to the carrying amounts of receivables net of allowance for expected credit losses stated in the statements of financial position.

The Group reviews expected credit losses model which is in compliance with TFRS 9 related to the impairment of financial assets by continually reviewing numbers and information used in calculation to ensure that the model is appropriate.

#### **The maximum exposure to credit risk of financial assets**

The maximum exposure to credit risk is gross carrying amounts of financial assets before the effect of mitigation through use of collateral arrangements and any operations to increase creditability. For financial assets recognised in the statements of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit losses.

#### **Credit quality analysis**

The Group presents the table of credit quality of financial assets exposed to credit risk in Note 8 -14 to the financial statements.

#### **Financial instruments and cash deposits**

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## 37.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rate and securities price may have an effect on the financial positions of the Group. As the Group has no assets or liabilities denominated in foreign currencies and no investments in market securities; therefore, the Group only has interest rate risk.

### Interest rate risk

The Group has interest rate risk which is the risk that the value of financial instruments will fluctuate as a result of changes in market interest rates. The Group manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities as at 31 December 2022 and 2021 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	2022					
	Fixed interest rate		Floating	Non-	Total	Interest rate per contract (% p.a.)
Within 1 year	Over 1- 5 years	interest rate	interest bearing			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	456	12	468	0.13 - 0.35
Trade and other receivables	-	-	-	8	8	-
Installment account receivables	19	-	-	-	19	7.13 - 10.46
Loan receivables	225	437	-	-	662	7.50 - 15.00
Factoring receivables	465	73	-	-	538	10.00 - 15.00
Financial lease receivables	36	11	-	-	47	6.00 - 7.90
Hire-purchase receivables	15	4	-	-	19	5.75 - 8.00
Restricted bank deposits	-	40	15	-	55	0.13 - 0.73
<b>Financial liabilities</b>						
Short-term loans from financial institutions	-	-	50	-	50	MOR - 1.75
Trade and other payables	-	-	-	4	4	-
Debentures	393	394	-	-	787	5.50 - 7.00
Lease liabilities	4	4	-	-	8	1.99 - 4.91
Other financial liabilities	-	-	-	39	39	-

(Unit: Million Baht)

## Consolidated financial statements

	2021					Interest rate per contract (% p.a.)
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1- 5 years				
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	68	3	71	0.05 - 0.13
Trade and other receivables	-	-	-	4	4	-
Installment account receivables	26	-	-	-	26	7.74 - 10.46
Loan receivables	454	475	-	-	929	7.50 - 15.00
Factoring receivables	697	64	-	-	761	10.00 - 15.00
Financial lease receivables	48	32	-	-	80	6.00 - 7.77
Hire-purchase receivables	47	3	-	-	50	5.35 - 7.50
Restricted bank deposits	-	55	3	-	58	0.13 - 0.38
<b><u>Financial liabilities</u></b>						
Short-term loans from financial institutions	180	-	140	-	320	3.44 - 3.70, MOR - 1.75
Trade and other payables	-	-	-	9	9	-
Debentures	391	391	-	-	782	5.50 - 5.70
Lease liabilities	4	7	-	-	11	1.99 - 4.91
Other financial liabilities	-	-	-	62	62	-

(Unit: Million Baht)

## Separate financial statements

	2022					
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate per contract (% p.a.)
	Within 1 year	Over 1- 5 years				
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	446	11	457	0.13 - 0.35
Trade and other receivables	-	-	-	7	7	-
Loan receivables	225	437	-	-	662	7.50 - 15.00
Factoring receivables	465	73	-	-	538	10.00 - 15.00
Financial lease receivables	36	11	-	-	47	6.00 - 7.90
Hire-purchase receivables	15	4	-	-	19	5.75 - 8.00
Restricted bank deposits	-	40	15	-	55	0.13 - 0.73
<b><u>Financial liabilities</u></b>						
Short-term loans from financial institutions	-	-	50	-	50	MOR-1.75
Trade and other payables	-	-	-	1	1	-
Debentures	393	394	-	-	787	5.50 - 7.00
Lease liabilities	3	3	-	-	6	1.99 - 4.91
Other financial liabilities	-	-	-	38	38	-

(Unit: Million Baht)

## Separate financial statements

	2021					Interest rate per contract (% p.a.)
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1- 5 years				
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	59	3	62	0.05 - 0.13
Trade and other receivables	-	-	-	2	2	-
Loan receivables	454	475	-	-	929	7.50 - 15.00
Factoring receivables	697	64	-	-	761	10.00 - 15.00
Financial lease receivables	48	32	-	-	80	6.00 - 7.77
Hire-purchase receivables	47	3	-	-	50	5.35 - 7.50
Restricted bank deposits	-	55	3	-	58	0.13 - 0.38
<b><u>Financial liabilities</u></b>						
Short-term loans from financial institutions	180	-	140	-	320	3.44 - 3.70, MOR - 1.75
Trade and other payables	-	-	-	3	3	-
Short-term loans from subsidiary	13	-	-	-	13	1.50
Debentures	391	391	-	-	782	5.50-5.70
Lease liabilities	3	6	-	-	9	1.99 - 4.91
Other financial liabilities	-	-	-	62	62	-

### 37.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate their financial assets and/or procure sufficient funds in a timely manner to discharge their debts obligations on due date or acquiring funds at a higher unacceptable cost thus affecting the Group's income and capital fund at present and in the future.

The Group manages liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Group has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

The table below summarises the maturity profile of the Group's non-derivative financial instruments as at 31 December 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
<b><u>Non-derivatives</u></b>				
Short-term loans from financial institutions	-	51	-	51
Trade and other payables	-	4	-	4
Debentures	-	399	442	841
Lease liabilities	-	4	4	8
Other financial liabilities	-	39	-	39
<b>Total non-derivatives</b>	<b>-</b>	<b>497</b>	<b>446</b>	<b>943</b>

(Unit: Million Baht)

	Separate financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
<b><u>Non-derivatives</u></b>				
Short-term loans from financial institutions	-	51	-	51
Trade and other payables	-	1	-	1
Debentures	-	399	442	841
Lease liabilities	-	3	3	6
Other financial liabilities	-	38	-	38
<b>Total non-derivatives</b>	<b>-</b>	<b>492</b>	<b>445</b>	<b>937</b>

### 37.4 Fair value of financial instruments

As of 31 December 2022 and 2021, the Company had no assets that were measured at fair value using different levels of inputs.

As at 31 December 2022 and 2021, the Group had financial assets and liabilities that measured at cost, and of which fair values have to be disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements					
2022					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	468	468	-	-	468
Trade and other receivables	8	-	8	-	8
Installment accounts receivables	19	-	19	-	19
Loan receivables	662	-	662	-	662
Factoring receivables	538	-	538	-	538
Financial lease receivables	47	-	-	47	47
Hire-purchase receivables	19	-	-	14	14
Restricted bank deposits	55	15	40	-	55
<b><u>Liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	50	-	50	-	50
Trade and other payables	4	-	4	-	4
Debentures	787	-	793	-	793
Lease liabilities	8	-	-	8	8
Other financial liabilities	39	-	39	-	39



(Unit: Million Baht)

Consolidated financial statements					
2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	71	71	-	-	71
Trade and other receivables	4	-	4	-	4
Installment accounts receivables	26	-	26	-	26
Loan receivables	929	-	929	-	929
Factoring receivables	761	-	761	-	761
Financial lease receivables	80	-	-	81	81
Hire-purchase receivables	50	-	-	42	42
Restricted bank deposits	58	3	55	-	58
<b><u>Liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	320	-	320	-	320
Trade and other payables	9	-	9	-	9
Debentures	782	-	784	-	784
Lease liabilities	11	-	-	9	9
Other financial liabilities	62	-	62	-	62

(Unit: Million Baht)

Separate financial statements					
2022					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	457	457	-	-	457
Trade and other receivables	7	-	7	-	7
Loan receivables	662	-	662	-	662
Factoring receivables	538	-	538	-	538
Financial lease receivables	47	-	-	47	47
Hire-purchase receivables	19	-	-	14	14
Restricted bank deposits	55	15	40	-	55
<b><u>Liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	50	-	50	-	50
Trade and other payables	1	-	1	-	1
Debentures	787	-	793	-	793
Lease liabilities	6	-	-	7	7
Other financial liabilities	38	-	38	-	38

(Unit: Million Baht)

	Separate financial statements				
	2021				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	62	62	-	-	62
Trade and other receivables	2	-	2	-	2
Loan receivables	929	-	929	-	929
Factoring receivables	761	-	761	-	761
Financial lease receivables	80	-	-	81	81
Hire-purchase receivables	50	-	-	42	42
Restricted bank deposits	58	3	55	-	58
<b><u>Liabilities for which fair value are disclosed</u></b>					
Short-term loans from financial institutions	320	-	320	-	320
Trade and other payables	3	-	3	-	3
Debentures	782	-	784	-	784
Lease liabilities	9	-	-	8	8
Other financial liabilities	62	-	62	-	62

Fair value hierarchy of financial assets and liabilities as at 31 December 2022 and 2021 has been prepared in accordance with Notes 4.16 to the financial statements.

As at 31 December 2022 and 2021, the methods and assumptions used by the Group in estimating the fair values of financial instruments are as follows:

- a) For financial assets and liabilities with short-term maturity, including cash and cash equivalents, trade and other receivables, trade and other payables, short-term loans, restricted bank deposits, their carrying amounts in the statement of financial position is approximate their fair values.
- b) Fair values of installment account receivables, loan, factoring, financial lease, and hire-purchase receivables are estimated by discounting expected future cash flows by current market interest rates of the loans with similar terms and conditions.
- c) Fair values of debentures, lease liabilities are estimated by discounting expected future cash flows by the current market interest rate of the borrowings with similar terms and conditions.

**38. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 0.82:1 (2021: 1.30:1) and the Company's was 0.83:1 (2021: 1.33:1).

