



Muangthai Leasing Public Company Limited

ANNUAL REPORT 2014



CONTENTS

1.	Message from the Chairman of the Board of Directors	2
2.	Message from the Chairman of the Executive Committee	3
3.	Report of the Audit Committee	4
4.	The Responsibility of the Board of Directors to the Financial Report	6
5.	Board of Directors and Executive Committee	7
6.	Audit Committee	9
7.	Summary of Financial Information	10
8.	Company's Policy and Overview of Business Activities	11
9.	Business Operations	16
10.	Risk Factors	24
11.	General Information and Other References	29
12.	Information on Securities and Shareholders	30
13.	Dividend Payment Policy of the Company and its Subsidiary	31
14.	Management Structure	32
15.	Corporate Governance	38
16.	Corporate Social Responsibilities	50
17.	Internal Control System	54
18.	Details of Directors, Management and Controlling Person	55
19.	Connected Transactions	62
20.	Key Financial Information	70
21.	Management Discussion and Analysis	80
22.	Additional Information	91
	Report and Financial Statements	92

1. Message from the Chairman of the Board of Directors

Muangthai Leasing Public Company Limited has registered with the Stock Exchange of Thailand on 26 November 2014 with the paid-up registered capital of 2,120 million baht. Last year the Company had a very successful operation with its continuous and satisfactory growth and net operating profit of 544 million baht, which is 193 million baht increase from the previous year.

Meanwhile, the Company is still focusing on the continual network expansion to cover more area. With the plan to open more 300 branches in 2015, the Company will then have 800 branches, which will serve its business plan to enter new business, Retail loans for professional under supervision, or so-called “Nano-finance” and to enable the Company to serve more customers in every professional. Apart from focusing on its steady growth, the Company is well-aware of the importance of business operating with good governance and development for sustainable growth.

I would like to take this opportunity to thank all of our customers, investors, financial institutes, the Office of Securities and Exchange Commission, the Stock Exchange of Thailand and all shareholders for your trust and your continued supports. The Success of the Company for the past years resulted from the commitment and experience of our personnel, our management and every employee, who moved the Company to be the No.1 leader of the motorcycle title loan market in Thailand. I am very confident that Muangthai Leasing Public Company Limited will continue to grow continuously and sustainably.



Adm. Apichart Pengsritong
(Chairman of the Board of Directors)



2. Message from the Chairman of the Executive Committee

The Company's business results in 2014 marked another year of our continuous growth. In 2015, the Company continues to endeavor toward the plan to expand more networks in each region of Thailand. Moreover, the Company commits itself to service excellence and development of its human resources. It will focus on intensive and continual training and development programs. On business side, the Company has developed short-term and long-term business plans as well as organizational development plan with the goal to achieve the service excellence and to be Thailand's No.1 leader in motorcycle title loans market.

Another crucial goal of the Company is to operate its business with integrity, ethic and transparency, under good governance and to take responsibility of its customers and related business partners. The Company is well-aware of its responsibility towards community and society. It has consistently arranged corporate social responsibility (CSR) activities which focusing on providing more educational opportunities to needy children in remote area. Each year the Company and its employee will join in building and donating a child development center for a community. In 2012, the first center was built in Maesod, Tak province, then the second in Chiangkan, Loey province and the third one in Pou, Nan province.

Muangthai Leasing Public Company Limited strives to be the Company that works close with its customers through its branch networks which cover most of the area in the country, with determination and intention to serve its customers and operate a long lasting business.

Mr. Chuchat Petaumpai
(Chairman of the Executive Committee)

3. Report of the Audit Committee

To Shareholders,

Appointed by the Board of Directors, the Audit Committee of Muangthai Leasing Public Company Limited in 2014 comprises the following three independent directors, who all have full qualifications in accordance with the rules prescribed under the Notification of the Office of the Securities and Exchange Commission.

1.	Mrs. Kongkeaw Piamduaytham	Chairperson
2.	Mr. Kampol Tatiyakavee	Member
3.	Mr. Chainoy Phuenkosum	Member

In the year 2014, the Audit Committee has performed duties and responsibilities as delegates by the Board of Directors and in accordance with the Charter of Audit Committee. The Audit Committee convened 5 meetings participated by executives in Finance & Accounting, Internal Audit manager and external Auditors. However, in one of these 5 meetings, the Committee met with the external Auditor, in absence of the Company's Executives, to discuss the difficulties they encountered when performing due diligence and to discuss the topics that the Auditor considered substantial. With this practice, the Audit Committee has supported the Company's good corporate governance and increased the transparency of the Company's Financial reports. In that meeting the external Auditor reported that they were able to carried out duties independently and received good cooperations from the Company's management. Full committee members attended all 5 meetings. The performance of the Audit Committee can be summarized as follow:

- 1. Review of Quarterly and Annual Financial Statements year 2014** was conducted to assure that the Company's financial statements were prepared in compliance with accounting standards and the disclosure of relevant information were adequate and complete. The Committee has also listened to the explanations from related managers and the external auditor who endorsed the Company's financial statements as "unqualified opinion". Therefore, the Committee agreed that the Company's financial statements and the disclosure of relevant information were adequate and fairly presented in accordance with generally accepted accounting principles.
- 2. Review of Internal Control and Internal Audit to be appropriate and efficient.** The Audit Committee has approved the Audit Plan in 2014 which was prepared by Internal Audit team and has monitored the plan by asking the Internal Audit manager to submit the progress report on quarterly basis. Also the independency of the Internal Audit team and the adequacy and sufficiency of required resources were taken into consideration. The Audit Committee agreed that the Company's internal controls are appropriate and efficient and that the Internal Audit team have performed their job independently with transparencies and fairness.
- 3. Review of Risk Management.** The Audit Committee has reviewed the Company's Business Continuity Plan and Disaster Recovery Plan. Considering that these are the activities with high risks, the Company have completed both plans and communicated to all employee so that everyone will follow the same direction. Also in year 2014, the Company have arranged the testing and exercising twice and the results are satisfactory. In addition, on quarterly basis, the Company's management have met with all branch managers



and related work units to analyze other risks and to identify mitigation actions. As such, the Audit Committee confirmed the efficiency and suitability of risk management of the company.

