

**Muangthai Capital Public Company Limited
and its Subsidiaries**

Condensed interim financial statements
for the three-month period ended
31 March 2022
and
Independent auditor's review report

Independent Auditor’s Report on Review of Interim Financial Information

To the Board of Directors of Muangthai Capital Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Muangthai Capital Public Company Limited and its subsidiaries, and of Muangthai Capital Public Company Limited, respectively, as at 31 March 2022; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2022; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
10 May 2022

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March 2022 (Unaudited)	31 December 2021	31 March 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,652,190	1,306,300	1,200,361	1,017,777
Current portion of loan receivables	4	49,228,542	46,917,364	49,169,249	46,917,364
Current portion of hire purchase receivables	5	1,966,703	1,263,488	285,492	-
Other receivables - related parties	3	-	-	3,796,007	3,152,455
Short-term loans		80,483	88,337	80,483	88,337
Short-term loans - related parties	3	45	40	45	40
Current portion of long-term loan - related party	3	-	-	250,000	150,000
Other current assets		344,733	308,605	205,254	155,616
Total current assets		53,272,696	49,884,134	54,986,891	51,481,589
Non-current assets					
Restricted bank deposits		12,000	11,000	-	-
Loan receivables	4	41,956,064	38,897,289	41,861,907	38,897,289
Hire purchase receivables	5	3,621,220	2,902,439	483,211	-
Investments in subsidiaries		-	-	1,052,000	1,052,000
Long-term loan - related party	3	-	-	675,000	412,500
Land, buildings and equipment		2,097,628	2,053,820	2,097,596	2,053,785
Right-of-use assets	3	4,181,691	3,987,980	4,181,691	3,987,980
Intangible assets		52,907	50,520	52,855	50,464
Deferred tax assets		427,142	423,476	400,317	414,641
Other non-current assets		189,391	179,179	189,391	179,179
Total non-current assets		52,538,043	48,505,703	50,993,968	47,047,838
Total assets		105,810,739	98,389,837	105,980,859	98,529,427

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2022 (Unaudited)	31 December 2021	31 March 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	6	3,503,703	4,235,075	3,503,703	4,235,075
Other payables		890,814	1,236,699	865,038	1,221,200
Current portion of long-term borrowings from financial institutions	7	11,120,223	10,121,419	11,120,223	10,121,419
Current portion of debentures	8	15,745,570	14,436,989	15,745,570	14,436,989
Current portion of lease liabilities	3	872,259	867,719	872,259	867,719
Income tax payable		1,028,285	672,640	957,904	635,483
Other current liabilities	3	143,097	131,279	703,826	555,102
Total current liabilities		33,303,951	31,701,820	33,768,523	32,072,987
Non-current liabilities					
Long-term borrowings from financial institutions	7	7,637,005	5,929,746	7,637,005	5,929,746
Debentures	8	35,122,866	32,591,199	35,122,866	32,591,199
Lease liabilities	3	3,332,992	3,142,589	3,332,992	3,142,589
Provisions for employee benefits		169,861	155,983	169,861	155,983
Total non-current liabilities		46,262,724	41,819,517	46,262,724	41,819,517
Total liabilities		79,566,675	73,521,337	80,031,247	73,892,504
Equity					
Share capital:					
Authorised share capital (2,120,000,000 ordinary shares, par value at Baht 1 per share)		2,120,000	2,120,000	2,120,000	2,120,000
Issued and paid-up share capital (2,120,000,000 ordinary shares, par value at Baht 1 per share)		2,120,000	2,120,000	2,120,000	2,120,000
Share premium on ordinary shares		2,379,843	2,379,843	2,379,843	2,379,843
Retained earnings					
Appropriated					
Legal reserve		212,000	212,000	212,000	212,000
Unappropriated		21,532,221	20,156,657	21,237,769	19,925,080
Total equity		26,244,064	24,868,500	25,949,612	24,636,923
Total liabilities and equity		105,810,739	98,389,837	105,980,859	98,529,427