**39. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2023.

# 1 Details of Directors, Management, Controlling Persons Person assigned to the highest responsibility in accounting and finance Those assigned to take direct responsibility for accounting supervision. Company secretary

## 1. Details of the directors and controlling persons of the company

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Police General Jate Mongkolhutthi  Chairman of the Board, Independent Director	70	Master Degree, Faculty of Law, Chulalongkorn University  Director Accreditation Program (DAP) class 8/2004  Audit Committee Program (ACP) class 14/2006  Finance for Non-Finance Directors (FND) class 30/2006  Directors Certification Program (DCP) class 117/2009  Board Nomination and Compensation Program (BNCP) class 15/2022	330,000 shares	-	2012-present	Chairman of the Board and Independent Director	Lease IT PCL.,	Provide credit service
					1999-present	Independent Director and Audit Committee	Sino-Thai Engineering & Construction PCL.,	Contract for construction of all types of work is divided into 2 main categories: civil and mechanical work.
					1999-present	Independent Director and Audit Committee	STP&I PCL.,	Steel structures, assembly and welding of pipes, assembly work of finished factories. And other steel products processing
					2018-present	Independent Director and The Chairman of Anti-Corruption	Thai Group Holdings PCL.,	Holding Company
					2013-present	Consultant	SVOA PCL.,	Distributor of computers and peripherals
					2013-present	Consultant	DataOne Asia (Thailand) Co.,Ltd.	Software consulting
					2011-present	Legal Consultant	National Credit Bureau Co.,Ltd.	Provide credit information service
					2020-Jan 2023	Chairman of the Board and Independent Director	One Power Co.,Ltd.	Production and distribution of solar power

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Mr. Pongsak Chewcharat Independent Director and Chairman of the Audit Committee	72	Master Degree Computer Engineering Northeastern University Boston, Massachusetts	-	-	2020-present	Chairman of Audit Committee and Independent Director	Lease IT PCL.,	Provide credit service
		Master Degree Economic Policy & Planning Northeastern University Boston, Massachusetts			2014-present	Director of Graduate School of Innovation and Technology Management	Rajamangala University of Technology Rattanakosin	Government University
		Bachelor Degree Statistic Thammasat University			2016-2020	Police Audit and Monitoring Committee	Metropolitan Police Headquarter	Government agency
		Diploma, National Defence College, The Joint State-Private Sector Course Class 388			2007-2016	Member of Board of Director	Rajamangala University of Technology Rattanakosin	Government University
		Politics and government in democracy for Senior Executive class 12			2007-2009	Work and Town and Country Planning Committee	Ministry of Interior	Government agency
		Capital Market Academy Programs class 9			2007-2009	Labor Relation Committee	Ministry of Labor	Government agency
					2007-2009	National Credit Bureau Committee	National Credit Bureau	Provide credit information service
					2006-2008	Managing Director	Small and Medium Enterprise Development Bank of Thailand (SME Bank)	Finance, Banking
					2009-2010	Senior Executive Vice President (Computer)	Government Housing Bank	Finance, Banking
					2004-2006	Director of Information Center	Government Housing Bank	Finance, Banking
	1999-2002		Vice President of Computer Department	Krungthai Bank	Finance, Banking			

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Mr. Suthud Khancharoensuk  Independent Director and Audit Committee	63	Master of Business, Thammasat University	4,070,000 shares	-	2013-present	Independent Director and Audit Committee	Lease IT PCL.,	Provide credit service
		Director Accreditation Program (DAP) class 15/2004			1996-present	Director	RPCG PCL.,	Investment and distribution companies Petroleum and petrochemical products include high speed diesel fuel, fuel oil and chemicals.
		Board Performance Evaluation class 2/2007 Thai-Chinese Leadership Program, Huachiew Chalermpraiat University-Beijing			1991-present	Director	Petro - Instrument Co.,Ltd.	Sell and serve Electronic equipment, tools and machines

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Associate Professor Dr.Suda Suwannapirom  Independent Director and Audit Committee	63	DBA.Doctor of Business, Burapha University	-	-	2016-present	Independent Director and Audit Committee	Lease IT PCL.,	Provide credit service
		Master of Commerce, Chulalongkorn University			2022-present	Chair of the Doctor of Philosophy Program and Master of Arts Development Management Program	Suan Sunandha Rajabhat University	Government University
		Master of Business Practices  University of South Australia			2018-present	Consultant	Apply Methal Precision Technology Co.,Ltd.	Manufacture, sale, import, export, cast iron pipes, stainless steel pipes, metal rings, rollers, parts, all kinds of metal products.
		Bachelor of Science in Business Administration, Kasetsart University			2005-present	Academic Reading Committee	Ministry of Higher Education, Science, Research and Innovation	Government agency
		Diploma, National Defence College, The joint State- Private Sector Course Class 20			2018-2022	Graduate School Director	Suan Sunandha Rajabhat University	Government university
		Certificate in Personnel Management Practice			2020-2022	Honorary Director	Election Commission	Government agency
		Asian Productivity Organization			2016-2020	Vice-Rector	Nakornpranom University	Government University

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Mrs. Wasara Chotithammarat  Independent Director and Audit Committee	58	Master of Business Administration Program (MBA), Thammasat University  Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University  Director Accreditation Program (DCP) class 117/2009  Advanced Audit Committee Program (AACP) class 25/2017  Ethical Leadership Program (ELP) class 26/2022  Company Secretary Program (CSP) class 128/2022	-	-	2020-present	Independent Director and Audit Committee	Lease IT PCL.,	Provide credit service
					July 2022-present	Chief Financial Officer	KCE Electronics PCL.,	Electronics
					2016-present	Independent Director and Audit Committee	QTC Energy PCL.,	Production and distribution of transformers
					2017-06/2021	Accounting Director	Summit Group, Summit Auto Body Industry Co.,Ltd.	Auto parts
					2016-2017	Chief Accounting and Finance Officer	The Cool Co.,Ltd.	Chiller
					2014-2015	Chief Accounting Officer	Summit Group, Summit Auto Seat Industry Co.,Ltd.	Auto parts
					2007- 2013	Director and Chief Financial and Accounting Officer	Team Precision Co.,Ltd.	Electronics
					2005-2006	Thailand Division Controller	Benchmark Electronics (Thailand) PCL.,	Electronics
					2002-2005	Corporate Controller	Siam City Cement PCL.	Cement



Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Ms. Parichatara Laotheerasirivong Senior Executive Director (Authorized Director to be tied to the Company)	67	Master of Executive MBA, Kasetsart University  Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasart University  Public Economic Management for Senior Executives (Advanced Diploma) Class 12, King Prajadhipok's Institute  Top Level of Industrial Management class 9, Ministry of Industry  Thammasart Leadership Program (DCP) Class 2  Director Certification Program (DCP) Class 75/2013  Bourse Game (Foreign Exchange Trading), Citibank Bangkok THAILAND  International Banker Chase Manhattan Bank, NY USA.	44,000 shares	-	2018-present	Executive Director	Lease IT PCL.,	Provide Credit Service
					2018-present	Independent Director and Audit Committee	Fortune Parts Industry PCL.,	Auto parts
					2018-present	Honorary Director	Ministry of Education	Government Agent
					2016-2017	Senior Executive Vice President	TCC Land and Asset World Corporation	Real estate development
					2007-2016	Deputy Managing Director	Small and Medium Enterprise Development Bank of Thailand	Financial institution
					2013-2014	Acting Managing Director	Small and Medium Enterprise Development Bank of Thailand	Financial institution
					2013-2014	Risk Management Committee	National Credit Bureau Co.,Ltd.	Provide credit information service

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Mrs. Chonticha Supaluxmetha  Director and Managing Director (Authorized Director to be tied to the Company)	50	Master of Business Administration (Executive MBA) Chulalongkorn University  Bachelor Degree, Accounting, Siam University  Bachelor Degree, Statistics, Silpakorn University  Director Certification Program (DCP) class 317/2022  Financial Projection to evaluate the company's value class 2  Strategic CFO in Capital Markets Class 2/2016  The Stock Exchange of Thailand	668 shares	-	08/2021-present	Director and Managing Director	Lease IT PCL.,	Provide Credit Service
					2020-present	Director	Ulite Digital Co.,Ltd.	Providing electronic installment payment services
					2018-2021	Director & Managing Director	LIT Service Management Co.,Ltd.	Business credit analysis service
					2014-2020	Chief Financial Officer	Lease IT PCL.	Provide Credit Service
					2000-2014	ISO Consultant & Trainer	Quality System Development International (Thailand) Co.,Ltd.	ISO, GMP, HACCP & SQF2000
					2011-2014	Independent Accountant		

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Ms. Sitaphatr Nirojthanarat  Director and Deputy Managing Director (Authorized Director to be tied to the Company)	40	MSc in Marketing Management Aston Business School, Aston University, UK	643,802 shares (Spouse –share)	-	2021-present	Director and Deputy Managing Director	Lease IT PCL.,	Provide Credit Services
		Bachelor of Arts, English major (2 <sup>nd</sup> class honors) Chulalongkorn University			2020-present	Managing Director	Ulite Digital Co.,Ltd.	Installment
		Director Accreditation Program (DAP) class 131/2016			2015-2021	Director and Assistant Managing Director	Lease IT PCL.,	Provide Credit Services
		Fraud Risk Management and Internal Auditing of Financial Institution class 7/2016			2006-2015	Marketing Manager	Charoen Pokphand Foods PCL.,	Integrated food business

## Holding shares in the Company

Name	Position	Share holding as of 1/1/2022	Buy (within a year)	Sell (within a year)	Share holding as of 31/12/2022
Police General Jate Mongkolhutthi	Chairman of the Board, Independent Director	165,000 shares	165,000 shares*	-	330,000 shares
Mr. Pongsak Chewcharat	Independent Director, Chairman of Audit Committee	-	-	-	-
Mr. Suthud Khancharoensuk	Independent Director and Audit Committee	2,035,000 shares	2,035,000 shares*	-	4,070,000 shares
Associate Professor Dr.Suda Suwannapirom	Independent Director and Audit Committee	-	-	-	-
Mrs. Wasara Chotithammarat	Independent Director and Audit Committee	-	-	-	-
Ms. Parichatara Loatheerasirivong	Senior Executive Director	20,000 shares	24,000 shares*	-	44,000 shares
Mrs. Chonticha Supaluxmetha	Director and Managing Director	292 shares	376 shares*	-	668 shares
Ms. Sitaphatr Nirojthanarat	Director and Deputy Managing Director	321,901 shares	321,901 shares*	-	643,802 shares
Spouse		1,650,000 shares	1,650,000 shares*	3,300,000 shares	- shares
				<b>Totaling</b>	<b>5,088,470 shares</b>
				<b>Percentage</b>	<b>1.14%</b>

\*It is the purchase of newly issued ordinary shares of the Company.

