

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

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 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 30 June 2022; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2022; the consolidated and separate statement of changes in equity and cash flows for the six-month period ended 30 June 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
9 August 2022

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

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2022 (Unaudited)	31 December 2021	30 June 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents		2,878,874	1,306,300	2,430,615	1,017,777
Current portion of loan receivables	4	53,074,935	46,917,364	52,422,864	46,917,364
Current portion of hire purchase receivables	5	2,204,922	1,263,488	283,999	-
Other receivables - related parties	3	-	-	5,505,396	3,152,455
Short-term loans	3	96,964	88,377	96,964	88,377
Current portion of long-term loan - related party	3	-	-	250,000	150,000
Other current assets		345,058	308,605	207,748	155,616
Total current assets		58,600,753	49,884,134	61,197,586	51,481,589
Non-current assets					
Restricted bank deposits		12,000	11,000	-	-
Loan receivables	4	46,541,216	38,897,289	45,521,143	38,897,289
Hire purchase receivables	5	3,554,863	2,902,439	410,711	-
Investments in subsidiaries		-	-	1,052,000	1,052,000
Long-term loan - related party	3	-	-	612,500	412,500
Land, buildings and equipment		2,106,678	2,053,820	2,106,649	2,053,785
Right-of-use assets	3	4,298,966	3,987,980	4,298,966	3,987,980
Intangible assets		51,448	50,520	51,400	50,464
Deferred tax assets		471,473	423,476	447,349	414,641
Other non-current assets		184,857	179,179	184,857	179,179
Total non-current assets		57,221,501	48,505,703	54,685,575	47,047,838
Total assets		115,822,254	98,389,837	115,883,161	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	
		30 June 2022 (Unaudited)	31 December 2021	30 June 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	6	5,863,309	4,235,075	5,863,309	4,235,075
Other payables		964,751	1,236,699	915,973	1,221,200
Current portion of long-term borrowings from financial institutions	7	10,845,095	10,121,419	10,845,095	10,121,419
Current portion of debentures	8	16,280,116	14,436,989	16,280,116	14,436,989
Current portion of lease liabilities	3	902,438	867,719	902,438	867,719
Income tax payable		755,037	672,640	697,145	635,483
Other current liabilities	3	136,788	131,279	709,922	555,102
Total current liabilities		35,747,534	31,701,820	36,213,998	32,072,987
Non-current liabilities					
Long-term borrowings from financial institutions	7	8,103,965	5,929,746	8,103,965	5,929,746
Debentures	8	41,527,565	32,591,199	41,527,565	32,591,199
Lease liabilities	3	3,423,777	3,142,589	3,423,777	3,142,589
Provisions for employee benefits		179,140	155,983	179,140	155,983
Total non-current liabilities		53,234,447	41,819,517	53,234,447	41,819,517
Total liabilities		88,981,981	73,521,337	89,448,445	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		22,128,430	20,156,657	21,722,873	19,925,080
Total equity		26,840,273	24,868,500	26,434,716	24,636,923
Total liabilities and equity		115,822,254	98,389,837	115,883,161	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)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Revenue				
Interest income from loan receivables and hire purchase receivables	4,617,194	3,684,448	4,347,657	3,582,029
Fee and service income	184,599	197,602	162,251	182,056
Other income	22,947	14,364	96,923	54,140
Total revenue	4,824,740	3,896,414	4,606,831	3,818,225
Expenses				
Services and administrative expenses	1,946,219	1,656,818	1,941,583	1,656,557
Total expenses	1,946,219	1,656,818	1,941,583	1,656,557
Profit from operating activities	2,878,521	2,239,596	2,665,248	2,161,668
Gain arising from derecognition of financial assets measured at amortised cost	43,803	542	33,031	542
Finance costs	(662,638)	(507,241)	(662,638)	(507,241)
Expected credit loss	(524,326)	(137,858)	(439,305)	(127,639)
Profit before income tax	1,735,360	1,595,039	1,596,336	1,527,330
Income tax	(354,751)	(324,967)	(326,832)	(311,425)
Profit for the period	1,380,609	1,270,072	1,269,504	1,215,905
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gains on cash flow hedges	-	1,851	-	1,851
Income tax relating to items that will be reclassified subsequently to profit or loss	-	(370)	-	(370)
Total items that will be reclassified subsequently to profit or loss	-	1,481	-	1,481
Other comprehensive income for the period, net of tax	-	1,481	-	1,481
Total comprehensive income for the period	1,380,609	1,271,553	1,269,504	1,217,386
Profit attributable to:				
Owners of parent	1,380,609	1,270,072	1,269,504	1,215,905
Non-controlling interests	-	-	-	-
	1,380,609	1,270,072	1,269,504	1,215,905
Total comprehensive income attributable to:				
Owners of parent	1,380,609	1,271,553	1,269,504	1,217,386
Non-controlling interests	-	-	-	-
	1,380,609	1,271,553	1,269,504	1,217,386
Earnings per share				
Basic earnings per share <i>(in Baht)</i>	0.65	0.60	0.60	0.57