4. **Review of Regulatory Compliance.** The Committee has reviewed the Company's business practices if they are complied with the rules and regulations prescribed by regulatory authorities such as the Securities and Exchange Act, the Securities and Exchange Commission of Thailand regulations, and other related laws as well as the Company's anti-corruption policy. The Committee opined that the Company properly followed all necessary rules and regulations.
5. **Nomination of External Auditor and Their Remuneration in year 2014.** The Audit Committee has reviewed the performance, the independence and the appropriateness of the audit fee and proposed the appointment of EY Office as the Auditor of the Company for the year 2014. The Committee also opined that EY Office has been the Company's auditor during 2012-2013 with professional proficiency and independence and has no relationship or related transactions to the Company and its subsidiary.
6. **Review of Related Transactions or Transactions with Possible Conflicts of interests** to conform with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission based on the principle of rationality, transparency and sufficient information disclosure. The Committee opined that the Company has properly operated with normal business practices, complying with the related regulations and justified for the best interests of the Company.

The Audit Committee has carried out duties and responsibilities meticulously with freedom and has provided straight and transparent opinions according to the Principles of Good Corporate Governance. The Committee opined that in year 2014 the Company has had the adequate and sufficient internal controls so that they were confident that the business operations were complied with related laws and regulations. The Company has deployed good governance policy and has prepared and disclosed the reliable financial statement which followed the generally accepted accounting standards. Also, the Company has had the effective and efficient risk management and internal controls system which led to the Company's best interests and sustainable business growth.

(Mrs. Kongkeaw Piamduaytham)
Chairperson of the Audit Committee

4. The Responsibility of the Board of Directors to the Financial Report

The Board of Directors of Muangthai Leasing Public Company Limited is responsible for the preparation, the information disclosure, and the consolidated financial statements of the Company and other financial information as appeared in the Annual Report of year 2014. Such financial statements are prepared in accordance with generally accepted accounting standards. Careful consideration is applied in using appropriate accounting policies. The estimation and practice relating to information in financial statement are appropriate, adequate and constantly followed, in order to ensure that the financial statement do not contain any information which are contradicted to the material information, and that the information will be beneficial and transparent to the Company's shareholders and other investors.

The Board of Directors has appointed the Audit Committee comprising Independent Directors to review the accounting standard policy, to be responsible for the quality of the financial reports, to review the internal control system, the internal audit and the risk management system as well as to consider the disclosure of connected transactions. Opinions of the Audit Committee on these matters are disclosed in the Report from the Audit Committee as appeared in the Annual Report.

The Board of Directors has set up proper and effective internal control system, risk management system and internal audit system to ensure reasonably that accounting records are correct, complete, and sufficient to safeguard Company's assets and to ascertain any weaknesses so as to prevent fraud or material irregularities.

The Board of Directors opines that the Company's overall internal control system is satisfactory to ensure reasonably the credibility of the financial statements of the Company as of 31 December 2014, and that it has followed the accepted accounting standards and in line with related laws and regulations.