## 2. Details of Executives, Controlling Person assigned to the highest responsibility in Accounting and Finance, Company Secretary

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Mrs. Chonticha Supaluxmetha  Director and Managing Director (Authorized Director to be tied to the Company)	50	Master of Business Administration (Executive MBA) Chulalongkorn University  Bachelor Degree, Accounting, Siam University  Bachelor Degree, Statistics, Silpakorn University  Director Certification Program (DCP) class 317/2022  Financial Projection to evaluate the company's value class 2  Strategic CFO in Capital Markets Class 2/2016 The Stock Exchange of Thailand	668 shares	-	08/2021-present	Director and Managing Director	Lease IT PCL.,	Provide Credit Service
					2020-present	Director	Ulite Digital Co.,Ltd.	Providing electronic installment payment services
					2018-2021	Director & Managing Director	LIT Service Management Co.,Ltd.	Business credit analysis service
					2014-2020	Chief Financial Officer	Lease IT PCL.,	Provide Credit Service
					2000-2014	ISO Consultant & Trainer	Quality System Development International (Thailand) Co.,Ltd.	ISO, GMP, HACCP & SQF2000
					2011-2014	Independent Accountant		

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Ms. Parichatara Laotheerasirivong  Senior Executive Director (Authorized Director to be tied to the Company)	67	Master of Executive MBA, Kasetsart University  Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasart University  Public Economic Management for Senior Executives (Advanced Diploma) Class 12, King Prajadhipok's Institute  Top Level of Industrial Management class 9, Ministry of Industry  Thammasart Leadership Program (DCP) Class 2  Director Certification Program (DCP) Class 75/2013  Bourse Game (Foreign Exchange Trading), Citibank Bangkok THAILAND  International Banker Chase Manhattan Bank, NY USA.	44,000 shares	-	2018-present	Executive Director	Lease IT PCL.,	Provide Credit Service
					2018-present	Independent Director and Audit Committee	Fortune Parts Industry PCL.,	Auto parts
					2018-present	Honorary Director	Ministry of Education	Government Agent
					2016-2017	Senior Executive Vice President	TCC Land and Asset World Corporation	Real estate development
					2007-2016	Deputy Managing Director	Small and Medium Enterprise Development Bank of Thailand	Financial institution
					2013-2014	Acting Managing Director	Small and Medium Enterprise Development Bank of Thailand	Financial institution
					2013-2014	Risk Management Committee	National Credit Bureau Co.,Ltd.	Provide credit information service

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Ms. Sitaphatr Nirojthanarat  Director and Deputy Managing Director (Authorized Director to be tied to the Company)	40	MSc in Marketing Management Aston Business School, Aston University, UK	643,802 shares (Spouse –share)	-	2021-present	Director and Deputy Managing Director	Lease IT PCL.,	Provide Credit Services
		Bachelor of Arts, English major (2 <sup>nd</sup> class honors) Chulalongkorn University			2020-present	Managing Director	Ulite Digital Co.,Ltd.	Installment
		Director Accreditation Program (DAP) class 131/2016			2015-2021	Director and Assistant Managing Director	Lease IT PCL.,	Provide Credit Services
		Fraud Risk Management and Internal Auditing of Financial Institution class 7/2016			2006-2015	Marketing Manager	Charoen Pokphand Foods PCL.,	Integrated food business

Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Ms. Pemika Patiroobwatee  Chief Financial Officer and Chief Operation Officer (Acting)	32	Bachelor Degree Faculty of Commerce and Accountancy, Chulalongkorn University  CFO's Orientation for New IPOs (class 5)	-	-	2020-present	Chief Financial Officer	Lease IT PCL.,	Provide Credit Service
					2022-present	Director	Ulite Digital Co.,Ltd.	Providing electronic installment payment services
					2019-2020	Assistant Director of Accounting and Finance	Maneeya Raily Co.,Ltd.	Hotel
					2012-2019	Audit Department Manager	EY Office Co.,Ltd.	Audit
Ms. Kenika Boonlerttohtam  Deputy Executive Director, Legal and Collection Department	50	Bachelor's degree tourism and hotels Sripratum University	-	-	2021-present	Deputy Executive Director, Legal and Collection Department	Lease IT PCL.,	Provide Credit Services
					2018-2020	Senior Vice President of Phone Collection Department	Kiatnakin Bank	Commercial Bank
					2014 – 2018	Vice President of Inbound and Outbound Phone Collection	Kiatnakin Bank	Commercial Bank
					2011-2014	Vice President of Contact Center	Kiatnakin Bank	Commercial Bank



Name/Position	Age (year)	Education	Shareholding Proportion * (31/12/2022)	Family Relation with Executives	Work experience in the past 5 years			
					Duration	Position	Company Name	Business
Ms. Piyanan Mongkol Company Secretary, General Manager, Sustainability Development	50	Master's degree Industrial Economics National Institute of Development Administration-NIDA  Certificate of Company Secretary Program class 98/2019  Company Secretary Professional Development Program 2021	1,444 shares	-	2019-present	Company Secretary and General Manager, Sustainability Development	Lease IT PCL.,	Provide Credit Services
					2018-present	Director	LIT Service Management Co.,Ltd.	Business credit analysis service
					2006-2018	General manager Credit and Contract Department	Lease IT PCL.,	Provide Credit Services
					2004-2006	Customer Relation Management, Assistant Manager	DataOne Asia (Thailand) Co.,Ltd.	IT Solution Consultant
					1996-2004	Credit Officer	Siam Commercial Bank	Commercial Bank
Ms. Prapapan Raktham  General manager General Management Department	54	Master of Business Administration, Stamford International University  Bachelor Degree in Accounting, Sripatum University	772 shares	-	2006-present	General manager General Management Department	Lease IT PCL.,	Provide Credit Services
					2000-2006	Assistant Operations Manager	D.Computer Co.,Ltd.	Computer
					1997-2000	Assistant Operations Manager	Global Leasing Co.,Ltd.	Leasing
					1994-1997	Assistant Chief of Operations	IFS Capital PCL.,	Non-Bank
Ms. Orathai Sawanchareean  Accounting Manager	44	Bachelor of Accounting, Rajamangala University of Technology Krungthep	-	-	2017-present	Accounting and Finance Manager	Lease IT PCL.,	Provide Credit Services
					2016-2017	Accounting Manager	Kiat Thani Country Club Co.,Ltd.	Golf course and sports club
					2013-2015	Finance Manager	Beyond Green Company Limited	Importers and distributors of golf carts
					2008-2013	Accounting and Finance Manager	Thai Wattana Panich Publishing Company Limited	Distribution of study materials

## Holding Shares in Company

Name	Position	Share holding as of 1/1/2022	Buy (within a year)	Sell (within a year)	Share holding as of 31/12/2022
Mrs. Chonticha Supaluxmetha	Director and Managing Director	292 shares	376 shares*	-	668 shares
Ms. Parichatara Loatheerasirivong	Senior Executive Director	20,000 shares	24,000 shares*	-	44,000 shares
Ms. Sitaphatr Nirojthanarat	Director and Deputy Managing Director	321,901 shares	321,901 shares*	-	643,802 shares
Spouse	-	1,650,000 shares	1,650,000 shares*	3,300,000 shares	- shares
Ms. Pemika Patiroobwatee	Chief Financial Officer	-	-	-	-
Ms. Kenika Boonlerttohtam	Deputy Executive Director, Legal and Collection	-	-	-	-
Ms. Piyanan Mongkol	Company Secretary and General Manager, Sustainability Development	722 shares	722 shares*	-	1,444 shares
Ms. Prapapan Raktham	General Manager, Business Administration	772 shares	-	-	772 shares
				<b>Totaling</b>	<b>690,686 shares</b>
				<b>Percentage</b>	<b>0.15%</b>

\*It is the purchase of newly issued ordinary shares of the Company.

## Duties and responsibilities of Company Secretary

Company secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which comes into force on August 31, 2008. With responsibility Caution and honesty and must comply with the law, objectives, company regulations Board resolution As well as the resolution of the shareholders' meeting. The legal duties of the Company Secretary are as follows:

1. Prepare and maintain the following documents.
  - Director's Profile
  - Notice of Directors' Meeting Board meeting minutes and the annual report of the company
  - Invitation letter to shareholders' meeting and minutes of the shareholders' meeting
2. Keeping reports of interest reported by directors or executives. And send a copy of the report of interest under Section 89/14 to the Chairman of the Board and the chairman of the audit committee knows within 7 business days from the date the Company receives the report.
3. Other actions as specified by the Capital Market Supervisory Board

Other duties include

1. Provide advice on relevant laws and regulations. And supervisory practices in conducting activities of the Commission to be in accordance with the law.
2. Responsible for conducting board meetings and shareholders' meetings.
3. Liaise with regulatory agencies such as the SET office. And oversee the disclosure of information and reporting information to regulators and the public. To be completely legal
4. Arrange an orientation to give advice to newly appointed directors.
5. Other duties as assigned by the Company.

At the Board of Directors' Meeting No. 4/2019 on April 30, 2019, the Board of Directors has appointed Ms. Piyanan Mongkol is the Company Secretary. And passed the Certificate for Company Secretary (CSP) training on May 16-17, 2019

## Detail of the tenure of the management in related companies

As at 31 December 2022:

Name	Company	Subsidiary		Related Company		
		1	2	1	2	3
Police General Jate Mongkolhutthi	X, //					
Mr. Pongsak Chewcharat	AAC, //					
Mr. Suthud Khancharoensuk	AC, //					
Associate Professor Dr.Suda Suwannapirom	AC, //					
Mrs. Wasara Chotithammarat	AC, //					
Ms. Parichatara Laotheerasirivong	/, Ex					
Mrs. Chonticha Supaluxmetha	/, ///, *	/	/			
Ms. Sitaphatr Nirojthanasrat	/, ///, **		/, *	/(Spouse)	/(Spouse)	/(Spouse)
Ms. Pemika Patiroobwatee	***, ///		/			
Ms. Kenika Boonlerttohtam	***					
Ms. Piyanan Mongkol	****	/				
Ms. Prapapan Raktham	****					

**Remarks :** X = The Chairman of The Board

AAC = The Chairman of Audit Committee

Ex = The Chairman of Executive Director

// = Independent Director

\* = Managing Director

\*\*\* = Executive Director, Deputy Executive Director

V = Vice Chairman

AC = Audit Committee

/ = Director

/// = Executive Director

\*\* = Deputy Managing Director

\*\*\*\* = General Manager

### Related Company

- IT CITY PCL.
- SPVI PCL.
- Touch Printing Republic Co.,Ltd.