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended 31 March		Three-month period ended 31 March	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Revenue					
Interest income from loan receivables and hire purchase receivables		4,285,135	3,584,942	4,054,881	3,546,286
Fee and service income		149,046	263,473	128,589	250,023
Other income	3	13,639	8,729	87,426	35,870
Total revenue	9	4,447,820	3,857,144	4,270,896	3,832,179
Expenses					
Services and administrative expenses	3	1,962,921	1,501,597	1,961,652	1,501,405
Total expenses		1,962,921	1,501,597	1,961,652	1,501,405
Profit from operating activities		2,484,899	2,355,547	2,309,244	2,330,774
Gain arising from derecognition of financial assets measured at amortised cost		20,308	10,274	20,308	10,274
Finance costs	3	(603,600)	(476,552)	(603,600)	(476,552)
Expected credit loss		(169,219)	(155,719)	(72,159)	(151,269)
Profit before income tax		1,732,388	1,733,550	1,653,793	1,713,227
Income tax		(356,824)	(359,894)	(341,104)	(355,829)
Profit for the period		1,375,564	1,373,656	1,312,689	1,357,398
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on cash flow hedges		-	2,680	-	2,680
Income tax relating to items that will be reclassified subsequently to profit or loss		-	(536)	-	(536)
Total items that will be reclassified subsequently to profit or loss		-	2,144	-	2,144
Other comprehensive income for the period, net of tax		-	2,144	-	2,144
Total comprehensive income for the period		1,375,564	1,375,800	1,312,689	1,359,542
Profit attributable to:					
Owners of parent		1,375,564	1,373,656	1,312,689	1,357,398
Non-controlling interests		-	-	-	-
		1,375,564	1,373,656	1,312,689	1,357,398
Total comprehensive income attributable to:					
Owners of parent		1,375,564	1,375,800	1,312,689	1,359,542
Non-controlling interests		-	-	-	-
		1,375,564	1,375,800	1,312,689	1,359,542
Earnings per share					
Basic earnings per share <i>(in Baht)</i>		0.65	0.65	0.62	0.64

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements					Other components of equity	Total equity
	Issued and paid-up share capital	Share premium	Retained earnings		Hedging reserve		
			Legal reserve	Unappropriated <i>(in thousand Baht)</i>			
Three-month period ended 31 March 2021							
Balance at 1 January 2021	2,120,000	2,379,843	212,000	15,975,469	(5,178)		20,682,134
Comprehensive income for the period							
Profit for the period	-	-	-	1,373,656	-		1,373,656
Other comprehensive income for the period	-	-	-	-	2,144		2,144
Total comprehensive income for the period	-	-	-	1,373,656	2,144		1,375,800
Balance at 31 March 2021	2,120,000	2,379,843	212,000	17,349,125	(3,034)		22,057,934
Three-month period ended 31 March 2022							
Balance at 1 January 2022	2,120,000	2,379,843	212,000	20,156,657	-		24,868,500
Comprehensive income for the period							
Profit for the period	-	-	-	1,375,564	-		1,375,564
Other comprehensive income for the period	-	-	-	-	-		-
Total comprehensive income for the period	-	-	-	1,375,564	-		1,375,564
Balance at 31 March 2022	2,120,000	2,379,843	212,000	21,532,221	-		26,244,064

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
			Retained earnings			
			Legal reserve	Unappropriated <i>(in thousand Baht)</i>		
Three-month period ended 31 March 2021						
Balance at 1 January 2021	2,120,000	2,379,843	212,000	15,944,637	(5,178)	20,651,302
Comprehensive income for the period						
Profit for the period	-	-	-	1,357,398	-	1,357,398
Other comprehensive income for the period	-	-	-	-	2,144	2,144
Total comprehensive income for the period	-	-	-	1,357,398	2,144	1,359,542
Balance at 31 March 2021	2,120,000	2,379,843	212,000	17,302,035	(3,034)	22,010,844
Three-month period ended 31 March 2022						
Balance at 1 January 2022	2,120,000	2,379,843	212,000	19,925,080	-	24,636,923
Comprehensive income for the period						
Profit for the period	-	-	-	1,312,689	-	1,312,689
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,312,689	-	1,312,689
Balance at 31 March 2022	2,120,000	2,379,843	212,000	21,237,769	-	25,949,612