Adm. Apichet Pengsritong
Chairman



Mr. Chuchat Petaumpai
Director



5. Board of Directors



Adm. Apichet Pengsritong

Chairman/Independent Director



Mr. Chuchat Petaumpai

Director/Chairman
of the Executive Committee



Mrs. Kongkeaw Piamduaytham

Independent Director/Chairperson
of the Audit Committee



Mr. Chainoi Puankosoom

Independent Director/
Member of the Audit Committee



Mr. Kampol Tatiyakavee

Independent Director/
Member of the Audit Committee



Dr. Yodhin Anavil

Independent Director



Mrs. Daonapa Petampai

Director/Managing Director

Executive Committee



Mr. Chuchat Petaumpai

Chairman of the Executive Committee



Mrs. Daonapa Petampai

Executive



Mr. Surapong Pechaumpai

Executive



Mr. Surat Chayavoradech

Executive



Ms. Vimonrat Nujul

Executive



Mr. Poomin Booranapanich

Executive



Mr. Somkiat Ratsamee

Executive



Mr. Amnat Niamsee

Executive



Mr. Banyat Ninsiri

Executive



Executive Committee



Mr. Niyom Rodnoi

Executive



Mr. Pradit Thongkhum

Executive



Mr. Songkarn Eiamkai

Executive

6. Audit Committee



Mrs. Kongkeaw Piamduaytham

Chairperson of the Audit Committee



Mr. Chainoi Puankosoom

Member of the Audit Committee

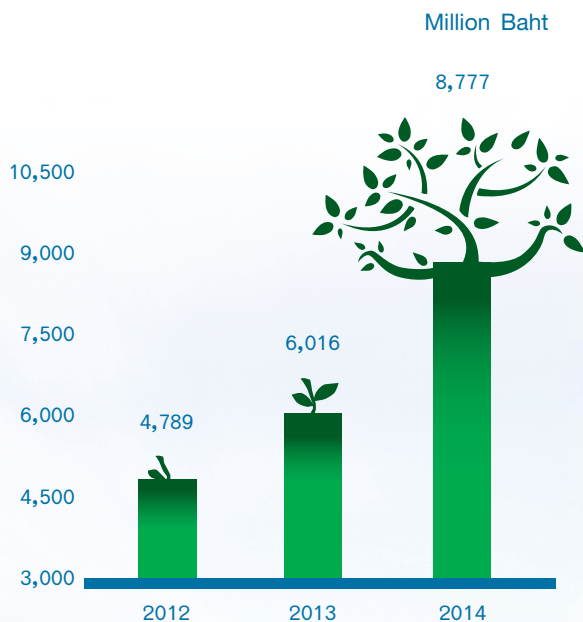


Mr. Kampol Tatiyakavee

Member of the Audit Committee

7. Summary of Financial Information

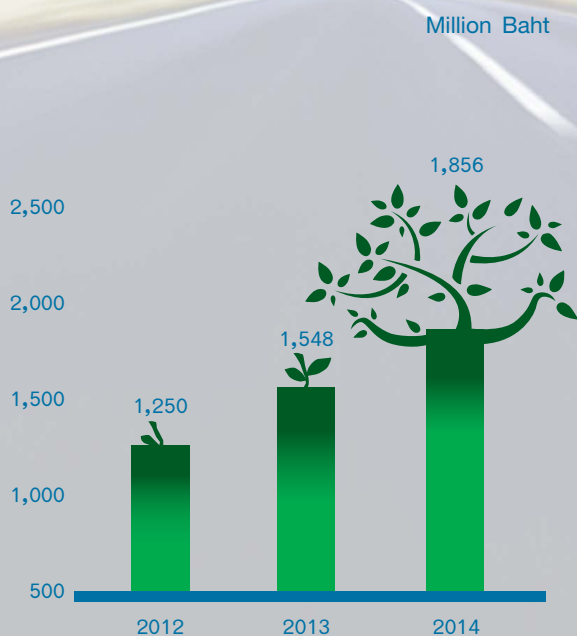
Total Assets



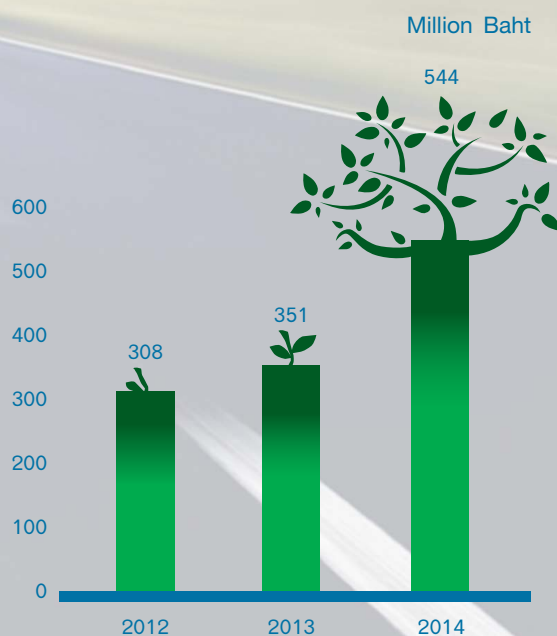
Liabilities & Equity



Total Revenue



Net Profit





8. Company's Policy and Overview of Business Activities

Muangthai Leasing Public Company Limited (“the Company”), formerly named D.S. Leasing Company Limited, was founded by Mr. Chuchat Petaumpai and Mrs. Daonapa Petaumpai on the registration date of 22 May 1992 with the head office located at 13 Soi Charansanitwong, Bang-or, Bangplad, Bangkok. The initial registration capital was 2 million baht and the business objective was to provide hire purchase loan for new and used motorcycle of all brands. Channeling via the dealers in Phitsanuloke and other provinces in the lower northern region like Sukhothai, Kamphaengphet, Pichit, etc., the Company had serviced various groups of customer i.e. fixed income employee (daily and monthly paid), farmer and other self-employed individual. After that, the Company has increased the product lines by offering the vehicle title loan (loan against vehicle registration) to existing customers who had paid up their first loan and expanding the type of vehicles from motorcycle to car and other farm vehicles, which enabled the Company to service larger groups of customer. In year 2001, the Company has changed its name to Muangthai Leasing Company Limited on 28 August 2001 and stopped offering hire purchase product because many motorcycle manufacturers and dealers started to provide hire purchase service for their customers. When there were more service providers, the industry became highly competitive.

In year 2006, the Company envisioned an opportunity to expand by entering the consumer lending industry under the supervision of Bank of Thailand so it had submitted the application to operate the business. After the license was granted by the Ministry of Finance on 31 August 2006, the Company has been able to expand drastically by offering consumer loans through our own branches.

As the Company's main target customers were local people who lived in the nearby neighborhood, we had emphasized on building good relationship with customers, using slogan of “Intimate services like closed family members.” As a result the Company has well gained customer trust and received repeated business continually. The Company has gradually increased our registered capital in order to serve the continuous growth of our business. Up to present, the Company had paid-up capital of 1,575 million baht. On 16 May 2014, the Company has transformed to public company and changed its name to Muangthai Leasing Public Company Limited. The Company's Board of Director has approved to change the par value of its common share from 100 baht to 1 baht resulting in the change of number of shares from 15.75 million to 1,575 million shares. Also, it has been approved to increase the registered capital by issuing 545 million new share of common stock with the par value of 1 baht. Therefore, from the existing registered capital of 1,575 million baht, the new registered capital became 2,120 million baht. During 19–21 November 2014, the Company has offered the newly issued common shares to the public for the first time. Total number of shares was 545 million with the par value of 1 baht and the IPO price was 5.5 baht. Out of this total offering, 502.50 million shares were offered to public while 42.50 million shares were offered to directors, executives and employee of the Company and/or its subsidiary. All common shares of the Company then were registered with the Stock Exchange of Thailand and started trading on 26 November 2014.

8.1 Vision, Objectives and Business Goal

Vision

“We will maintain our leadership as #1 in the vehicle title loan business nationwide”

Mission

- The Company will expand our service channel to cover all regions in Thailand.
- The Company must gain the most market share as ranked #1 in each and every area that we have our operation.
- The Company must have the highest amount of lending average per employee when comparing in the same industry.
- The Company will give priority to the account services and debt management by using MTL Model as a tool.
- The Company will provide service excellence and achieve the highest customer satisfaction.

8.2 Key Milestones and Achievements

Key milestones and achievements of the Company in the past years are listed below.