## 2 Details of the subsidiaries' directors

as of 31 December 2022 are as follows:

Name	LIT Service Management Co.,Ltd.	Ulite Digital Co.,Ltd.
Ms. Sitaphatr Nirojthanarat	-	/, *
Mrs. Chonticha Supaluxmetha	-	/
Ms. Pemika Patiroobwatee	-	/
Ms. Doungkamol Kimmathitsuk	/, *	-
Ms. Piyanan Mongkol	/	-

**Remark:** / = Director

\* = Managing Director

### 3 Details of the Internal Audit Supervisor

The Company focus more on the importance of internal control system for both management and operational levels, and it has the power to determine the scope and authority of the internal processes. Implementation of such control property will benefit the Company the most. Some of the benefits of the internal control includes: the separation of the approved responsibilities, recording transactions and data information, and storing and evaluating the assets separately. To achieve a balance between the validity and integrity of the system, financial department of the Company provides financial reports to the managing director in charge. On the other hand, the Internal Audit Department is responsible for monitoring the internal control system, as well as providing reports directly to the audit committee. The Audit Committee has appointed Mr. Patcharakorn Janthavisuth, Manager of Internal Audit serves as the secretary of the Audit Committee from January 3, 2023 onwards.

<b>Name :</b>	Mr. Patcharakorn Janthavisuth
<b>Age :</b>	35 years
<b>Appointment Date :</b>	January 3, 2023
<b>Shareholding Proportion (%) :</b>	None
<b>Family relationship between Directors and Executives :</b>	None
<b>Education :</b>	Master of Science Program in Corporate Governance (MSCG) Chulalongkorn Business school, Chulalongkorn University
<b>Related training :</b>	Certified Professional Internal Audit of Thailand (CPIAT) Forensic Accounting Certificate (FAC) Certificate ISO 27001 and ISO 9001 & 14001 Certificate from The Institute of Internal Auditors (IIA) (Internal Auditing Education Partnership Program (IAEP))

Annex

## 4 Assets of the Company

Details are shown in Part 1 Business Operation and Results on Page 33 - 38

## 1. Nomination and Remuneration of Directors and Executives, Independence of the Board of Directors from the Management, Director Development and Evaluation of the Performance of Directors, including supervision of subsidiaries and associated companies

### Nomination and Remuneration of Directors and Executives

The Company requires its directors to comply with the Code of Best Practices for directors of listed companies according to guidelines of the Stock Exchange of Thailand. The Board of Directors approves the vision, mission, strategies, direction and policies for operations, business plans and annual budget of the Company and supervises the management to act in line with the policies and business plans specified under the laws, objectives and Articles of Association of the Company and resolutions of the Board of Directors as well as the shareholders' meeting by taking into account the best interests of the Company and stakeholders mainly. This is intended to create stability and sustainability for the Company and add value to shareholders in the long term. The Board of Directors requires the annual review and approval of the Company's vision, mission, strategies, direction and policies for operations so as to adapt to changing business situation and conditions. The Board must understand and know its roles, responsibilities and must perform the duties in accordance with the laws, objectives and Articles of Association of the Company as well as resolutions of the shareholders' meeting with integrity by taking into account the benefits of the Company and shareholders essentially.

The Board of Directors has established policies and plans for succession to the position of the highest level executives of the organization and Senior Management which consists of Assistant Managing Director and Chief Financial Officer. The operating guidelines are clearly defined. The Board of Directors is responsible for selecting follow up on the implementation of the succession plan and selection of the Managing Director. The Managing Director is responsible for considering, selecting and monitoring the implementation of the succession plan. And considering the selection of the Assistant Managing Director and the Chief Financial Officer.

### Policy on "Succession Plan"

#### 1. Introduction

The Company attaches importance to sustainable corporate governance. Therefore, the Board of Directors has established and further implemented Succession Plan as guidelines for action.

#### 2. Objectives

1. To always evaluate readiness as for the extent to which the organization has workforce with Qualifications and Competencies.
2. To be able to plan the recruitment and selection of personnel in advance proactively by planning the recruitment and development from personnel in the organization with capabilities in the positions of departmental manager or above up to managing director or chief executive officer or outsiders.
3. To plan replacement and succession for retirement and management of talents or positions targeted by the market/competitors.
4. To reduce the loss rate of personnel with knowledge, capabilities and experience.
5. To motivate and retain talented and competent employees to plan replacement and succession and receive the opportunities for development and promotion to higher positions.



### 3. Regulations and rules

#### 3.1 Regulations and rules for Succession Plan

The Company has developed the rules and regulations for selecting personnel who will be responsible for important management positions of the Company so as to be appropriate and transparent. The objective is to ensure that the Company has qualified executives with professional skills, experience and competencies through the Nomination and Remuneration Committee and/or managing director and succession planning according to employee level as follows.

##### A) Managing Director or Chief Executive Officer (CEO) level

- The management prepares a succession plan at managing director or chief executive officer level for proposing to the Nomination and Remuneration Committee to consider and present to the Board of Directors for approval.
- The Nomination and Remuneration Committee arranges to monitor the progress of succession plan from identifying the successors (personal notification), competency development as well as evaluation.
- When the position of chief executive officer/managing director is vacant or the person in office is unable to perform the duties, the Nomination and Remuneration Committee is responsible for selecting a new chief executive officer/managing director for presentation to the Board of Directors to approve the appointment of a suitable replacement person.

##### Basic Qualifications of Managing Director or Chief Executive Officer are as follows.

1. Education is not lower than the Bachelor's degree level.
2. Having experience in management in the position of line director or above
3. Having leadership and far-sighted vision
4. Capability of strategic planning and organizational management
5. Making prudent decisions and solutions by taking into account the best interests of the organization

##### B) Executive level from Departmental Director to Assistant Managing Director level

- The management prepares a succession plan at executive level from departmental director to assistant managing director level so as to propose to the Nomination and Remuneration Committee to consider and present to the Board of Directors for approval.
- The managing director must arrange to monitor the progress of succession plan from identifying the successors (personal notification), competency development as well as evaluation.
- When the executive position from departmental director to assistant managing director level is vacant or the person in office is unable to perform the duties, the managing director is responsible for selecting and appointing a new executive to the vacant position.

##### Basic Qualifications of Executive from Departmental 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 manager position or above
3. Having leadership and far-sighted vision
4. Having the capability of strategic planning
5. Integrity and seeing the benefits of the organization as important

### **3.2 The Company's Succession Plan includes the following processes.**

- 3.2.1 Creating an Employee Training and Development plan in advance before employees will retire or leave office prematurely
- 3.2.2 Specifying Qualifications and Competencies, which refer to desirable knowledge, skills, personality and attitudes of employees in those positions and creating an Individual Development Plan
- 3.2.3 Selecting, evaluating work performance and assessing the competencies of the person who will be the candidate to consider suitability
- 3.2.4 Identifying at least 2 successors from competency assessment and analysis, employee performance by notifying employees in advance (personal notification) so as to prepare for accepting an assignment and learning work
- 3.2.5 Developing and evaluating employees who are expected to be successors about their ability to actually develop and work as expected. If not as expected, action must be taken as follows.
  - 3.2.5.1 Selecting and planning new succession and developing replacement successors (if any) or
  - 3.2.5.2 Nomination and selection from outsiders
- 3.2.6 When the successors are fully qualified according to the positions with higher responsibilities and there are vacancies or new higher positions, Promotion & Acting must be presented according to the Company's policy.

### **Independence of the Board of Directors from the Management**

The Company has separated roles, duties and responsibilities between the Board of Directors and the management. The Board of Directors has performed its duties honestly and carefully to protect the interests of the Company. The Company has clearly set the approval authority of the Board of Directors in various matters. Such as setting goals, guidelines, policies, business plans and the budget of the Company Reviewing, auditing and approving business expansion plans Large investment projects As well as joint investments with other operators proposed by the management.

### **Scope of authority, duties of the Chairman of the Board and the Board of Directors**

#### **Roles and duties of the Chairman of the Board of Directors**

**The Company's Articles of Association Clause 27** stipulates that, "for convening the Board meeting, the Chairman of the Board or the assigned person must deliver the scheduled meeting letter to directors at least 7 days before the meeting date. However, in case of necessity, urgency, to protect the rights or benefits of the Company, the scheduled meeting can be notified by other methods and the meeting date can be scheduled earlier than that. If two or more directors request the Board meeting, the Board chairman shall set the meeting date within fourteen (14) days from the date of receiving such request."

Besides, so as to allow division of the authority and duties in determining the Company's policies and management of the Company to be clearly separated from each other, therefore the Company stipules that the Chairman of the Board and managing director must be different persons. The Chairman of the Board has the roles and duties as follows.

1. Convening the meeting of the Board of Directors, chairing the Board of Directors' meeting and shareholders' meeting as well as playing a role in setting the agenda together with the managing director
2. Playing a role in controlling the meeting effectively according to the Company's Articles of Association, encouraging and allowing the directors to express their opinions independently
3. Encouraging the Board of Directors to perform the duties at full capacity according to the scope of authority, responsibilities and good corporate governance principles
4. Supervising, monitoring the management of the Board of Directors and other subcommittees to achieve the objectives set
5. Casting a vote if the Board of Directors meeting votes and the votes of both sides are equal

## Roles and duties of the Board of Directors

1. The Board has the authority and responsibilities in managing the Company according to the laws, objectives and Articles of Association of the Company as well as the rightful resolutions of the shareholders' meeting with integrity and carefulness to protect the interests of the Company.
2. Arranging to have the balance sheet as well as profit and loss statement of the Company created at the end of the Company's accounting period, which have been verified by the auditor and presenting to the shareholders' meeting for consideration and approval
3. Setting the goals, guidelines, policies, business plans and budget of the Company. Monitoring and Supervision of administration of the management in conformity with the established policies, plans and budgets with efficiency and effectiveness
4. Reviewing, checking and approving business expansion plans, large investment projects as well as investing with other entrepreneurs proposed by the management
5. Formulating the Risk Management policy to cover the entire organization and supervising the availability of risk management system or processes with appropriate support measures and control methods to reduce the impact on the Company's business
6. Determining the management structure, having the power to appoint the Executive Committee, managing director and other subcommittees as appropriate, e.g. the Audit Committee, Nomination and Remuneration Committee, etc., including establishing the scope of authority and duties of the Executive Committee, managing director and subcommittees appointed

The authorization under the specified scope of power, duties must not have the characteristic of enabling such Executive Committee, managing director and subcommittees to consider and approve transactions with potential conflicts, interests or any other conflict of interest done with the Company or subsidiaries (if any) except approval for transactions according to the policies and criteria already approved by the Board of Directors.

The Board may authorize one or more directors or any other person to perform any act on behalf of the Board under control of the Board or may authorize such persons to have the power as deemed appropriate by the Board and within a period of time considered by the Board as suitable. The Board may cancel, revoke, change or modify such authorization when considered appropriate.