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 31 March		Three-month period ended 31 March	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit before income tax	1,732,388	1,733,550	1,653,793	1,713,227
<i>Adjustments to reconcile profit before income tax to cash received (paid)</i>				
Depreciation and amortisation	330,448	300,420	330,441	300,416
Gain arising from derecognition of financial assets measured at amortised cost	(20,308)	(10,274)	(20,308)	(10,274)
Expected credit loss	169,219	155,719	72,159	151,269
Losses on sales of land, building and equipment	5,891	7	5,891	7
Losses (gains) on sales of assets held for sales	585	-	(220)	-
Provisions for employee benefit	13,878	12,320	13,878	12,320
Gains on lease modification	(4,260)	(4,164)	(4,260)	(4,164)
Interest income from loan receivables and hire purchase receivables	(4,285,135)	(3,584,942)	(4,054,881)	(3,546,286)
Interest income received from loan receivables and hire purchase receivables	4,194,025	3,678,184	4,001,380	3,648,039
Other interest income	(1,809)	(1,811)	(8,332)	(1,805)
Finance costs	603,600	476,552	603,600	476,552
	<u>2,738,522</u>	<u>2,755,561</u>	<u>2,593,141</u>	<u>2,739,301</u>
<i>Changes in operating assets and liabilities</i>				
Loan receivables	(5,357,371)	(1,936,624)	(5,204,177)	(1,936,624)
Hire purchase receivables	(1,476,666)	(872,224)	(763,670)	-
Other receivables - related parties	-	-	(643,739)	(857,919)
Short-term loans	7,854	5,895	7,854	5,895
Short-term loans - related parties	(5)	(2)	(5)	(2)
Other current assets	(50,618)	(215,177)	(63,320)	(156,619)
Other non-current assets	(10,217)	(8,155)	(10,217)	(8,155)
Other payables	(327,134)	(395,573)	(337,411)	(399,406)
Other current liabilities	11,818	29,265	148,724	63,124
Net cash used in operating	<u>(4,463,817)</u>	<u>(637,034)</u>	<u>(4,272,820)</u>	<u>(550,405)</u>
Income taxes paid	(4,845)	(999)	(4,360)	(668)
Net cash used in operating activities	<u>(4,468,662)</u>	<u>(638,033)</u>	<u>(4,277,180)</u>	<u>(551,073)</u>
<i>Cash flows from investing activities</i>				
Increase in restricted bank deposits	(1,000)	-	-	-
Long-term loan - related party	-	-	(400,000)	-
Proceeds from repayment of long-term loan from related party	-	-	37,500	-
Interest income received	-	-	6,712	-
Acquisition of land, building and equipment	(158,620)	(118,247)	(158,620)	(118,247)
Acquisition of intangible assets	(4,977)	(20,203)	(4,977)	(20,203)
Proceeds from sales of land, buildings and equipment	2,413	2,114	2,413	2,114
Net cash used in investing activities	<u>(162,184)</u>	<u>(136,336)</u>	<u>(516,972)</u>	<u>(136,336)</u>

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 31 March		Three-month period ended 31 March	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Net repayment of short-term borrowings				
from financial institutions	(739,640)	(1,300,000)	(739,640)	(1,300,000)
Proceed from long-term borrowings from financial institutions	3,500,000	700,000	3,500,000	700,000
Repayment of long-term borrowings from financial institutions	(791,733)	(1,302,083)	(791,733)	(1,302,083)
Proceed from debentures issuance	7,000,000	5,000,000	7,000,000	5,000,000
Repayment of debentures redemption	(3,150,300)	(2,000,000)	(3,150,300)	(2,000,000)
Payment of lease liabilities	(262,450)	(224,561)	(262,450)	(224,561)
Interest paid	(579,141)	(493,202)	(579,141)	(493,202)
Net cash from financing activities	4,976,736	380,154	4,976,736	380,154
Net increase (decrease) in cash and cash equivalents	345,890	(394,215)	182,584	(307,255)
Cash and cash equivalents at 1 January	1,306,300	1,378,094	1,017,777	1,083,709
Cash and cash equivalents at 31 March	1,652,190	983,879	1,200,361	776,454
<i>Non-cash transactions</i>				
Accounts payable on purchase of assets	11,698	12,143	11,698	12,143

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

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

Note	Contents
1	Basis of preparation of the interim financial statements
2	Impact of Covid-19 outbreak
3	Related parties
4	Loan receivables
5	Hire purchase receivables
6	Short-term borrowings from financial institutions
7	Long-term borrowings from financial institutions
8	Debentures
9	Segment information and disaggregation of revenue
10	Financial instruments
11	Commitments with non-related parties
12	Events after the reporting period

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 10 May 2022.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statement. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s and the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2021.