Year 1992
<ul style="list-style-type: none">Started business of hire purchase for new and used motorcycles under the Company named “D.S. Leasing Company Limited.”
Year 1996
<ul style="list-style-type: none">Increased the registered capital of 13 million baht, from 2 million baht to 15 million baht, by issuing new common stock of 130,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.Expanded lending services to Central region area, starting by opening the first branch in Lopburi province.
Year 1998
<ul style="list-style-type: none">Started the business of vehicle title loan (motorcycle)
Year 2001
<ul style="list-style-type: none">Increased the registered capital of 35 million baht, from 15 million baht to 50 million baht, by issuing new common stock of 350,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.Started the business of vehicle title loan (farm vehicles)Changed company’s name from “D.S. Leasing Company Limited” to “Muangthai Leasing Company Limited”Ceased the business of motorcycles hire purchase
Year 2003
<ul style="list-style-type: none">Started the business of vehicle title loan (car)
Year 2004
<ul style="list-style-type: none">Increased the registered capital of 50 million baht, from 50 million baht to 100 million baht, by issuing new common stock of 500,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.Expanded lending services to Eastern region area, starting by opening the first branch in Chonburi province.
Year 2006
<ul style="list-style-type: none">Increased the registered capital of 100 million baht, from 100 million baht to 200 million baht, by issuing new common stock of 1,000,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.Started the business of consumer loan under the Bank of Thailand’s supervision with permission from the Ministry of Finance on 31 August 2006.
Year 2007
<ul style="list-style-type: none">Increased the registered capital of 50 million baht, from 200 million baht to 250 million baht, by issuing new common stock of 500,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.
Year 2008
<ul style="list-style-type: none">Increased the registered capital of 100 million baht, from 250 million baht to 350 million baht, by issuing new common stock of 1,000,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.Expanded lending services to North–Eastern region area, starting by opening the first branch in Khonkaen province.Moved the head office from No 13, Soi Charansanitwong, Bangaor, Bangplad, Bangkok to new building No 32/1 Charansanitwong Road, Bang–or, Bangplad, Bangkok.
Year 2009
<ul style="list-style-type: none">Increased the registered capital of 100 million baht, from 350 million baht to 450 million baht, by issuing new common stock of 1,000,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.



Year 2010

- Increased the registered capital of 150 million baht, from 450 million baht to 600 million baht, by issuing new common stock of 1,500,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.

Year 2011

- The Company invested in the insurance broker business, buying 19,998 shares or 99.99% of total paid-up capital of Muangthai Leasing Insurance Broker Company with the objective to provide comprehensive services to the Company's loan customers.
- In July 2011, the Company increased the registered capital of 470 million baht, from 600 million baht to 1,070 million baht, by issuing new common stock of 4,700,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.
- In November 2011, the Company again increased the registered capital of 30 million baht, from 1,070 million baht to 1,100 million baht, by issuing new common stock of 300,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.
- The Company bought and transferred loan receivables from the major shareholder with the amount of 537.82 million baht which was the debt balance value.

Year 2012

- Increased the registered capital of 160 million baht, from 1,100 million baht to 1,260 million baht, by issuing new common stock of 1,600,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.
- Opened the first and second car auction centers, in Phitsanuloke province and Ayudhaya province. Both centers helped facilitate the auctions which were arranged at various branches throughout the Northern, the Central and the Eastern region.

Year 2013

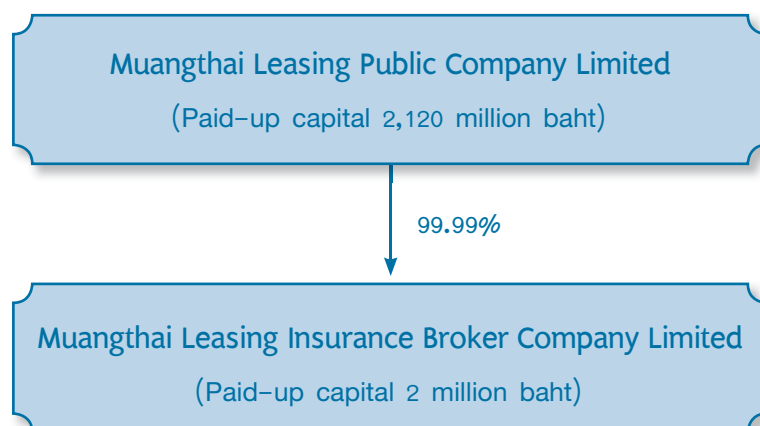
- Increased the registered capital of 315 million baht, from 1,260 million baht to 1,575 million baht, by issuing new common stock of 3,150,000 shares with the par value of 100 baht. The shares were offered to the existing shareholders and the fund were used for expanding lending portfolio.

Year 2014

- Opened the third auction center in Chonburi province to facilitate the auctions which were arranged at various branches throughout the Central and the Eastern region. The first auction was on 21 February 2014.
- Opened the fourth auction center in Khonkaen province to facilitate the auctions which were arranged at various branches throughout the North Eastern region. The first auction was on 20 March 2014.
- The annual general shareholders' meeting in 2014 which was arranged on 28 April 2014 has approved the Company to proceed the followings:
 - Transformed to public company limited
 - Changed the par value of 100 baht per share to 1 baht per share
 - Increased the registered capital of 545 million baht so that the Company's capital increased from the former 1,575 million baht to 2,120 million baht, by issuing 545 million new common shares with the par value of 1 baht with the allotment as follows:
 - (1) 502.50 million right-offering shares offered to the public
 - (2) 42.50 million right-offering shares offered to directors, executives and employee of the Company and/or its subsidiary
 - (3) On 26 November 2014, the Company's common shares was started trading in the Stock Exchange of Thailand for the first time. As of 31 December 2014, the Company has total 506 branches throughout the country.