That authorization must not have the characteristic of enabling such persons to consider and approve any transaction in which one or person may have a conflict, have interests or may have a conflict of interests in any other manner to be done with the Company or subsidiaries (if any) as defined in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other announcement of relevant agencies except approval for transactions in accordance with the policies and criteria already approved by the Board of Directors.

## Development of Directors and Management

Board of Directors has a policy to promote and facilitate training and educating people involved in the Company's corporate governance system, including directors, audit committee members, executives and company secretary. In order to continuously improve work performance, namely the curriculum of the Thai Institute of Directors Association (IOD). Including courses that are important to company development organized by the Stock Exchange of Thailand Office of the Securities and Exchange Commission and the Federation of Accounting Professions

## Evaluation of Directors' Performance

The Board of Directors conducts an Evaluation on the Performance of the Board of Directors and the Director Self-Assessment on a regular basis. Every year To provide opportunities for each committee member to express their opinions on the overall performance of the Board of Directors to assist in reviewing the performance, problems and obstacles. In performance during the past year

## **2. Care of shareholders Equitable treatment of shareholders Promoting the exercise of shareholders' rights Equitable treatment of shareholders Promoting the exercise of shareholders' rights Protection against the use of inside information Prevention of Conflicts of Interest Responsibility to stakeholders Compensation in case of rights violation Anti corruption And measures for taking action against those who violate policies and guidelines**

### **The Equitable Treatment of Shareholders**

The Board of Directors places importance on fair and equitable treatment to all shareholders; including both shareholder executive and non-executive shareholders. No matter shareholders are Thai or foreigner. Similarly, doesn't matter shareholders are in majority or minority. The following actions have been implemented:

The Company has a policy to protect the rights of all shareholders. At the Annual General Meeting of shareholders, the chairman of the meeting conducted the meeting in accordance with the agenda as set forth in the invitation notice to the meeting. No agenda was added without prior notification to the shareholders. All shareholders were entitled to vote base on the amount of shares held by each shareholder whereby one share was equal to one vote.

During 16 November-30 December 2021, the Company provided opportunities for the shareholders to propose matters that they considered necessary for inclusion in the agenda of the 2022 Annual General Meeting of Shareholders and to nominate candidates for election as directors. The Company also posted the criteria and procedures in relation thereto in the form of a newsletter to the Stock Exchange of Thailand and on its website at [www.leaseit.co.th](http://www.leaseit.co.th). However, no shareholders proposed matters for inclusion in the agenda of the meeting nor nominated any candidates for election as directors.

The Company gave authority to Thailand Securities Depository Co., Ltd. (TSD) as the registrar of the Company to send invitation letter and attached document for Annual General Meeting 14 days in advance of the meeting. The Company also posted invitation letter and attached document for Annual General Meeting on Company's website at [www.leaseit.co.th](http://www.leaseit.co.th) 30 days in advance of the meeting so that the shareholders can reach the information regarding the meeting conveniently.

The shareholders who could not attend the meeting in person were entitled to appoint an independent director of the Company or any other person to attend the meeting and vote on their behalf. The Company prepared proxy forms as prescribed by the Ministry of Commerce, whereby the shareholders may give their proxies voting instruction. The proxy forms were delivered to the shareholders together with the invitation notice to the meeting. Additionally, the shareholders could download the proxy forms the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

The meeting will be in accordance with the regulations of the Company. The details of the agenda will be informed via the invitation letter entirety. Nevertheless, some unnecessary details about the agenda not added in notification letter of shareholders. The agenda itself is important due to the fact that shareholders have to take time to study it before making any decision whether attend or not.

The Board of Directors have approve a policy on reporting the purchase/sale of securities of the Company to the Board of Directors which covered the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the Company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the Company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the Company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992. However, The Board of Directors and executives have to report the purchase/sale of securities of the Company to the Board meeting by quarter.

The Company prepared the minutes of the Annual General Meeting of shareholders, and posted the minutes of the meeting on the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

The Company has a policy in the involved transaction is deemed to be approved by shareholders in accordance with the requirements of the Stock Exchange of Thailand prior to the transaction. The Company will disclose the name and the relationship of the related parties, pricing, the value, including the comment of the Board of Directors on the transaction for shareholders to be clear in the Annual General Meeting.

The Company prohibits the transaction in a manner that provides financial assistance such as lending and credit guarantees.

The Company has transactions with affiliated Company which was done at a fair and at arm's length.

## **Policy on reporting stock trading / securities holdings by the directors and the management**

### **1. Introduction**

Lease IT PCL ("Company") strives to treat every shareholder transparently and fairly in line with good corporate governance principles. In order to demonstrate such intention, the Board of Directors (BOD) arranged to put in place a policy on securities trading by the directors and management to be used as the operational guidelines.

### **2. Objectives**

This policy's objectives are:

- 2.1 To specify operational guidelines involving securities trading by the directors, the management and the auditor of the Company.
- 2.2 To support and encourage the directors, the management and the auditor of the Company to abide by the Stock Exchange of Thailand's Act B.E. 2535 ("SET Act") involving securities trading using internal information and the Securities Exchange Commission's announcement ("SEC") on reporting of securities holdings by the directors and management of a registered company.
- 2.3 To maintain the trust of shareholders and investors in the Company's securities.

### **3. Scope**

- 3.1 This policy applies to the directors, the management and the auditor of the Company. In addition, some materials of the policy also cover the spouses and children who have not reached the legal age of such individuals.
- 3.2 This policy covers the trading of the Company's securities including its subsidiaries (if any) which are registered with the SET or MAI (collectively called "securities of the group company").

### **4. Definitions**

Any statement or words in this policy shall have the following meanings unless specified otherwise.

- 4.1 "Policy" means the policy on securities trading by the directors, the management and the auditor.
- 4.2 "Company" means Lease It PCL.
- 4.3 "Securities" means shares (common or preferential) and convertible securities means convertible debentures, warrants or transferable subscription rights ("TSR"), stock options, derivatives (e.g. futures and options) and other financial derivatives which can be traded in the financial markets.
- 4.4 "Trading" means to buy, sell, transfer or accept transfer of securities and/or other legal benefits of the securities including exercising the rights to buy shares or exercising the rights under the warrants to buy shares or debentures.
- 4.5 "Short sale" means selling the securities which are not owned but borrowed from other people who own such securities e.g. brokers.

4.6 "Internal information" means factual information considered pertinent to the decision making in securities trading which are not publicly disclosed. Examples of internal information are:

- (a) The Company's financial position and financial performance.
- (b) Financial projections.
- (c) Decision to declare or not declare dividend.
- (d) Change in the credit rating.
- (e) Change in the value of securities.
- (f) Securities redemption.
- (g) Business plan that affects the Company's benefits.
- (h) Significant change to investment plan or project investment.
- (i) Joint venture, business merger or sell of business.
- (j) Making a tender offer to purchase securities of other companies.
- (k) Purchase or sell significant assets.
- (l) Critical information on new products.
- (m) Gain or loss of important trade contracts.
- (n) Major legal disputes.
- (o) Change in the Company's Objectives.
- (p) Change in important accounting policies.
- (q) Change in the management authority or significant change in the BOD or senior management.

4.7 "Director" mean the Company's directors.

4.8 "Management" means the managing director/chairman of the management board/the top four management levels below the chairman of the management board and shall include the accounting or financial personnel at the management level holding the title of department head or higher in the Company per the SEC's definitions.

4.9 "Auditor" means the auditor who is appointed to be the Company's auditor via the ordinary shareholders' resolution each year.

4.10 "The individual which the Company appoints" means the person with the authority or duty who is privileged or has access to the Company's internal information (including spouses and children who have not reached the legal age of that person). Examples of persons who may have access to such internal information.

Note that the Company secretary shall be responsible for overseeing the roster of individuals which the Company appoints and inform such individuals when their names are added or removed from such roster.

## **5. Duty and responsibility**

5.1 The Company's BOD assigns the managing director with the duty to oversee this policy and to ensure that the individuals appointed by the Company strictly comply with the policy.

5.2 The Company secretary's main duty is to implement this policy including monitoring its effectiveness as well as answering questions and offer interpretation in case of any doubt.

5.3 The management is responsible and must ensure that their subordinates realize the importance and understand this policy including strictly abide by it.

5.4 The directors, the management and the auditor must strictly abide by this policy including communicate the policy to their spouses and children who have not reached the legal age for their acknowledgement.

## 6. Policy and operational guidelines

6.1 The directors, the management and the auditor are prohibited from using internal information to trade securities which is specified in the SET Act on trading securities registered with the SET or securities traded in the Securities Trading Center which prohibits any person to make an offer to buy or an offer to sell securities or persuade other person to buy, sell or offer to buy or offer to sell securities registered with the SET or securities traded in the Securities Trading Center whether directly or indirectly which exploits other external parties by using facts or information which are considered material to cause change in the securities price and where such facts have not been publicly disclosed but such persons are privileged, by their position in the Company, to the information or have access to such information. This is regardless of whether such actions benefit the persons directly or benefit other parties or in disclosing such facts/information to other parties in exchange for favors or compensation.

### 6.2 Blackout period

6.2.1 Prohibit a person appointed by the Company to trade the Company's securities within 30 days (Blackout period) before disclosure of the Company's quarterly and annual financial statements or and within 24 hours after the financial statements have been disclosed. any other period specified by the Company from time to time.

6.2.2 In some special circumstances, such appointed person may be able to trade securities within the Blackout period e.g. in the situation where such person is suffering severe financial difficulty or must comply with legal directives or under court order. In such circumstances, a memo for approval must be sought from:

- (1) The chairman of the board (in the case the seller is a director or the Company secretary).
- (2) The chairman of the audit committee (in the case the seller is a committee member).
- (3) The chairman of the management board/managing director (in the case the seller is an appointed person but not a director or the Company secretary). Note that a copy of such memo is to be submitted to the Company secretary also.
- (4) The Company secretary shall announce the prohibited period/Blackout period for securities trading for the appointed persons in advance.

### 6.3 Report of securities holdings

#### 6.3.1 First report

- (1) The director, the management and the auditor of the Company has the duty to prepare the report of securities holdings in their name, in their spouse's name and in the name of their children who have not reached legal age per the SEC's Form 59-1 and submit to the SEC within 30 days from the date of being appointed a director, a management member or as the Company's auditor or from the closing date for trading securities by the public as announced by the SET's securities regulations.
- (2) The person appointed by the Company apart from the director, the management and the auditor must prepare a report of securities holding in the group company and submit to the Company secretary within 30 days from the date of notification by the Company secretary.