2 Impact of Covid-19 outbreak

The Covid-19 outbreak is still on going. Due to uncertainty of the situation since 2020, the Bank of Thailand (“BoT”) has provided measures, which are intended to support the financial institutions and finance businesses to help the affected debtors. Additional measures continue to be provided.

In 2022, the Group and the Company applied the accounting guideline no. 37/2564 dated 3 December 2021, “*Guideline regarding the provision of financial assistance to the debtors affected by the Covid-19*”. This guideline is applied to the affected debtors during 1 January 2022 to 31 December 2023 or as further updated by BoT. For debt restructuring under the specified criteria from 1 January 2021 to 31 December 2021, the entity can apply the relevant staging and provisioning guideline under this accounting guideline to the debtors from 1 January 2022 to 31 December 2023. The guideline of staging and provisioning depends on debt restructuring method which can be categorised into 2 groups below. The accounting guideline is in line with the BoT Circular no. BoT. For Nor Sor. 2 Wor. 802/2564 dated 3 September 2021, “*Guidelines regarding the provision of financial assistance to the debtors affected by the Covid-19 (sustainable debt resolution)*”.

Debt restructuring method

1. Debt restructuring which aims to reduce the repayment burden other than term extension
2. Debt restructuring by term extension only

Guideline of staging and provisioning

1. Non NPL modified loans can be classified as stage 1 performing immediately once they are identified as being likely to repay
 2. NPL modified loans can be classified as stage 1 performing only if they can repay 3 consecutive months or 3 consecutive dues, whichever is longer
 3. Revision of effective interest rate (EIR) at the date of modification.
- Apply in accordance with the relevant financial reporting standard.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

3 Related parties

The Group and the Company have no significant change in relationships with other related parties and the pricing policies.

Significant transactions for the three-month periods ended 31 March 2022 and 2021 with related parties were as follows:

<i>For the three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Fee income on support services	-	-	67,062	26,932
Rental income	-	-	441	215
Other interest income	-	-	6,525	-
<i>Key management personnel</i>				
Other interest income	1	1	1	1
Finance cost - Interest expenses on lease liabilities	209	247	209	247
Key management personnel compensation				
Short-term employee benefits	12,437	11,650	12,437	11,650
Post-employment benefits	598	562	598	562
Total key management personnel compensation	<u>13,035</u>	<u>12,212</u>	<u>13,035</u>	<u>12,212</u>
<i>Other related parties</i>				
Commission expense	547	526	547	526

Significant balances as at 31 March 2022 and 31 December 2021 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Other receivables	-	-	3,796,007	3,152,455
Long-term loans	-	-	925,000	562,500
Other current liabilities	-	-	561,403	423,835
<i>Key management personnel</i>				
Short-term loans	45	40	45	40
Right-of-use assets	17,791	18,746	17,791	18,746
Lease liabilities	18,261	19,204	18,261	19,204
<i>Other related parties</i>				
Other current liabilities	180	180	180	180

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

Significant agreements with related parties

As at 31 March 2022, interest rates on short-term loans to key management personal were 8% per annum (31 December 2021: 8% per annum).

As at 31 March 2022, long-term loan to a subsidiary was Baht 925.0 million (31 December 2021: Baht 562.5 million) where the principal is repayable every 3 months and the interest is repayable monthly until February 2026 (31 December 2021: August 2025). The interest rate is as specified in the contract.

As at 31 March 2022, the Company had the service agreements with subsidiaries. The scope of services comprises of providing insurance broker, authorisation on hire purchase contract, repayment, debt collection, collateral seizure, collateral auction, accounting including information technology and information service. The agreement is effective until termination. The Company receives the service fee as specified in the agreements.

As at 31 March 2022, the Company had the several office space rental agreements with subsidiaries for periods of 3 years commencing from 1 March 2021 and ended on 31 December 2024 (31 December 2021: 3 years commencing from 1 March 2021 and ending on 28 February 2024). The subsidiaries have the right to renew the lease at the end of lease period. The Company receives rental fees as specified in the agreements. Rental fees will be revisited every time the contract is due.

As at 31 March 2022, the Company had the several office building lease agreements with related parties. The lease period was 3 years commencing from October 2019 and ending in December 2023 (31 December 2021: 3 years commencing from October 2019 and ending in December 2023). The Company pays rental fees as specified in the agreements.