8.3 Shareholding Structure of the Company and its subsidiary

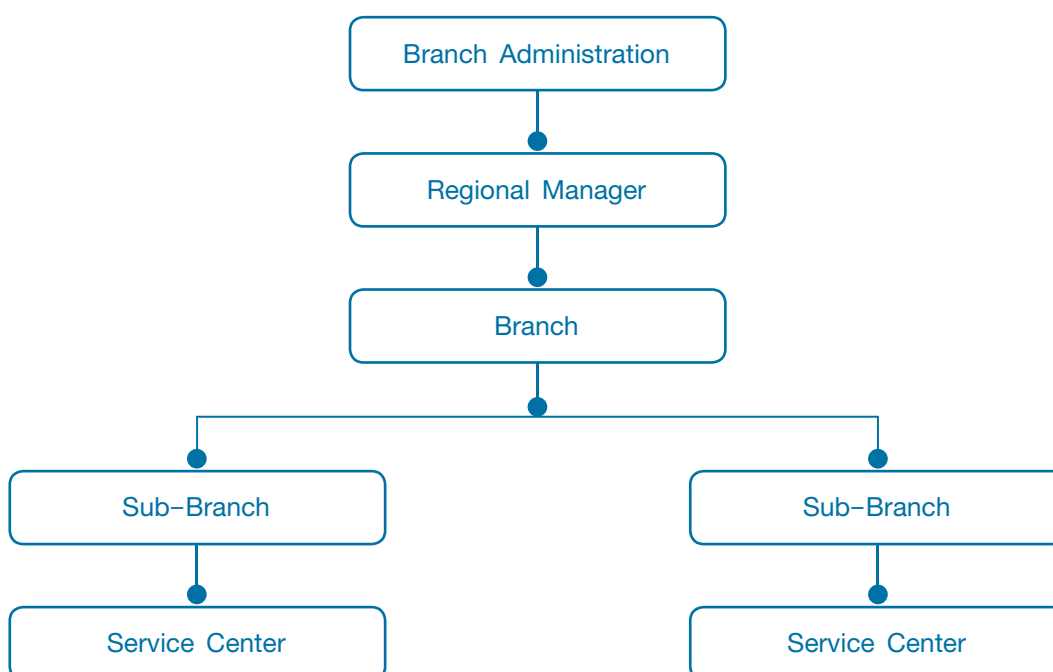
As of 31 December 2014 the shareholding structure of the Company and its subsidiary was as follows:



Business Operations of the Company and its subsidiary

8.4 Muangthai Leasing Public Company Limited

Muangthai Leasing Public Company Limited operates business of providing vehicle title loan and personal loan for individuals through the Company's branches which covering most area in the country. Our branches are located in Northern region, North-eastern region, Central region, Eastern region and Western region. The Company's branch structure comprises branches, sub-branches and service centers. The branches are under supervision of regional managers who directly report to Branch Administration Department as shown below.





As of 31 December 2014, the Company had 506 branches in total and its services were summarized as below.

8.4.1 Vehicle Title Loan Business

The Company provides vehicle title loan to individuals for all types and models of new and used automobiles including motorcycles, cars and farm vehicles. The customer who applies for loan will have to deliver the original registration to the Company's custody as a collateral without any requirement to record the ownership transfer in that vehicle registration.

- (a) Business of providing motorcycle title loan – is the lending service to individual who owns the motorcycle and has that motorcycle in possession.
- (b) Business of providing car title loan – is the lending service to individual who owns the car and has that car in possession. Types of car that can use the Company's loan service are passenger car, commercial used car, van, 6-wheel truck and 10-wheel truck.
- (c) Business of providing farm vehicles title loan – is the lending service to individual whose career must be farmer and who owns the farm vehicles and has that vehicle in possession. Types of farm vehicles that can use the Company's loan service are tractors and Thailand car.

8.4.2 Personal Loan Business

The Company provide services of unsecured lending personal loan only to customers who took vehicle title loan from the Company in the past and had good payment history. The Company has received permission from the Ministry of Finance to operate personal loan business under supervision of the Bank of Thailand on 31 August 2006.

8.5 Muangthai Leasing Insurance Broker Company Limited (“MTLI”)

MTLI was registered to operate on 4 February 2011 with the paid-up capital of 2 million baht which divided into 20,000 common shares at the par value of 100 baht each. Presently, the Company is holding 19,998 shares in MTLI which equals to 99.99% of the paid-up capital.

MTLI operate the business of insurance broker by selling policy of compulsory motor Insurance which is enforced by the Protection for Motor Vehicle Victims Act and Policy of Personal Accident insurance. MTLI received the license to operate insurance broker business in accordance with the Non-Life Insurance Act B.E.2535 from the Office of Insurance Commission (“OIC”) on 4 May 2011.

9. Business Operations

9.1 Revenue structure of the Company and its subsidiary

Types of Income	Year 2011		Year 2012		Year 2013		Year 2014	
	Million THB	%	Million THB	%	Million THB	%	Million THB	%
Interest Income								
– Vehicle Title Loan	506.06	76.34	1,057.81	84.63	1,299.42	83.93	1,562.30	84.17
– Personal Loan	2.12	0.32	1.59	0.13	1.64	0.11	5.12	0.28
Total Interest Income	508.18	76.66	1,059.40	84.76	1,301.06	84.04	1,567.42	84.45
Fee & Service Income ¹⁾	153.82	23.21	178.61	14.29	238.19	15.38	279.32	15.05
Other Income ²⁾	0.87	0.13	11.93	0.95	8.99	0.58	9.34	0.50
Total Income	662.87	100.00	1,249.94	100.00	1,548.25	100.00	1,856.08	100.00

Remark: ¹⁾ Fee & Service Income consisted of Loan Processing fee, Penalty and Collection fee, Brokerage fee from MTLI's policy selling.

²⁾ Other Income consisted of Information service fee collected from MTLI, Profit from assets sold, Foreclosure fees, etc.