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)

		Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Revenue					
Interest income from loan receivables and hire purchase receivables		8,902,329	7,269,390	8,402,538	7,128,315
Fee and service income		333,645	461,075	290,840	432,079
Other income	3	36,586	23,093	184,349	90,010
Total revenue	9	<u><u>9,272,560</u></u>	<u><u>7,753,558</u></u>	<u><u>8,877,727</u></u>	<u><u>7,650,404</u></u>
Expenses					
Services and administrative expenses	3	3,909,140	3,158,415	3,903,235	3,157,962
Total expenses		<u><u>3,909,140</u></u>	<u><u>3,158,415</u></u>	<u><u>3,903,235</u></u>	<u><u>3,157,962</u></u>
Profit from operating activities		5,363,420	4,595,143	4,974,492	4,492,442
Gain arising from derecognition of financial assets measured at amortised cost		64,111	10,816	53,339	10,816
Finance costs	3	(1,266,238)	(983,793)	(1,266,238)	(983,793)
Expected credit loss		(693,545)	(293,577)	(511,464)	(278,908)
Profit before income tax		<u><u>3,467,748</u></u>	<u><u>3,328,589</u></u>	<u><u>3,250,129</u></u>	<u><u>3,240,557</u></u>
Income tax		(711,575)	(684,861)	(667,936)	(667,254)
Profit for the period		<u><u>2,756,173</u></u>	<u><u>2,643,728</u></u>	<u><u>2,582,193</u></u>	<u><u>2,573,303</u></u>
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on cash flow hedges		-	4,531	-	4,531
Income tax relating to items that will be reclassified subsequently to profit or loss		-	(906)	-	(906)
Total items that will be reclassified subsequently to profit or loss		<u><u>-</u></u>	<u><u>3,625</u></u>	<u><u>-</u></u>	<u><u>3,625</u></u>
Other comprehensive income for the period, net of tax		<u><u>-</u></u>	<u><u>3,625</u></u>	<u><u>-</u></u>	<u><u>3,625</u></u>
Total comprehensive income for the period		<u><u>2,756,173</u></u>	<u><u>2,647,353</u></u>	<u><u>2,582,193</u></u>	<u><u>2,576,928</u></u>
Profit attributable to:					
Owners of parent		2,756,173	2,643,728	2,582,193	2,573,303
Non-controlling interests		-	-	-	-
		<u><u>2,756,173</u></u>	<u><u>2,643,728</u></u>	<u><u>2,582,193</u></u>	<u><u>2,573,303</u></u>
Total comprehensive income attributable to:					
Owners of parent		2,756,173	2,647,353	2,582,193	2,576,928
Non-controlling interests		-	-	-	-
		<u><u>2,756,173</u></u>	<u><u>2,647,353</u></u>	<u><u>2,582,193</u></u>	<u><u>2,576,928</u></u>
Earnings per share					
Basic earnings per share (<i>in Baht</i>)		<u><u>1.30</u></u>	<u><u>1.25</u></u>	<u><u>1.22</u></u>	<u><u>1.21</u></u>

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)