#### 6.3.2 Report when there is an amendment

- (1) The directors, the top 4 management levels and the auditor of the Company have the duty to prepare a form to report any change to securities holding per the SEC's Form 59-2 which is to be submitted to the SEC within 3 business days from the date of buy, sell or accept to transfer the securities in line with the laws on securities and securities market.
- (2) The person appointed by the Company in addition to the directors, the management and the auditor has the duty to prepare the report on change in securities holding in the group company and submit to the Company secretary within 3 business days from the date of buy, sell or transfer or accept the transfer of securities.

### 6.3.3 Exceptions

The following changes in securities holding need not be reported via the SEC's Form 59-2.

- (1) Exercise the rights offering.
- (2) Exercise the rights under convertible securities.
- (3) Exercise the warrant rights on newly issued shares to the directors or employees (Employee Stock Option Program "ESOP") or receive securities from the joint investment program between the employer and employees (Employee Joint Investment Program "EJIP").
- (4) Receive the securities via inheritance.
- (5) The transfer or accept the transfer of securities which is used as security for trading futures.

6.4 The securities trading which are not classified under this policy can be described as the securities holding or accept to buy securities for business takeover (Tender Offer).

6.5 Other limitations on securities trading.

6.5.1 The Company specified certain persons to hold its securities for the long term hence they should not trade such securities for short term purpose to prevent speculation on the Company's securities.

6.5.2 The persons who the Company appointed should avoid the following transactions.

- (1) Short sell the Company's securities which could be interpreted as a signal to the market that the seller is not confident in the Company.
- (2) Trade derivatives (e.g. futures and options) involving the Company's securities which may lead to securities trading using internal information.
- (3) Hold the Company's securities in the Margin Account which may be forced by the securities company to sell such securities in the event of the inability to provide additional security for top-up.

## 7. Penalty in the event of violations

Any director, any management member or the auditor who violates or fails to comply with the operational guidelines in trading securities according to the securities and securities markets laws must be punished as specified by the statutes.

The Company arranges for recording minutes of the annual common shareholding meeting and arranged to disseminate the minutes via the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

The Company has the policy to report connected transactions which are required to be approved by the shareholders per the directives of the SET before such transactions are permitted. The Company shall disclose the information on the names and relationship of connected persons, policy on setting the price and the transaction value including the opinions of the BOD on such matters clearly to the shareholders at the shareholder meeting.

The Company has the policy to not allow interrelationship transactions that can be described as providing financial assistance e.g. lending monies, loan guarantee.

The Company has inter-group transactions with related companies which are conducted at fair market value and on arm's length basis.



### 3. The Role of Stakeholders

#### A) The rights of stakeholders

The Company realizes the rights of all groups of stakeholders, whether inside or outside Company, and has undertaken to ensure that such rights are well protected and treated, in order to create good understanding and co-operation between Company and its stakeholders, which will be advantageous to the operation of Company, create confidence and stability for Company and its stakeholder and increase the ability of Company to complete in the long term as the following:

1. **Rights of Employees** : The main focus of Company is on the personnel selection. The Company seeks to hire those kinds of employees who are appropriate to the position having the relevant experience compatible with the nature of the Company. The Company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the Company. Accordingly, the Company aspires to increase the potential of its employees throughout their career path by improving skills, knowledge and aptitude of its employees, as well as providing every employee with an opportunity to improve its career path on an equitable basis and offering incentives in remuneration so as to be reasonable compared with other leading companies in market as well as the quality of life for all employees equally. The Company has a policy to pay compensation in accordance with the results of operations of the Company in the short term, including the ability to make a profit each year in the form of incentives and bonus. The Company used the form of performance measures based on the Balanced Scorecard by using Key Performance Indicators (KPIs) as a tool to assist in the management strategy into action. By measurement or evaluation that helps organizations achieve consistency in unison. And focus on the things that are important to the success of the organization.

Moreover, The Company has set up an Employee Joint Investment Program (EJIP) to provide long-term savings and being the Company's shareholder to its employees since 2015 and will be completed in March 2018. In 2018, the Company continue the Employee Joint Investment Program (EJIP). The program lasts for 3 years (April 2018-April 2021)

The Company places importance on the welfare and safety of its employees. The Company provides fundamental welfare and benefits as required by law, such as working hours, holidays, annual leaves, and any other types of leave, as well as social security, compensation fund and provident fund, and constantly communicates all benefits to its employees. In addition to those as prescribed by law, the Company also provides other welfare to its employees, such as health insurance, which covers outpatient and inpatient treatment, life insurance, personal accident insurance, annual health check-up, as well as providing healthcare measure, such as communication of preventive measures for epidemics and provision of protective masks and alcohol-based hand gel for its employees and visitors. In addition, the Company also provides financial aid to its employees in various cases, such as wedding, childbirth, ordination, death of close relatives and natural disasters, etc.

2. **Customers** : The Company sets policies and guidelines for customers. All the conditions are clearly stated and fair. In addition, the Company is committed to providing customer service, as well as assisting and advising clients with courtesy while listening to their problems (and finally providing solutions to customers) without revealing on the clients' personal information. The Company has clearly defined customer selection criteria. It is based on the following criteria.
  - The presence of the customer.
  - The ability to repay customers and debtors.
  - Ability to complete work projects.

The Credit Committee is responsible for considering the above criteria.

3. **Partners** : The Company has set policy on fair practice and responsible for all business partners based on trade agreements which specify conditions and guidelines to practice everything clearly and fairly. Moreover, the agreement cooperate the involved partners in such a way that brings benefit for two parties.
4. **Creditors** : Company aspires to maintain sustainable relationship with its creditors. The Company has a policy to treat its creditors equitably and fairly by providing correct, transparent and verifiable information to its creditors, and to strictly honour the terms and conditions of the contracts it has with is creditors whether in relation to the repayment of principal, interest and fees, maintenance of financial ratio or other conditions, etc. The Company will immediately inform its creditors in case the Company fails to comply with any condition in order to jointly find solutions. In the past year, the Company had no event of default obligation.
5. **Competitors** : Though there are many competitors in the market, the Company is committed to operate in such a way compatible with morality, ethics and high standard of service. Similarly, the rivals of the Company are considered and treated based on the moral and ethical issues. The first priority of the Company is to treat competitors with tightening a mutual understanding and cooperation between providing financial and quality standards to customers as well.
6. **Society, Communities and the Environment** : The Board of Director has a policy to focuses on the practical conduct with regard to their responsibilities to society and the nation. The Company offered various types of activities with co-operation from several public and private organizations to support community, society and environment.

The Board of Directors has adopted a policy on the environment and promote the efficient use of resources. The Company has set guidelines that can be implemented within the Company such as energy saving, water saving, Reuse paper, a campaign of the waste, including waste water treatment prior to discharge into the sewer.

In additional, the Board of Directors of the Company encourages employee education and training with regard to environment matters. The Company has a policy to protect the environment which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. The Company has continuously taken actions to reduce environmental impact and control activities that may have environmental impact.

The Detail regarding Corporate Social and Environment activity can be found under Section “Corporate Social and Environment”.

## **B) International Human Rights Principles**

The Company supports internationally declared human rights which include declarations and treaties of the United Nations on human rights. Directors, executives and employees of the Company and other persons acting on behalf of the Company shall respect personal dignity, privacy and individual rights of each person they are in contact with in the course of their duties, and shall not take any action which results in or supports the violation of any human rights as prescribed in the code of conduct “Corporate Ethics-Good Governance of the Company”.

The Company respects and is in line with the law on human rights, including preventing and avoiding human rights violation of its stuff, partners, and communities under the legal provisions defined by the Thai law with the following practices:

- **Child Labor**: The Company shall be in line with the law on minimum age for employment and shall not allow child labor to perform any task which is harmful to health and growth process, including not to effect on compulsory education.
- **Forced Labor**: The Company shall not conduct or support any kinds of forced labor and shall not charge or forfeit any identity documents of its stuff unless such implementation is not against any laws.

- Non-discrimination: The Company shall respect difference and treat its staff equally without facilitate or derogate its staff's rights unfairly caused from origin, nationality, race, color, ancestor, religion, social status, gender, age, disability or infirmity, political idea, as well as marital status. Moreover, it shall assign protection problem-solving measures in regard to sexual abuse.
- Compensation: The Company shall settle wage, compensation, and any forms of profit in accordance with the labor law and on due and shall not deduct its staff's wage unless such deduction is not against any laws.
- Working hours: The Company shall set its normal working hours not exceeded the one defined by the law and maintain its staff's working hours and overtime to be in line with what defined by the law.
- Freedom of association and collective bargaining: The Company shall respect its staff's rights in association or any kinds of grouping which is not against any laws, including participating collective bargaining according to the law process.
- Occupational health, safety, environment and facilities: The Company shall constantly promote, support, and improve safe working environment, preventing impact on health of its staff or related individuals from happening, as well as focusing on maintaining, preventing, and reducing environmental impact caused by the Company and related individuals' activities by being in line with the law. Furthermore, the Company shall provide hygienic and clean lavatories and drinking water, appropriate first aid requisites, clean dining area and food storage in accordance with the sanitation sufficiently and conveniently.

The Company provides an opportunity to report clues about any actions. in violation of human rights through complaints channels. In 2022, there were no complaints about human rights.

### C) Anti-corruption and Bribery Policy

The Board of Directors is determined to reject all kinds of corruptions and briberies in every level, whether in the transactions with government sector or private sectors. The Company has developed the anti-corruption policy in year 2015, and make a procedure document to prevent and monitor the risk of fraud. The code of conduct imposes restriction on directors, executives, employees and other persons acting on behalf of the Company in engaging in giving or receiving illegal or inappropriate gifts, whether in cash or in kind, in order to achieve business advantages or relationship with business partners, and requires for a risk assessment in relation to such anti-corruption regularly.

In 2016, the Company has assigned a unit which is no conflict of interest, to review back to all customers who open new financial amount in order to collect information on corruption and bribery. The results found that no corruption and bribery.

In 2017, the Company announced its intention to cooperate with the Thai private sector in the fight against corruption (Collective Action Coalition) on June 9, 2016. The Company will provide as following

- Assessing the risks associated with corporate fraud including the adoption of anti-corruption policy, compliance management plans and provide guidelines for conducting business for management and staff.
- Disclosing and sharing internal policies, experiences, good practices and promoting a key succession of business transactions guideline for accurate and transparent in Thailand.
- Collaborate with companies in the same industry, partners, and other stakeholders by creating an operational alignment and participating in anti-corruption activities.