4 Loan receivables

	Consolidated financial statements		
	Portion due within one year ⁽¹⁾	31 March 2022 Portion due over one year (in thousand Baht)	Total
Loan receivables	49,265,173	42,374,974	91,640,147
Add accrued interest receivables and undue interest income	1,248,637	-	1,248,637
Total	50,513,810	42,374,974	92,888,784
Less allowance for expected credit loss	(1,285,268)	(418,910)	(1,704,178)
Net carrying amount	49,228,542	41,956,064	91,184,606
	Separate financial statements		
	Portion due within one year ⁽¹⁾	31 March 2022 Portion due over one year (in thousand Baht)	Total
Loan receivables	49,206,349	42,280,605	91,486,954
Add accrued interest receivables and undue interest income	1,248,036	-	1,248,036
Total	50,454,385	42,280,605	92,734,990
Less allowance for expected credit loss	(1,285,136)	(418,698)	(1,703,834)
Net carrying amount	49,169,249	41,861,907	91,031,156

⁽¹⁾ The balance of loan receivables due within 1 year includes receivables that are credit-impaired.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

Consolidated and Separate financial statements			
31 December 2021			
	Portion due within one year ⁽¹⁾	Portion due over one year <i>(in thousand Baht)</i>	Total
Loan receivables	46,695,147	39,707,592	86,402,739
Add accrued interest receivables and undue interest income	1,199,594	-	1,199,594
Total	47,894,741	39,707,592	87,602,333
Less allowance for expected credit loss	(977,377)	(810,304)	(1,787,681)
Net carrying amount	46,917,364	38,897,288	85,814,652

⁽¹⁾ The balance of loan receivables due within 1 year includes receivables that are credit-impaired.

The following tables set out information about the credit quality as at 31 March 2022 and 31 December 2021 of loan receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements				
31 March 2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
Loan receivables				
Current	71,393,895	-	-	71,393,895
Overdue 1 - 30 days	13,952,890	-	-	13,952,890
Overdue 31 - 60 days	-	4,742,048	-	4,742,048
Overdue 61 - 90 days	-	1,442,546	-	1,442,546
Overdue more than 90 days	-	-	1,187,583	1,187,583
Litigation receivables	-	-	169,822	169,822
Total	85,346,785	6,184,594	1,357,405	92,888,784
Less allowance for expected credit loss	(540,928)	(321,388)	(841,862)	(1,704,178)
Net carrying amount	84,805,857	5,863,206	515,543	91,184,606

Separate financial statements				
31 March 2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
Loan receivables				
Current	71,240,101	-	-	71,240,101
Overdue 1 - 30 days	13,952,890	-	-	13,952,890
Overdue 31 - 60 days	-	4,742,048	-	4,742,048
Overdue 61 - 90 days	-	1,442,546	-	1,442,546
Overdue more than 90 days	-	-	1,187,583	1,187,583
Litigation receivables	-	-	169,822	169,822
Total	85,192,991	6,184,594	1,357,405	92,734,990
Less allowance for expected credit loss	(540,584)	(321,388)	(841,862)	(1,703,834)
Net carrying amount	84,652,407	5,863,206	515,543	91,031,156

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

Consolidated and Separate financial statements
31 December 2021

	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
<i>Loan receivables</i>				
Current	69,294,997	-	-	69,294,997
Overdue 1 - 30 days	12,542,034	-	-	12,542,034
Overdue 31 - 60 days	-	3,487,925	-	3,487,925
Overdue 61 - 90 days	-	1,090,250	-	1,090,250
Overdue more than 90 days	-	-	1,005,724	1,005,724
Litigation receivables	-	-	181,403	181,403
Total	81,837,031	4,578,175	1,187,127	87,602,333
<i>Less allowance for expected credit loss</i>	<i>(709,289)</i>	<i>(348,966)</i>	<i>(729,426)</i>	<i>(1,787,681)</i>
Net carrying amount	81,127,742	4,229,209	457,701	85,814,652

	Consolidated financial statements		Separate financial statements	
<i>Expected credit loss</i>	2022	2021	2022	2021
<i>For the three-month period ended 31 March</i>	<i>(in thousand Baht)</i>			
Recognised in profit or loss	(56,767)	(131,736)	(56,423)	(131,736)

The normal credit term granted by the Group and the Company is 3 to 80 months.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