	Note	Consolidated financial statements				Other components of equity	Total equity
		Issued and paid-up share capital	Share premium	Retained earnings			
				Legal reserve	Unappropriated		
				<i>(in thousand Baht)</i>			
Six-month period ended 30 June 2021							
Balance at 1 January 2021		2,120,000	2,379,843	212,000	15,975,469	(5,178)	20,682,134
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	10	-	-	-	(784,400)	-	(784,400)
Total distributions to owners of the parent		-	-	-	(784,400)	-	(784,400)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400)	-	(784,400)
Comprehensive income for the period							
Profit for the period		-	-	-	2,643,728	-	2,643,728
Other comprehensive income for the period		-	-	-	-	3,625	3,625
Total comprehensive income for the period		-	-	-	2,643,728	3,625	2,647,353
Balance at 30 June 2021		2,120,000	2,379,843	212,000	17,834,797	(1,553)	22,545,087

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)

	Note	Issued and paid-up share capital	Share premium	Consolidated financial statements		Other components of equity	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
				<i>(in thousand Baht)</i>			
Six-month period ended 30 June 2022							
Balance at 1 January 2022		2,120,000	2,379,843	212,000	20,156,657	-	24,868,500
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	10	-	-	-	(784,400)	-	(784,400)
Total distributions to owners of the parent		-	-	-	(784,400)	-	(784,400)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400)	-	(784,400)
Comprehensive income for the period							
Profit for the period		-	-	-	2,756,173	-	2,756,173
Total comprehensive income for the period		-	-	-	2,756,173	-	2,756,173
Balance at 30 June 2022		2,120,000	2,379,843	212,000	22,128,430	-	26,840,273

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)

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Legal reserve	Unappropriated (in thousand Baht)		
Six-month period ended 30 June 2021							
Balance at 1 January 2021		2,120,000	2,379,843	212,000	15,944,637	(5,178)	20,651,302
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends	10	-	-	-	(784,400)	-	(784,400)
Total distributions to owners		-	-	-	(784,400)	-	(784,400)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400)	-	(784,400)
Comprehensive income for the period							
Profit for the period		-	-	-	2,573,303	-	2,573,303
Other comprehensive income for the period		-	-	-	-	3,625	3,625
Total comprehensive income for the period		-	-	-	2,573,303	3,625	2,576,928
Balance at 30 June 2021		2,120,000	2,379,843	212,000	17,733,540	(1,553)	22,443,830

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)

	Note	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>							
Six-month period ended 30 June 2022							
Balance at 1 January 2022		2,120,000	2,379,843	212,000	19,925,080	-	24,636,923
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends	10	-	-	-	(784,400)	-	(784,400)
<i>Total distributions to owners</i>		-	-	-	(784,400)	-	(784,400)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400)	-	(784,400)
Comprehensive income for the period							
Profit for the period		-	-	-	2,582,193	-	2,582,193
Total comprehensive income for the period		-	-	-	2,582,193	-	2,582,193
Balance at 30 June 2022		2,120,000	2,379,843	212,000	21,722,873	-	26,434,716