9.2 Services Provided by the Company

The Company operates business of providing vehicle title loan and personal loan to individuals. Following are details of each loan service characteristic.

9.2.1 Vehicle Title Loan Service

Vehicle title loan is the service of lending out to individual who has owned the vehicle for the period of time that is not less than the period specified by the Company, or who has shown solid evidence that his/her next of kin has own the vehicle, to ensure that the loan applicant has actually owned the vehicle. The customer who applied for the loan will have to deliver the original vehicle title/registration to the Company's custody as collateral. The Customer are not required to transfer the ownership of the vehicle but will have to sign in Memorandum of Understanding of the passage of the title to acknowledge the agreement. In case that the borrower fails to pay back the debts partially or in total, he/she agrees to transfer the right of ownership and to deliver the vehicle to the Company. Also, the borrower is requested to sign in Power of Attorney and Request to Transfer form which are the official document of the Department of Land Transport. By the way, the customer/borrower still has ownership of the vehicle, of which its title used as collateral, and can use such vehicle as normal.

If the customer failed to pay the installment for 2 consecutive times or more, the Company is entitled to foreclose the collateral. The Company will send the notice to terminate the contract by registered mail to the borrower and the guarantor. In case either the borrower or the guarantor do not contact to pay off the loan within the time frame, the Company can process to sell the vehicle through the Company's Auction centers.

The Company's service of Vehicle Title Loan is divided into 3 categories in according to the types of vehicle which is used as collateral.

- (1) Car Title Loan
- (2) Motorcycle Title Loan
- (3) Farm Vehicle Title Loan



From year 2011–2013, the Company had signed contracts of vehicle title loan with total of 612,024 contracts, 656,894 contracts and 713,678 contracts respectively. While the total lending amounted to 7,150.13 million baht, 8,244.38 million baht and 9,823.84 million baht respectively. The loan growth were 15.30 percent and 19.16 percent year on year. The major loan with the highest lending amount was Motorcycle Title Loan, representing 89%–95% in year 2011–2013. Secondly was Car Title Loan which represented 4%–8% of total lending in year 2011–2013. The balance of loan to customers (Vehicle Title Loan) was 3,937.28 million baht, 4,771.32 million baht and 5,825.83 million baht in year 2011–2013.

In 2014, the Company has signed total of 834,994 vehicle title loan contracts with total loan amount of 12,412 million baht and the balance of loan to customer was 7,413 million baht as of 31 December 2014.

9.2.2 Personal Title Loan Service

The Company provides service of personal loan under supervision of the Bank of Thailand by receiving the license from Ministry of Finance on 31 August 2006. The Company has policy to provide personal loan only to the ex-customers who used to receive vehicle title loan from the Company and had good payment history. Since personal loan is an unsecured lending, the Company will approve the credit limit at its discretion. Once the personal loan is approved, the customer is required to provide guarantor who must own a house or who works as government official. The Company considers that the guarantor must have secure employment and permanent resident, which will minimize the risk of borrower unable to pay back the debt. For personal loan, the Company allows installment period of 6–18 months with flat-rate interest.

During 2011–2013, the Company had signed contracts of personal loan with total of 4,331 contracts, 2,751 contracts and 4,112 contracts respectively. The total lending amounted to 16.55 million baht, 10.84 million baht and 16.61 million baht respectively. They were 0.23%, 0.13% and 0.17% of the Company's total lending each year. The balance of loan to customers (Personal Loan) was 7.26 million baht, 5.10 million baht and 9.60 million baht respectively.

In 2014, the Company has signed total of 13,864 personal loan contracts with total loan amount of 59 million baht and the balance of loan to customer was 34 million baht as of 31 December 2014.

Total Lending Amount Classified by Type of Loan

Types of Loan	31 December 2011		31 December 2012		31 December 2013		31 December 2014	
	Million THB	%	Million THB	%	Million THB	%	Million THB	%
Vehicle Title Loan								
– Motorcycle	6,796.07	94.83	7,642.92	92.58	8,770.96	89.13	10,336.52	82.89
– Car	307.18	4.29	440.70	5.34	788.92	8.02	1,679.05	13.46
– Farm Vehicle	46.88	0.65	160.75	1.95	263.96	2.68	396.85	3.18
Total Vehicle Title Loan	7,150.13	99.77	8,244.38	99.87	9,823.84	99.83	12,412.42	99.53
Personal Loan	16.55	0.23	10.84	0.13	16.61	0.17	58.57	0.47
Grand Total	7,166.67	100.00	8,255.21	100.00	9,840.45	100.00	12,470.99	100.00
Average Lending per Branch	20.89		22.74		23.71		24.60	

Total Lending Contracts Classified by Type of Loan

Types of Loan	31 December 2011		31 December 2012		31 December 2013		31 December 2014	
	Number of Contract	%	Number of Contract	%	Number of Contract	%	Number of Contract	%
Vehicle Title Loan								
– Motorcycle	603,766	97.96	644,183	97.66	695,218	96.86	802,473	94.54
– Car	7,153	1.16	9,118	1.38	13,420	1.87	25,508	3.00
– Farm Vehicle	1,105	0.18	3,593	0.54	5,040	0.70	7,013	0.83
Total Vehicle Title Loan	612,024	99.30	656,894	99.58	713,678	99.43	834,994	48.37
Personal Loan	4,331	0.70	2,751	0.42	4,112	0.57	13,864	1.63
Grand Total	616,355	100.00	659,645	100.00	717,790	100.00	848,858	100.00