## **The evaluation and follow up of Anti-corruption and Bribery policy and process of risk assessment from Corruption and Bribery**

The Company executives organized the internal control for effective operation and risk reduction from nature of business. The internal control mentioned consists of Preventive control and Detective control which helps lower the chance and motivation in bribery and corruption by using duty allocation to allocate role and duty among employees and arrange the evaluation process of anti-corruption policy. The executives can receive report of defect and doubted behavior of employees in time, so that they can improve the internal control and the audit can be a part of follow up and assessment process of anti-corruption policy annually and reports the result to Board of Directors of the Company. The directors, executives and all employees are obliged to report the breach of such anti-corruption policy. In this regard, the Company has arranged appropriate protection measures for the reporters. Each year, the Company has arranged trainings for employees who are interested in, or working in relevant departments, to acknowledge the importance of, and have understanding on, the anti-corruption policy and procedures, as well as the risk assessment on corruption actions.

### **D) The Infringement of intellectual property and license policy**

The Company set the policy and guideline of The Infringement of intellectual property and license as followings:

- The Company's employees must give respect and not to infringe the intellectual property and license of others. If the employees see the behavior of Infringement of intellectual property and license, they must report to their supervisors.
- Check the intellectual property or license of things before receiving or using internally in order to reduce Infringement of intellectual property.
- The employees have to report to supervisors when facing the breach of such infringement of intellectual property
- In working process, the employees must protect the intellectual property of the Company, such as data, program and process and not to reveal to others outside the Company without the Company's permission.

Caution

- 1) To copy adapt or apply any electronically equipment, data, or Information Technology without reasonable cause.
- 2) To use confidential data without owner's permission.
- 3) To make a decision on receiving, using and right protecting of intellectual property without the clear and accurate understanding.



## E) Measures on Whistle blowing and Protection for Whistle blowers

The Company has set up a communication channel through its website at [www.leaseit.co.th](http://www.leaseit.co.th) to provide opportunities for shareholders and interested persons to opinion or complain directly to the Board of Directors of the Company in case there is an unfair treatment or a trouble arising from the action of the Company or shareholders can contact Board of Directors directly via;

1. Email to Investor Relation Team : [IR@leaseit.co.th](mailto:IR@leaseit.co.th)
2. Post : To The Audit Committee  
Lease IT Public Company Limited  
1023 MS Siam Tower 29<sup>th</sup> floor, Rama 3 Rd.,  
Chongnonsi, Yannawa, Bangkok 10120

Furthermore, all employees must report an event or a behavior which is unlawful or suspected to be unlawful or violates the good governance of the Company or any rules or laws to their supervisors. The Company has also provided a channel for employees to consult or report directly to the assistant managing director upon becoming aware of or suspecting any conduct which is unlawful or violates the policy and has or may have impact on employees, other stakeholders and the Company.

**Process after receiving Whistle Blowing :** The Audit Committee will appoint the Complaint Committee to examine facts, summarize details of such event to report to the Audit Committee for consideration and recommendation to take remedial or legal action towards such offence. The information of the whistle blower and other details received by the Complaint Committee will be kept confidential for the confidence of the whistle blower or employees.

The Company specified the following procedure upon receiving complaints.

1. Accept complaints.
2. Investigate the truth and prepare summary of the event.
3. Report the matter to the Audit Committee for their consideration and recommendation. Come up with solutions or take legal actions in case an offence is committed.
4. Inform the outcome to the Company's Board of Directors including informing the complainant for acknowledgement.

### Measures to protect complainants, whistle blowers or persons providing cooperation.

1. Complainants, whistle blowers, affected persons or persons providing cooperation in good faith who are involved in all steps of the investigation shall be protected or are guaranteed non-retaliation.
2. The Company shall not divulge information on complainants, whistle blowers or involved persons. The matter shall be treated confidentially.
3. Complainants or affected persons shall be remedied and redressed in line with the Company's appropriate action steps.

In order to avoid the repeat of ethically-related misconducts, the Company clearly outlined punishment for those who committed such misconducts and required the employee to pass the business ethic test.

#### 4. Disclosure of Information and Transparency

One of the major concerns of the Board of Directors is to establish a very complete and accurate disclosure in transparency of the financial reporting, as well as providing general compliance with the rules of the Securities and Exchange Commission. Financial reports include important information that may affect the price and securities of the Company, which eventually affects the decision making process of the related investors. The Company decided to distribute the Company's information (equally and transparently) to shareholders and public via the media disclosure and the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th). The Company also holds an analyst briefing in each quarter to announce its quarterly operating results to shareholders, investor, analysts, fund managers, and other interested persons. The analyst briefing is attended by the management of the Company who will clarify and answer inquiries raised by attending persons.

The Board of Directors have approve a policy on reporting the purchase/sale of securities of the Company to the Board of Directors which covered the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the Company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the Company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the Company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992. However, The Board of Directors and executives have to report the purchase/sale of securities of the Company to the Board meeting by quarter.

Board of Directors was well aware of the crucial responsibility towards the financial statements, therefore their main emphasis was to provide accurate and complete information which are true and reasonable. Accordingly, the financial statements of the Company were prepared in accordance with generally accepted accounting standards. By choosing the appropriate accounting policies and practices regularly (and implementing cautious discretions including adequate disclosure in the financial statements notes), the Board has managed to establish and maintain an effective internal control system in the financial office. All these transitions, let the Company to ensure reasonably that the accounting records are maintained property (with accurate, complete, and sufficient information) leading to identify weaknesses and flaws in order to prevent fraud or abnormal operation significantly. The appointed audit committee consisted of non-executive directors to serve on the audit of financial reports. Finally, the audit committee will report transactions and internal audits to the Board of Directors in terms of reports and surveys.



#### **Code of Conduct for Directors, Executives and Employees**

[https://www.leaseit.co.th/application/files/8415/7848/0991/LIT\\_\\_\\_FINAL.pdf](https://www.leaseit.co.th/application/files/8415/7848/0991/LIT___FINAL.pdf)

## Charter of Audit Committee

In order to manage Lease IT PCL efficiently, transparently, verifiable, in line with good corporate governance policy and create confidence among the shareholders, involved parties including the public to support sustainable growth and development, the BOD appointed the Audit Committee as a mechanism in business supervision. The scope, duty, responsibility and authority of the Audit Committee are clearly specified.

### 1. Definition

“The Audit Committee” means the Audit Committee of Lease It PCL.

“Audit directors” mean the directors who are members of the Audit Committee.

“Review” means the review or evaluation of performance, method, conditions, events or other items.

“Conflict of Interest” means any type of relationship that prevents the organization from achieving the maximum benefits that can be obtained. Such conflict of interest may cause the involved person to become biased and unable to perform his/her duty fairly.

### 2. Objectives

2.1 To enable the Audit Committee to perform its duty efficiently.

2.2 It is an important mechanism in supporting the Company’s performance so it is managed under good corporate governance principles especially in respect of financial reporting, internal control, auditing process, risk management and in complying with the laws and related regulations.

### 3. Composition and qualifications

The Audit Committee is composed of not less than 3 individuals but no more than 5 consisting of the chairman of Audit Committee and 4 committee members, all of whom must be independent directors and meet the requirements of an Audit Committee in line with the SEC’s criteria, as follows:

3.1 Appointed by the Company’s BOD or at the shareholder’s meeting.

3.2 Not a director assigned by the BOD to make decisions in managing the Company, the parent company, subsidiaries, affiliated companies, a major shareholder or a person with the authority to control the Company.

3.3 Has the duties as prescribed by the SET and the Company.

3.4 Has adequate knowledge and experience to perform his/her duty as a member of the Audit Committee. Note that at least 1 member of the Audit Committee must be knowledgeable about finance and accounting with sufficient experience to review the reliability of the financial statements.

The Audit Committee shall appoint the Audit Committee secretary and appoint external consultant as deemed appropriate.

#### **4. Terms of service**

- 4.1 The Audit Committee member's term is 3 years and can be re-elected.
- 4.2 The Audit Committee member vacates his/her directorship position upon:
  - a. The term has expired.
  - b. Pass away.
  - c. Resign.
  - d. The BOD approves his/her removal from the committee.
  - e. Lacking the necessary qualifications of the Audit Committee according to the SEC's criteria.
- 4.3 An Audit Committee member who wishes to resign prior to the expiry of his/her term must inform the Company 1 month in advance with reasons.
- 4.4 In the event that a member of the Audit Committee leaves before the expiry of his/her term, the Company must inform the SET with reasons immediately for the information of shareholders and investors. Note that such director can also explain the reasons of his leaving to the SEC.

#### **5. Meetings**

- 5.1 The meeting agenda consists of:

Specifying the date, time and place for the meeting together with the issues to be discussed (agenda). A guideline for the meeting must be submitted to the directors of not less than 3 days before the meeting together with sufficient documents.
- 5.2 The Audit Committee secretary or a person assigned by the Audit Committee shall record the minutes of the meeting and submit the minutes together with the summary of major issues to the Company's BOD for their knowledge or consideration as appropriate.
- 5.3 The minutes of the meeting must be archived for each meeting.
- 5.4 The Audit Committee must organize a meeting of not less than once every quarter.
- 5.5 A meeting of Audit Committee must compose of not less than half of all the Audit Committee members to satisfy the quorum requirement.

In the event the chairman of the Audit Committee position becomes vacant and no replacement has been appointed or is absent or he/she is not in a position to perform the duty, the meeting members are to select one of the colleagues present at the meeting to chair the meeting.

The Audit Committee may invite the internal auditor, the management, the administrators or concerned individuals to join the meeting to provide relevant information.
- 5.6 In a voting, any director with conflict of interest has no rights to vote. Each director has 1 vote on each agenda. Any judgement shall be decided according to the majority votes. In case of equal number of votes, the chairman of the meeting's vote decides the outcome.

#### **6. Authority of the Audit Committee**

- 6.1 It is a requisite that a shared understanding along the same direction be reached among the auditor, the Company's BOD and the internal Audit Department.
- 6.2 Has the authority to invite the management, the administrators, the internal Audit Department or any concerned employee to join the meeting to give comments or submit documents requested by the Audit Committee including having access to required information at every level in the organization.
- 6.3 Has the authority to inspect/audit any concerned individual and issues within the authority and responsibility of the Audit Committee.
- 6.4 Consult with the specialists or the Company's consultant (if any) or hire an external expert in case of necessity at the Company's expense.