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	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit before income tax	3,467,748	3,328,589	3,250,129	3,240,557
<i>Adjustments to reconcile profit before income tax to cash received (paid)</i>				
Depreciation and amortisation	672,202	610,766	672,188	610,759
Gain arising from derecognition of financial assets measured at amortised cost	(64,111)	(10,816)	(53,339)	(10,816)
Expected credit loss	693,545	293,577	511,464	278,908
Losses (gains) on sales of land, building and equipment	6,588	(659)	6,588	(659)
Losses (gains) on sales of assets held for sales	2,522	-	(346)	-
Provisions for employee benefit	27,757	24,640	27,757	24,640
Gains on lease modification	(11,994)	(8,207)	(11,994)	(8,207)
Interest income from loan receivables and hire purchase receivables	(8,902,329)	(7,269,390)	(8,402,538)	(7,128,315)
Interest income received from loan receivables and hire purchase receivables	8,699,007	7,314,686	8,264,012	7,204,384
Other interest income	(3,912)	(3,713)	(19,396)	(3,699)
Finance costs	1,266,238	983,793	1,266,238	983,793
	<u>5,853,261</u>	<u>5,263,266</u>	<u>5,510,763</u>	<u>5,191,345</u>
<i>Changes in operating assets and liabilities</i>				
Loan receivables	(14,073,327)	(6,926,329)	(12,408,871)	(6,926,329)
Hire purchase receivables	(1,710,818)	(2,130,060)	(697,503)	-
Other receivables - related parties	-	-	(2,353,127)	(1,973,201)
Short-term loans - employee and related parties	(8,587)	6,991	(8,587)	6,991
Other current assets	(72,385)	(290,750)	(85,192)	(146,310)
Other non-current assets	(5,684)	(18,468)	(5,684)	(18,468)
Other payables	(288,982)	(374,558)	(322,260)	(379,147)
Other current liabilities	5,509	42,866	154,820	195,595
Provisions for employee benefits paid	(4,600)	(95)	(4,600)	(95)
Net cash used in operating	<u>(10,305,613)</u>	<u>(4,427,137)</u>	<u>(10,220,241)</u>	<u>(4,049,619)</u>
Income taxes paid	(677,175)	(709,288)	(638,983)	(704,585)
Net cash used in operating activities	<u>(10,982,788)</u>	<u>(5,136,425)</u>	<u>(10,859,224)</u>	<u>(4,754,204)</u>
<i>Cash flows from investing activities</i>				
Increase in restricted bank deposits	(1,000)	-	-	-
Long-term loan to related party	-	-	(400,000)	-
Proceeds from repayment of long-term loan to related party	-	-	100,000	-
Interest income received	-	-	15,700	-
Investments in subsidiaries	-	-	-	(500,000)
Acquisition of land, building and equipment	(281,564)	(250,480)	(281,564)	(250,480)
Acquisition of intangible assets	(6,172)	(21,403)	(6,172)	(21,403)
Proceeds from sales of land, buildings and equipment	8,283	3,740	8,283	3,740
Net cash used in investing activities	<u>(280,453)</u>	<u>(268,143)</u>	<u>(563,753)</u>	<u>(768,143)</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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<i>Cash flows from financing activities</i>					
Net proceed of short-term borrowings from financial institutions		1,611,406	1,775,327	1,611,406	1,775,327
Proceed from long-term borrowings from financial institutions		5,800,000	2,700,000	5,800,000	2,700,000
Repayment of long-term borrowings from financial institutions		(2,900,137)	(2,104,167)	(2,900,137)	(2,104,167)
Proceed from debentures issuance		15,424,300	9,000,000	15,424,300	9,000,000
Repayment of debentures redemption		(4,620,300)	(3,833,000)	(4,620,300)	(3,833,000)
Dividends paid to shareholders of the Company	<i>10</i>	(784,400)	(784,400)	(784,400)	(784,400)
Payment of lease liabilities		(532,083)	(457,328)	(532,083)	(457,328)
Interest paid		(1,162,971)	(943,258)	(1,162,971)	(943,258)
Net cash from financing activities		12,835,815	5,353,174	12,835,815	5,353,174
Net increase (decrease) in cash and cash equivalents		1,572,574	(51,394)	1,412,838	(169,173)
Cash and cash equivalents at 1 January		1,306,300	1,378,094	1,017,777	1,083,709
Cash and cash equivalents at 30 June		2,878,874	1,326,700	2,430,615	914,536
<i>Non-cash transactions</i>					
Accounts payable on purchase of assets		8,457	10,086	8,457	10,086

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 and six-month periods ended 30 June 2022 (Unaudited)

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Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 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 9 August 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 being 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 the BoT. For debt restructuring under the specified criteria from 1 January 2021 to 31 December 2021, the entity can apply the relevant staging and provisioning guideline under this accounting guideline to the debtors from 1 January 2022 to 31 December 2023. The guideline of staging and provisioning depends on debt restructuring method which can be categorised into 2 groups below. The accounting guideline is in line with the BoT Circular no. BoT. For Nor Sor. 2 Wor. 802/2564 dated 3 September 2021, “*Guidelines regarding the provision of financial assistance to the debtors affected by the Covid-19 (sustainable debt resolution)*”.