Total Balance of Loan to Customer Classified by Type of Loan

Types of Loan	31 December 2011		31 December 2012		31 December 2013		31 December 2014	
	Number of Contract	%	Number of Contract	%	Number of Contract	%	Number of Contract	%
Vehicle Title Loan								
– Motorcycle	3,678.85	93.26	4,360.92	91.30	5,082.73	87.10	5,902.89	79.26
– Car	207.73	5.27	338.33	7.08	609.04	10.44	1,310.22	17.59
– Farm Vehicle	50.70	1.29	72.08	1.51	134.05	2.30	200.30	2.69
Total Vehicle Title Loan	3,937.28	99.82	4,771.32	99.89	5,825.83	99.84	7,413.41	99.54
Personal Loan	7.26	0.18	5.10	0.11	9.60	0.16	34.32	0.46
Grand Total	3,944.54	100.00	4,776.42	100.00	5,835.43	100.00	7,447.73	100.00
Average Loan Balance per Branch	11.50		13.16		14.06		14.72	

Remark: Balance of Loan to Customer calculated from Loan to Customer (amount of lending as per contracts) less Deferred Revenue

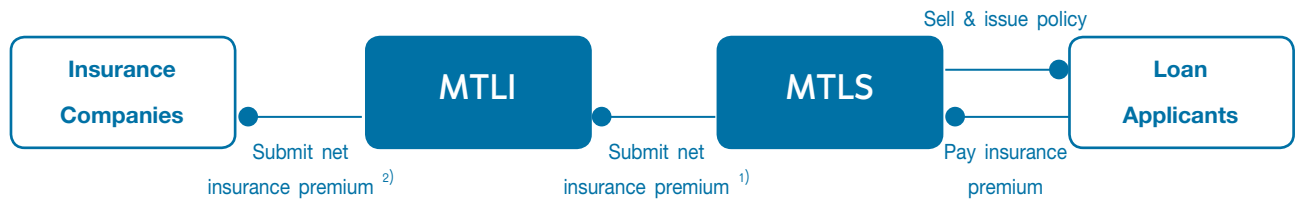
9.3 Products Provided by the Company's Subsidiary

Muangthai Leasing Insurance Broker Co., Ltd (“MTLI”) operates business of non life insurance broker by receiving non-life insurance brokerage license under the Non-life Insurance Act B.E.2535 from the Office of Insurance Commission (“OIC”) on 4 May 2011. Presently the non-life insurance policies which MTLI sells as a broker include Policy of Compulsory Protection for Motorcycle Victim (Por Ror Bor Motorcycle), Policy of Compulsory Protection for Car Victim (Por Ror Bor Motor Car) and Policy of Personal Accident Insurance.

As a broker, MTLI is responsible to contact various Insurance companies to sort out products related to non-life insurance for the Company's customer. In selling policy, MTLI must do it through the Company's channel of branch and service center only. The Company has a policy that requires staff in certain positions, of which currently are head of accounting team, head of analyst team, head of collection team, to take OIC's examination to get non-finance broker license in order that each branch will be able to sell and issue 3 types of insurance policies, Por Ror Bor Motorcycle, Por Ror Bor Motor Car and Personal Accident Policy. This provides convenience to customers who visit the Company's branches to apply for vehicle title loan.



MTLI's earnings are brokerage fee from related insurance companies at the agreed rate. From 2012 to 2014, MTLI had earned total brokerage fee of 13.73 million baht, 14.52 million baht and 17.30 million baht respectively. While the Company received information service fee from each insurance company which was paid in return of using the Company's nationwide branches and service centers as a channel to contact customers in order to sell insurance policy. From 2012 to 2014, the Company had earned total information service fee of 1.35 million baht, 1.42 million baht and 1.65 million baht respectively.



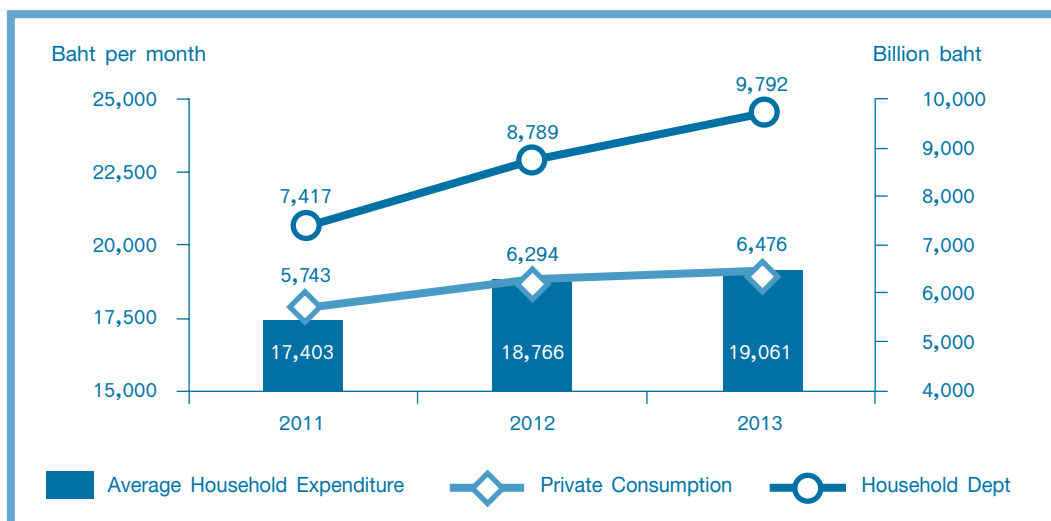
- Remark :
- 1) MTLs submit net insurance premium, after deducting information service fee, to MTLI
 - 2) MTLI submit net insurance premium, after deducting brokerage fee, to Insurance companies

9.4 Marketing and Competition

9.4.1 Industry of Vehicle Title Loan and Personal Loan

Vehicle title loan or Loan against vehicle registration, the core business of the Company, is classified as household lending products, of which the growth rate during 2011–2013 was 14.68% each year which was higher than the growth rate of Thailand Gross Domestic Product (GDP) which was 6.25% each year. The major supporting factor is the growing consumption of the household sector which increased from 5,743 billion baht in 2011 to 6,476 billion baht in 2013 which equaled to 6.19% growth rate. This growth resulted from the government's economic stimulus policy, especially the first-car tax rebate policy, which affected the expansion of household consumption expenditure especially in the durable products – automobile.