## 7. Duty and responsibility

- 7.1 Review the financial statements of the Company and subsidiaries to ensure reliability and adequate disclosure.
- 7.2 Review and ensure that the Company and subsidiaries have appropriate internal control and audit systems that are efficient and provide opinions on the adequacy and suitability of the internal control and risk management systems that are appropriate and effective.
- 7.3 Consider and provide opinions in the appointment, transfer, performance evaluation, remove, terminate and consider compensation package of the head of internal audit department.
- 7.4 Review and ensure that the Company abides by the securities and securities market laws, the SET's regulations and the laws concerning the Company's business.
- 7.5 Consider and appoint a person with independence to audit the Company's accounts and financial statements including his/her suitable compensation. Participate in the meeting with the auditor without the presence of the management of at least once a year.
- 7.6 Coordinate with the auditor to let him/her understand the work process and the scope of audit responsibility that is beneficial to the Company.
- 7.7 Consider the audit report and suggestions made by the internal inspector, the auditor, supervisory agency and instruct concerned individuals to implement accordingly including monitor for compliance with such suggestions.
- 7.8 Consider connected transactions or transactions with conflict of interest elements at the Company or at subsidiaries to ensure they follow the SET's laws and regulations and make sure that such transactions (if any) are reasonable and are for the best interest of the Company.
- 7.9 Prepare the annual audit report of the Audit Committee signed by the chairman of the Audit Committee for inclusion in the Company's annual report. Such report must at least contain the following information.
  - (a) Opinions on the correctness, completeness and the reliability of the Company's financial statements.
  - (b) Opinions on the adequacy of the Company's internal control system.
  - (c) Opinions on compliance with the laws concerning securities and securities markets, the SET's regulations or the laws with regards to the Company's business.
  - (d) Opinions on the suitability of the auditor.
  - (e) Opinion on transactions that may have elements of conflict of interest.
  - (f) The number of meetings of the Audit Committee and the participation of each Audit Committee members.
  - (g) Opinions or overall observations of the Audit Committee gathered while performing their charter duty.
  - (h) Other items that the shareholders and general investors should know under the scope of duty and responsibility assigned by the Company's BOD.
- 7.10 If there is any doubt or discovery of the followings which may materially affect the Company's financial position and performance, the Audit Committee must report to the BOD to take necessary actions within the timeframe deemed appropriate by the Audit Committee.
  - (a) Any conflict of interest transaction.
  - (b) Fraudulent transaction or if there is something wrong or there is an important shortfall in the internal control system.
  - (c) Violation of the laws concerning securities and securities market, the SET's regulations or any laws concerning the Company's business or any laws concerning SET's listed company.

If the Company's BOD or the management fails to take actions to remedy the situation within the agreed timeframe, any member of the Audit Committee may report such item or transaction to the SEC or the SET and disclose such incident in the annual report.
- 7.11 Support and ensure that the Company has efficient risk management system in place.

- 7.12 Support and provide recommendations including follow up to ensure that the Company has good corporate governance policy in place.
- 7.13 Consider to review the Audit Committee charter of at least once a year. If there is any change required, present to the Company's BOD to approve.
- 7.14 Arrange to evaluate the performance of the Audit Committee every year.
- 7.15 Perform any other duty assigned by the Company's BOD and consented by the Audit Committee or by virtue of the Company's Article of Association and the laws.
- 7.16 The independence nature of the Audit Committee enable them to voice their opinions or report freely without having to be concerned about any interest (hidden or otherwise). In performing the abovementioned duty, the Audit Committee is directly accountable to the Company's BOD which in turn is accountable, in properly managing the Company, to external parties.

Chairman of Audit Committee  
Lease IT Public Company Limited

To All Shareholders

The Audit Committee of Lease IT Public Company Limited (Lease IT) currently consist of 4 independent directors who are seniors in various fields such as accounting, financing, economic, statistic and business administration. The current Audit Committee are:

- |   |                                 |
|---|---------------------------------|
| 1. Mr. Pongsak Chewcharat                   | Chairman of the Audit Committee |
| 2. Mr. Suthud Khancharoensuk                | Audit Committee Member          |
| 3. Associate Professor Dr.Suda Suwannapirom | Audit Committee Member          |
| 4. Mrs. Wasara Chotithammarat               | Audit Committee Member          |

Mr. Amm Kaytanyalak acts as the secretary of the Audit Committee.

(Working from March 1, 2022 to September 30, 2022)

The Audit Committee performed its duties within the scope of duties and responsibilities assigned by the Board of Directors. which is consistent with the requirements of the Stock Exchange of Thailand as well as giving advice on various matters, as well as reviewing the adequacy and effectiveness of the internal control system. Ensuring that there is accurate and complete disclosure of information about connected transactions, consider, select and propose auditor's remuneration and perform other tasks within the scope of responsibility assigned by the Board of Directors in accordance with relevant laws and regulations.

In the year 2022 the Audit Committee has held 9 meetings. By discussing with the management senior management and held one meeting with the auditor without the presence of management to consider and exchange opinions on financial reports. internal control system Connected transactions or may have conflicts of interest risk management Disclosure of financial information of the company The main conclusions are as follows:

- 1. Review of financial reports** The Audit Committee reviewed the quarterly financial statements and the 2022 financial statements of the Company and its subsidiaries. Including significant changes in accounting policies. important accounting items adjustments and disclosure of information accurately and completely the clarifications from auditors, management and internal auditors have been received until they are satisfied that the preparation of financial statements complies with legal requirements, generally accepted accounting standards and financial reporting standards. The disclosure of information in the financial statements is correct, adequate, timely and beneficial to users of the financial statements.
- 2. Review of the internal control system** The Audit Committee reviewed the results of internal control assessment by inviting independent internal auditors and various management departments related clarifications to realize the importance of the internal control system.
- 3. Review and comment on connected transactions or transactions that may have conflicts of interest including the disclosure of information of such transactions.** The Audit Committee has reviewed and considered connected transactions or that may have conflicts of interest of the Company to comply with the laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The result of the review found that the Company has operated with transparency, reasonableness and beneficial to the business operation of the Company and its shareholders as a whole. Including disclosure of information correctly, completely, on time.

**4. Selection consideration propose the appointment of the auditor and the annual remuneration of the auditor.** The Audit Committee is responsible for selecting propose the appointment of the auditor and consider the auditor's remuneration. By considering the independence of the auditor, knowledge, competence, experience, past audit work appropriateness of the audit fee. It is of the opinion that the auditors from EY Office Limited are independent, knowledgeable and experience in auditing consulting in accounting standards Certification of financial statements on time and the audit fee is appropriate. Therefore, it was resolved to propose to the Board of Directors for consideration and approval from the shareholders' meeting for the appointment of auditors from EY Office Limited as auditors for the year 2022, with the remuneration not exceeding 2,220,000 baht per year.

**5. Consideration of the Company's Risk Management** The Audit Committee together with senior management reviewed the implementation of the annual risk management plan. Regularly review and monitor risk management. Including monitoring movements and trends to review risk management plans and strategies used to manage risk to be at an acceptable level, appropriate, and timely in line with the changing situation. and consistent with the Company's plans.

**6. Consideration and review of the operation according to the specified work system.**

The Company has followed Securities and Exchange Act as well as the requirements of the Securities and Exchange Commission and other laws related to the business operations of the Company

February 20, 2023

On behalf of the Audit Committee

Mr. Pongsak Chewcharat

Chairman of the Audit Committee



**ONE**  
of Thailand's  
Top Non-Bank  
Lenders for SMEs

# ยินดีต้อนรับสู่ความสำเร็จ

เปิดรับโอกาส  
เพื่อเงินทุนต่อยอดธุรกิจ  
ด้วย สินเชื่อ Project Finance

แค่ Invoice ใบเดียว  
ก็รับโปรเจกต์ใหม่ๆ  
ได้อย่างต่อเนื่อง  
ด้วย สินเชื่อ Factoring

หมดกังวล  
เรื่องหนังสือค้ำประกันซองประมูล  
ด้วย สินเชื่อ Bid Bond / E-Bidding

CEO NETWORKING



## วงเงินสินเชื่อเพื่อหมุนเวียนธุรกิจ

- อนุมัติภายใน 3 วัน\*
- ไม่เน้นหลักทรัพย์ค้ำประกัน\*
- ให้คำปรึกษาเรื่องเงินทุนหมุนเวียนธุรกิจครบวงจร

เพียงคุณมีคู่ค้าเป็น **หน่วยงานราชการ / รัฐวิสาหกิจ / บริษัทเอกชนขนาดใหญ่**

\*เงื่อนไขการพิจารณาเป็นไปตามที่บริษัทฯ กำหนด

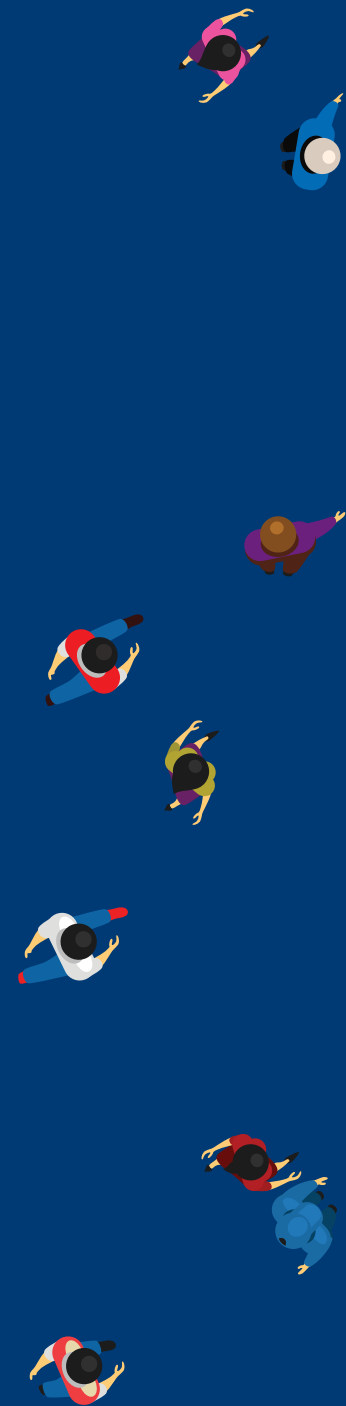
Grow your  
**SMEs**  
faster with **Lease IT**

Beyond the boundary of  
SMEs finance

Fast Approval

High Credit Limit

Does not focus on Collateral



True Financial Partner

Lease IT Public Company Limited  
1023 MS Siam Tower, 29<sup>th</sup> Floor, Rama 3 Rd.  
Chongnonsi, Yannawa, Bangkok 10120

☎ 0 2163 4260    🖨 0 2163 4291

🌐 [www.leaseit.co.th](http://www.leaseit.co.th)

📘 Lease It สิ้นเชื่อธุรกิจ เพื่อนคู่คิด SME