Debt restructuring method

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

Guideline of staging and provisioning

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

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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 six-month period ended 30 June 2022 and 2021 with related parties were as follows:

<i>For the six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Fee income on support services	-	-	132,442	66,472
Rental income	-	-	882	548
Other interest income	-	-	15,513	-
<i>Key management personnel</i>				
Other interest income	2	2	2	2
Finance cost - Interest expense on lease liabilities	408	484	408	484
Key management personnel compensation				
Short-term employee benefits	24,633	23,485	24,633	23,485
Post-employment benefits	1,197	1,123	1,197	1,123
Total key management personnel compensation	<u>25,830</u>	<u>24,608</u>	<u>25,830</u>	<u>24,608</u>
<i>Other related parties</i>				
Commission expense	1,201	1,106	1,201	1,106

Significant balances as at 30 June 2022 and 31 December 2021 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Other receivables	-	-	5,505,396	3,152,455
Long-term loans	-	-	862,500	562,500
Other current liabilities	-	-	573,287	423,835
<i>Key management personnel</i>				
Short-term loans	60	40	60	40
Right-of-use assets	16,835	18,746	16,835	18,746
Lease liabilities	17,380	19,204	17,380	19,204
<i>Other related parties</i>				
Other current liabilities	231	180	231	180

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Significant agreements with related parties

As at 30 June 2022, interest rates on short-term loans to key management personal were 8% per annum (31 December 2021: 8% per annum).

As at 30 June 2022, long-term loan to a subsidiary was Baht 862.5 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 30 June 2022, the Company had several service agreements with subsidiaries. The scope of services comprises of providing insurance broker, authorisation on hire purchase contract, repayment, debt collection, collateral seizure, collateral auction, accounting including information technology and information service. The agreement is effective until termination. The Company receives the service fee as specified in the agreements.

As at 30 June 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 30 June 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⁾	30 June 2022 Portion due over one year (in thousand Baht)	Total
Loan receivables	53,220,863	46,948,011	100,168,874
Add accrued interest receivables and undue interest income	1,345,666	-	1,345,666
Total	54,566,529	46,948,011	101,514,540
Less allowance for expected credit loss	(1,491,594)	(406,795)	(1,898,389)
Net carrying amount	53,074,935	46,541,216	99,616,151
	Separate financial statements		
	Portion due within one year ⁽¹⁾	30 June 2022 Portion due over one year (in thousand Baht)	Total
Loan receivables	52,579,350	45,925,068	98,504,418
Add accrued interest receivables and undue interest income	1,333,077	-	1,333,077
Total	53,912,427	45,925,068	99,837,495
Less allowance for expected credit loss	(1,489,563)	(403,925)	(1,893,488)
Net carrying amount	52,422,864	45,521,143	97,944,007

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

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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 30 June 2022 and 31 December 2021 of loan receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements				
30 June 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	76,930,567	-	-	76,930,567
Overdue 1 - 30 days	14,589,219	-	-	14,589,219
Overdue 31 - 60 days	-	6,147,117	-	6,147,117
Overdue 61 - 90 days	-	2,095,117	-	2,095,117
Overdue more than 90 days	-	-	1,585,903	1,585,903
Litigation receivables	-	-	166,617	166,617
Total	91,519,786	8,242,234	1,752,520	101,514,540
Less allowance for expected credit loss	(484,184)	(345,331)	(1,068,874)	(1,898,389)
Net carrying amount	91,035,602	7,896,903	683,646	99,616,151

Separate financial statements				
30 June 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	75,349,313	-	-	75,349,313
Overdue 1 - 30 days	14,502,825	-	-	14,502,825
Overdue 31 - 60 days	-	6,137,895	-	6,137,895
Overdue 61 - 90 days	-	2,094,942	-	2,094,942
Overdue more than 90 days	-	-	1,585,903	1,585,903
Litigation receivables	-	-	166,617	166,617
Total	89,852,138	8,232,837	1,752,520	99,837,495
Less allowance for expected credit loss	(479,597)	(345,017)	(1,068,874)	(1,893,488)
Net carrying amount	89,372,541	7,887,820	683,646	97,944,007

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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
Loan receivables				
Current	69,294,997	-	-	69,294,997
Overdue 1 - 30 days	12,542,034	-	-	12,542,034
Overdue 31 - 60 days	-	3,487,925	-	3,487,925
Overdue 61 - 90 days	-	1,090,250	-	1,090,250
Overdue more than 90 days	-	-	1,005,724	1,005,724
Litigation receivables	-	-	181,403	181,403
Total	81,837,031	4,578,175	1,187,127	87,602,333
Less allowance for expected credit loss	(709,289)	(348,966)	(729,426)	(1,787,681)
Net carrying amount	81,127,742	4,229,209	457,701	85,814,652