5 Hire purchase receivables

Consolidated financial statements							
31 March 2022							
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
<i>(in thousand Baht)</i>							
Hire purchase receivables	3,182,786	2,169,989	1,391,186	765,129	351,815	55,201	7,916,106
Less unearned interest income	<u>(1,125,744)</u>	<u>(583,819)</u>	<u>(305,512)</u>	<u>(136,071)</u>	<u>(37,631)</u>	<u>(3,816)</u>	<u>(2,192,593)</u>
Total	<u>2,057,042</u>	<u>1,586,170</u>	<u>1,085,674</u>	<u>629,058</u>	<u>314,184</u>	<u>51,385</u>	<u>5,723,513</u>
Less allowance for expected credit loss	<u>(90,339)</u>	<u>(18,014)</u>	<u>(13,349)</u>	<u>(8,886)</u>	<u>(4,221)</u>	<u>(781)</u>	<u>(135,590)</u>
Net	<u>1,966,703</u>	<u>1,568,156</u>	<u>1,072,325</u>	<u>620,172</u>	<u>309,963</u>	<u>50,604</u>	<u>5,587,923</u>

Separate financial statements							
31 March 2022							
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
<i>(in thousand Baht)</i>							
Hire purchase receivables	394,944	307,668	170,906	69,771	40,678		983,967
Less unearned interest income	<u>(108,780)</u>	<u>(62,053)</u>	<u>(28,451)</u>	<u>(10,994)</u>	<u>(3,154)</u>		<u>(213,432)</u>
Total	<u>286,164</u>	<u>245,615</u>	<u>142,455</u>	<u>58,777</u>	<u>37,524</u>		<u>770,535</u>
Less allowance for expected credit loss	<u>(672)</u>	<u>(590)</u>	<u>(341)</u>	<u>(140)</u>	<u>(89)</u>		<u>(1,832)</u>
Net	<u>285,492</u>	<u>245,025</u>	<u>142,114</u>	<u>58,637</u>	<u>37,435</u>		<u>768,703</u>

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

Consolidated financial statements							
31 December 2021							
	Portion due over one year	Portion due over two years	Portion due over three years	Portion due over four years	Portion due over five years	Portion due over five years	Total
	Portion due within one year	Portion but within two years	Portion but within three years	Portion but within four years	Portion but within five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	2,084,557	1,668,326	1,148,634	651,800	330,388	66,899	5,950,604
Less unearned interest income	<u>(808,932)</u>	<u>(492,049)</u>	<u>(269,030)</u>	<u>(127,260)</u>	<u>(38,381)</u>	<u>(4,850)</u>	<u>(1,740,502)</u>
Total	1,275,625	1,176,277	879,604	524,540	292,007	62,049	4,210,102
Less allowance for expected credit loss	<u>(12,137)</u>	<u>(11,512)</u>	<u>(9,418)</u>	<u>(6,500)</u>	<u>(3,699)</u>	<u>(909)</u>	<u>(44,175)</u>
Net	<u>1,263,488</u>	<u>1,164,765</u>	<u>870,186</u>	<u>518,040</u>	<u>288,308</u>	<u>61,140</u>	<u>4,165,927</u>

The following tables set out information about the credit quality as at 31 March 2022 and 31 December 2021 of hire purchase receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements				
31 March 2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Hire purchase receivables *				
Current	4,338,598	-	-	4,338,598
Overdue 1 - 30 days	550,114	-	-	550,114
Overdue 31 - 60 days	-	344,759	-	344,759
Overdue 61 - 90 days	-	217,868	-	217,868
Overdue more than 90 days	-	-	272,174	272,174
Total	4,888,712	562,627	272,174	5,723,513
Less allowance for expected credit loss	<u>(38,069)</u>	<u>(29,381)</u>	<u>(68,140)</u>	<u>(135,590)</u>
Net	<u>4,850,643</u>	<u>533,246</u>	<u>204,034</u>	<u>5,587,923</u>

Separate financial statements				
31 March 2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Hire purchase receivables *				
Current	755,941	-	-	755,941
Overdue 1 - 30 days	14,594	-	-	14,594
Total	770,535	-	-	770,535
Less allowance for expected credit loss	<u>(1,832)</u>	<u>-</u>	<u>-</u>	<u>(1,832)</u>
Net	<u>768,703</u>	<u>-</u>	<u>-</u>	<u>768,703</u>