	Consolidated financial statements		Separate financial statements	
Expected credit loss For the six-month period ended 30 June	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Recognised in profit or loss	(471,239)	(257,052)	(466,338)	(257,052)

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

5 Hire purchase receivables

	Consolidated financial statements						
	30 June 2022						
	Portion due over one year	Portion due over two years	Portion due over three years	Portion due over four years	Portion due over five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	3,446,286	2,181,826	1,342,516	730,897	297,041	39,224	8,037,790
Less unearned interest income	(1,156,109)	(559,444)	(283,990)	(119,707)	(29,259)	(2,474)	(2,150,983)
Total	2,290,177	1,622,382	1,058,526	611,190	267,782	36,750	5,886,807
Less allowance for expected credit loss	(85,255)	(18,111)	(12,323)	(7,706)	(3,227)	(400)	(127,022)
Net	2,204,922	1,604,271	1,046,203	603,484	264,555	36,350	5,759,785

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Separate financial statements						
30 June 2022						
	Portion due over 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	Total
Hire purchase receivables	387,894	269,457	144,773	59,377	28,701	890,202
Less unearned interest income	(98,992)	(51,742)	(22,646)	(8,634)	(1,759)	(183,773)
Total	288,902	217,715	122,127	50,743	26,942	706,429
Less allowance for expected credit loss	(4,903)	(3,591)	(1,993)	(804)	(428)	(11,719)
Net	283,999	214,124	120,134	49,939	26,514	694,710

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

The following tables set out information about the credit quality as at 30 June 2022 and 31 December 2021 of hire purchase receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements				
30 June 2022				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
Hire purchase receivables *				
Current	4,008,776	-	-	4,008,776
Overdue 1 - 30 days	736,709	-	-	736,709
Overdue 31 - 60 days	-	464,258	-	464,258
Overdue 61 - 90 days	-	325,558	-	325,558
Overdue more than 90 days	-	-	351,506	351,506
Total	4,745,485	789,816	351,506	5,886,807
Less allowance for expected credit loss	(32,536)	(32,076)	(62,410)	(127,022)
Net	4,712,949	757,740	289,096	5,759,785

* Hire purchase receivables, net of unearned interest income

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	Separate financial statements			
	30 June 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
<i>Hire purchase receivables</i> *				
Current	546,701	-	-	546,701
Overdue 1 - 30 days	105,910	-	-	105,910
Overdue 31 - 60 days	-	43,286	-	43,286
Overdue 61 - 90 days	-	9,012	-	9,012
Overdue more than 90 days	-	-	1,520	1,520
Total	652,611	52,298	1,520	706,429
<i>Less</i> allowance for expected credit loss	(6,374)	(4,381)	(964)	(11,719)
Net	646,237	47,917	556	694,710

	Consolidated 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>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
<i>Less</i> 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

<i>Expected credit loss</i> <i>For the six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Recognised in profit or loss	(188,899)	(14,669)	(11,719)	-

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

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6 Short-term borrowings from financial institutions

Change in short-term borrowings from financial institutions for the six-month period ended 30 June 2022 were as follow:

	Consolidated and Separate financial statements		
	Promissory notes	Bills of exchange <i>(in thousand Baht)</i>	Total
At 1 January 2022	3,020,000	1,215,075	4,235,075
Additions	24,585,000	4,120,000	28,705,000
Repayments	(24,305,000)	(2,770,000)	(27,075,000)
Net increase in deferred issuing costs	-	(1,766)	(1,766)
At 30 June 2022	3,300,000	2,563,309	5,863,309

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 30 June 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 3,580 million (*31 December 2021: Baht 3,160 million*).

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7 Long-term borrowings from financial institutions

Change in long-term borrowings from financial institutions for the six-month period ended 30 June 2022 were as follow:

	Consolidated and Separate financial statements <i>(in thousand Baht)</i>
At 1 January 2022	16,051,165
Additions	5,800,000
Repayments	(2,900,137)
Net increase in deferred issuing costs	(1,968)
At 30 June 2022	18,949,060
Current portion	10,845,095
Non-current portion	8,103,965
Total	18,949,060

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 financial 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 30 June 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 six-month period ended 30 June 2022 were as follow:

	Consolidated and Separate financial statements <i>(in thousand Baht)</i>
At 1 January 2022	47,028,188
Issuance	15,424,300
Repayments	(4,620,300)
Net increase in deferred issuing costs	(24,507)
At 30 June 2022	57,807,681
Current portion	16,280,116
Non-current portion	41,527,565
Total	57,807,681

Debentures have principal repayable at maturity date and interest payable every 3 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.

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9 Segment information and disaggregation of revenue

Financial information of the Group presented by segments for the six-month period ended 30 June 2022 and 2021 are as follows:

<i>For the six-month period ended 30 June</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	8,400,232	7,128,315	-	-	502,097	141,075	-	-	8,902,329	7,269,390
Fees and service income	290,574	432,079	35,924	28,315	7,147	681	-	-	333,645	461,075
Other income	184,361	90,010	25	18	345	85	(148,145)	(67,020)	36,586	23,093
Total revenues	<u>8,875,167</u>	<u>7,650,404</u>	<u>35,949</u>	<u>28,333</u>	<u>509,589</u>	<u>141,841</u>	<u>(148,145)</u>	<u>(67,020)</u>	<u>9,272,560</u>	<u>7,753,558</u>
Segment profit before income tax	3,242,023	3,240,557	6,695	5,193	219,030	82,839	-	-	3,467,748	3,328,589
Income tax	(672,876)	(667,254)	(1,410)	(1,039)	(37,289)	(16,568)	-	-	(711,575)	(684,861)
Segment profit	<u>2,569,147</u>	<u>2,573,303</u>	<u>5,285</u>	<u>4,154</u>	<u>181,741</u>	<u>66,271</u>	<u>-</u>	<u>-</u>	<u>2,756,173</u>	<u>2,643,728</u>
Significant non-cash transactions										
Gain arising from derecognition of financial assets measured at amortised cost	53,339	10,816	-	-	10,772	-	-	-	64,111	10,816
Expected credit loss	(504,646)	(278,908)	-	-	(188,899)	(14,669)	-	-	(693,545)	(293,577)
	Consolidated financial statements									
	Lending business		Insurance broker		Hire purchase		Elimination		Total	
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
Total assets	<u>117,010,224</u>	<u>98,529,427</u>	<u>99,002</u>	<u>65,799</u>	<u>6,706,211</u>	<u>4,985,400</u>	<u>(7,993,183)</u>	<u>(5,190,789)</u>	<u>115,822,254</u>	<u>98,389,837</u>
Total liabilities	<u>91,199,851</u>	<u>73,892,504</u>	<u>67,539</u>	<u>39,621</u>	<u>4,655,774</u>	<u>3,728,001</u>	<u>(6,941,183)</u>	<u>(4,138,789)</u>	<u>88,981,981</u>	<u>73,521,337</u>

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10 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
2022				
Annual dividend 2021	19 April 2022	May 2022	0.37	784,400
2021				
Annual dividend 2020	20 April 2021	May 2021	0.37	784,400

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11 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 30 June 2022					
Financial assets					
Loan receivables	99,616,151	-	-	99,218,959	99,218,959
Financial liabilities					
Long-term borrowings from financial institutions	18,949,060	-	18,877,849	-	18,877,849
Debentures	57,807,681	-	57,711,678	-	57,711,678
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

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	Carrying amount Financial instruments measured at amortised cost	Separate financial statements Fair value			Total
		Level 1	Level 2 <i>(in thousand Baht)</i>	Level 3	
At 30 June 2022					
Financial assets					
Loan receivables	97,944,007	-	-	97,546,816	97,546,816
Long-term loan - related party	862,500	-	859,083	-	859,083
Financial liabilities					
Long-term borrowings from financial institutions	18,949,060	-	18,877,849	-	18,877,849
Debentures	57,807,681	-	57,711,678	-	57,711,678
At 31 December 2021					
Financial assets					
Loan receivables	85,814,652	-	-	85,414,777	85,414,777
Long-term loan - related party	562,500	-	601,487	-	601,487
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 and six-month periods ended 30 June 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”).

12 Commitments with non-related parties

	Consolidated and Separate financial statements	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	6,628	9,690
<i>Other commitments</i>		
Service agreements	-	4

As at 30 June 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*).