* Hire purchase receivables, net of unearned interest income

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

	Consolidated financial statements			
	31 December 2021			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
<i>Hire purchase receivables</i> *				
Current	3,390,042	-	-	3,390,042
Overdue 1 - 30 days	386,491	-	-	386,491
Overdue 31 - 60 days	-	216,603	-	216,603
Overdue 61 - 90 days	-	128,159	-	128,159
Overdue more than 90 days	-	-	88,807	88,807
Total	3,776,533	344,762	88,807	4,210,102
Less allowance for expected credit loss	(19,698)	(11,033)	(13,444)	(44,175)
Net	3,756,835	333,729	75,363	4,165,927

* Hire purchase receivables, net of unearned interest income

	Consolidated		Separate	
	financial statements		financial statements	
<i>Expected credit loss</i>	2022	2021	2022	2021
<i>For the three-month period ended 31 March</i>	<i>(in thousand Baht)</i>			
Recognised in profit or loss	(98,549)	(4,450)	(1,832)	-

The normal credit term granted by the Group and the Company are 6 to 72 months.

6 Short-term borrowings from financial institutions

Change in short-term borrowings from financial institutions for the three-month period ended 31 March 2022 were as follow:

	Consolidated and Separate financial statements		
	Promissory notes	Bills of exchange	Total
	<i>(in thousand Baht)</i>		
At 1 January 2022	3,020,000	1,215,075	4,235,075
Additions	10,230,000	1,770,000	12,000,000
Repayments	(12,110,000)	(620,000)	(12,730,000)
Net increase in deferred issuing costs	-	(1,372)	(1,372)
At 31 March 2022	1,140,000	2,363,703	3,503,703

Promissory notes bear fixed interest rates per annum, with principal repayable within the specific dates of each promissory note, and interest payable monthly.

Bills of exchange have principal repayment at the specific dates on each bill of exchange.

These borrowings are unsecured.

The Group and the Company are required to comply with certain terms and conditions as specified in each borrowing agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity, interest coverage ratio and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 March 2022, the bank overdrafts and short-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 5,040 million (31 December 2021: Baht 3,160 million).

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

7 Long-term borrowings from financial institutions

Change in long-term borrowings from financial institutions for the three-month period ended 31 March 2022 were as follow:

	Consolidated and Separate financial statements <i>(in thousand Baht)</i>
At 1 January 2022	16,051,165
Additions	3,500,000
Repayments	(791,733)
Net increase in deferred issuing costs	(2,204)
At 31 March 2022	18,757,228
	<hr/>
Current portion	11,120,223
Non-current portion	7,637,005
Total	18,757,228

Long-term borrowings from financial institutions have principal repayable every 3 months or at maturity date, interest payable monthly or every 3 months. These long-term borrowings from institutions bear fixed interest rates per annum.

The Group and the Company are required to comply with certain terms and conditions as specified in each borrowing agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity, interest coverage ratio and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 March 2022, the long-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 1,000 million (*31 December 2021: Baht 1,000 million*).

8 Debentures

Change in debentures which were registered, unsubordinated and unsecured debentures for the three-month period ended 31 March 2022 were as follow:

	Consolidated and Separate financial statements <i>(in thousand Baht)</i>
At 1 January 2022	47,028,188
Issuance	7,000,000
Repayments	(3,150,300)
Net increase in deferred issuing costs	(9,452)
At 31 March 2022	50,868,436
	<hr/>
Current portion	15,745,570
Non-current portion	35,122,866
Total	50,868,436

Debentures have principal repayable at maturity date and interest payable every 3 months or 6 months. These debentures bear fixed interest rates per annum.

The Company, as debentures issuer, has a condition to maintain a debt to equity ratio at end of each fiscal year.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

9 Segment information and disaggregation of revenue

Financial information of the Group presented by segments for the three-month period ended 31 March 2022 and 2021 are as follows:

<i>For the three-month period ended 31 March</i>	Consolidated financial statements									
	Lending business		Insurance broker		Hire purchase		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
Interest income from loan receivables and hire purchase receivables	4,042,565	3,546,286	-	-	242,570	38,656	-	-	4,285,135	3,584,942
Fees and service income	128,589	250,023	17,922	13,338	2,535	112	-	-	149,046	263,473
Other income	87,424	35,870	7	6	236	-	(74,028)	(27,147)	13,639	8,729
Total revenues	4,258,578	3,832,179	17,929	13,344	245,341	38,768	(74,028)	(27,147)	4,447,820	3,857,144
Segment profit before income tax	1,642,745	1,713,227	3,349	2,458	86,294	17,865	-	-	1,732,388	1,733,550
Income tax	(341,114)	(355,829)	(670)	(492)	(15,040)	(3,573)	-	-	(356,824)	(359,894)
Segment profit	1,301,631	1,357,398	2,679	1,966	71,254	14,292	-	-	1,375,564	1,373,656
Significant non-cash transactions										
Gain arising from derecognition of financial assets measured at amortised cost	20,308	10,274	-	-	-	-	-	-	20,308	10,274
Expected credit loss	(70,670)	(151,269)	-	-	(98,549)	(4,450)	-	-	(169,219)	(155,719)
	Consolidated financial statements									
	Lending business		Insurance broker		Hire purchase		Elimination		Total	
	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
Total assets	105,416,128	98,529,427	73,285	65,799	6,655,737	4,985,400	(6,334,411)	(5,190,789)	105,810,739	98,389,837
Total liabilities	80,185,171	73,892,504	44,427	39,621	4,619,488	3,728,001	(5,282,411)	(4,138,789)	79,566,675	73,521,337

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

10 Financial instruments

Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount Financial instruments measured at amortised cost	Consolidated financial statements			
		Fair value			
		Level 1	Level 2 <i>(in thousand Baht)</i>	Level 3	Total
At 31 March 2022					
Financial assets					
Loan receivables	91,184,606	-	-	90,664,499	90,664,499
Financial liabilities					
Long-term borrowings from financial institutions	18,757,228	-	18,747,181	-	18,747,181
Debentures	50,868,436	-	51,165,198	-	51,165,198
At 31 December 2021					
Financial assets					
Loan receivables	85,814,652	-	-	85,414,777	85,414,777
Financial liabilities					
Long-term borrowings from financial institutions	16,051,165	-	16,099,610	-	16,099,610
Debentures	47,028,188	-	47,411,648	-	47,411,648

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

	Carrying amount	Separate financial statements			Total
	Financial instruments measured at amortised cost	Level 1	Level 2 <i>(in thousand Baht)</i>	Level 3	
<i>At 31 March 2022</i>					
<i>Financial assets</i>					
Loan receivables	91,031,156	-	-	90,511,049	90,511,049
Long-term loan - related party	925,000	-	929,876	-	929,876
<i>Financial liabilities</i>					
Long-term borrowings from financial institutions	18,757,228	-	18,747,181	-	18,747,181
Debentures	50,868,436	-	51,165,198	-	51,165,198
<i>At 31 December 2021</i>					
<i>Financial assets</i>					
Loan receivables	85,814,652	-	-	85,414,777	85,414,777
Long-term loan - related party	562,500	-	601,487	-	601,487
<i>Financial liabilities</i>					
Long-term borrowings from financial institutions	16,051,165	-	16,099,610	-	16,099,610
Debentures	47,028,188	-	47,411,648	-	47,411,648

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

Financial assets and liabilities which have short-term maturity, including cash and cash equivalents, other receivables, short-term loans and short-term borrowings from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.

Fair value of loan receivables and long-term loans are estimated by discounting expected future cash flow by the current market interest rates of the loans with similar terms and conditions.

Fixed rate long-term borrowings from financial institutions, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the instrument with similar terms and conditions.

Fair values of debentures are referenced by the price of debentures at the Thai Bond Market Association (“ThaiBMA”).

11 Commitments with non-related parties

	Consolidated and Separate financial statements	
	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	6,837	9,690
<i>Other commitments</i>		
Service agreements	-	4

As at 31 March 2022, the Group and the Company have no service agreement for office equipment (*31 December 2021: the Group and the Company have a service agreement for office equipment which service period was 4 years commencing from January 2018 and ending in January 2022*).

12 Events after the reporting period

On 19 April 2022, the Annual General Meeting of Shareholders passed resolutions as follows:

1. Approval of a cash dividend payment in respect of profit for the year 2021 at Baht 0.37 per share, totaling of Baht 784.4 million. The dividend will be paid on 17 May 2022.
2. Approval of an additional credit limit for debenture issuance and offering.