The Bank of Thailand's Business Trend Report in January 2015 stated that the Thai economy in Quarter 4 of 2014 recovered slower than expected. The level of private consumption was mostly unchanged from the previous quarter as upper level consumers remained cautious about spending and lower level consumers still suffered from the highly household debt levels and the depressed agricultural prices. The demand for household lending still increased in Q4 2014 and will continue in the following quarter. However, credit standards for consumer loans remained tight, reflecting financial institutions' continuous caution of credit trustworthy of the borrowers and the collaterals as well as the overall economic growth rate. Therefore the approval criteria for consumer lending was tightened up more.



Source: The Bank of Thailand and The National Statistical Office of Thailand

Apart from the above, the major factor that supported the Company’s vehicle title loan business growth is the growth of motorcycle and car industry. According to statistics from Department of Land Transport, number of cumulative vehicle registered in Thailand during 2010–2013 increased continuously from 28.48 million cars in 2010 to 34.62 million cars in 2013, equaling to 6.72% average growth rate. Motor car industry has been expanding in alignment with the expanding country’s economy and motor vehicles are, more and more, considered as one of the basic daily need products for people in Thailand. When we considered the statistic of vehicle registered, type of vehicle registered the most is motorcycle with the percentage of 58%–61% of the total cumulative vehicle registered each year and the average growth rate of 4.89% year on year. In comparison, the percentage of car registered was 35%–38% of the total cumulative vehicle registered each year and the average growth rate of 9.62% year on year. In 2014, the total vehicle registered was 35.84 million cars units comparing to 34.62 million cars in 2013 which was 3.50% increase. Motorcycle still had the highest number of vehicle registered; 57% of the total cumulative vehicle registered, equaling to 1.71% growth from the previous year. While cars occupied 38% of the total cumulative vehicle registered, equaling to 5.91% growth.

The continually increased number of vehicle registered throughout the country reflected the tendency of increasing number of the Company’s target customers, those who are able to give their car registration or motorcycle registration as collateral. Therefore, the management believe that the Company’s business will grow constantly in the future.



Table of Number of Cumulative Vehicle Registered throughout Thailand during 2010–2014

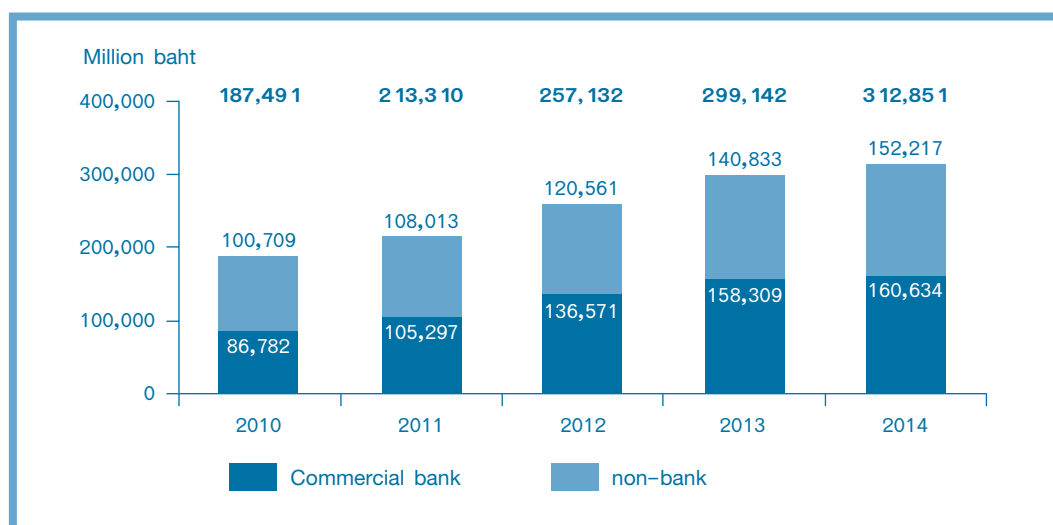
Type of Vehicle	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014
Motorcycle	17,299,814	18,152,469	19,147,225	19,964,990	20,305,708
Cars	9,887,706	10,651,817	11,827,710	13,023,547	13,793,784
Trucks and Buses	954,787	990,426	1,037,334	1,104,231	1,153,369
Farm Vehicles	307,612	364,775	428,843	495,182	545,380
Other Vehicles	34,910	35,450	35,865	36,456	36,939
Total	28,484,829	30,194,937	32,476,977	34,624,406	35,835,180

Source : Department of Land Transport

For personal loan, the industry was continuously growing. During 2010–2013, total personal loan amount in the whole banking system, bank and non-bank, increased from 187,491 million baht in 2010 to 299,142 million baht in 2013, equaling to 16.85% growth rate year on year. Such growth resulted from the commercial banks' policy to focus more on personal loan products. Since personal loan brought in high interest income, the market was highly competitive with many campaigns to arouse its customers, both existing and new, to use more loan facilities. In addition, the big flood crisis in late 2011 stirred up the need of personal loan when there were demands for fund for house repairs. Also, the announcement of new minimum wage in 2011 had allowed more consumers to be qualified to apply for this product. However in 2012, the expansion of personal loan was slightly declined comparing to 2011, from 20.54% growth rate down to 16.34%, due to more cautious household expenditure and the strictness of lending policies. Commercial banks were more cautious after the highly increase of household debts, resulting from the economic stimulus programs run by the previous government.

In 2014, personal loan under supervision of the whole banking system, bank and non-bank, totaled up to 312,851 million baht increasing from 299,142 million baht in 2013 equaling to 4.58% growth. The slight recovery of the business resulted from the improving political crisis and the government's consumption stimulus programs. It was notable that the amount of personal loan from non-bank was significantly higher than commercial bank.

Personal Loan Performance of the Banking System in 2010–2014



Source : The Bank of Thailand

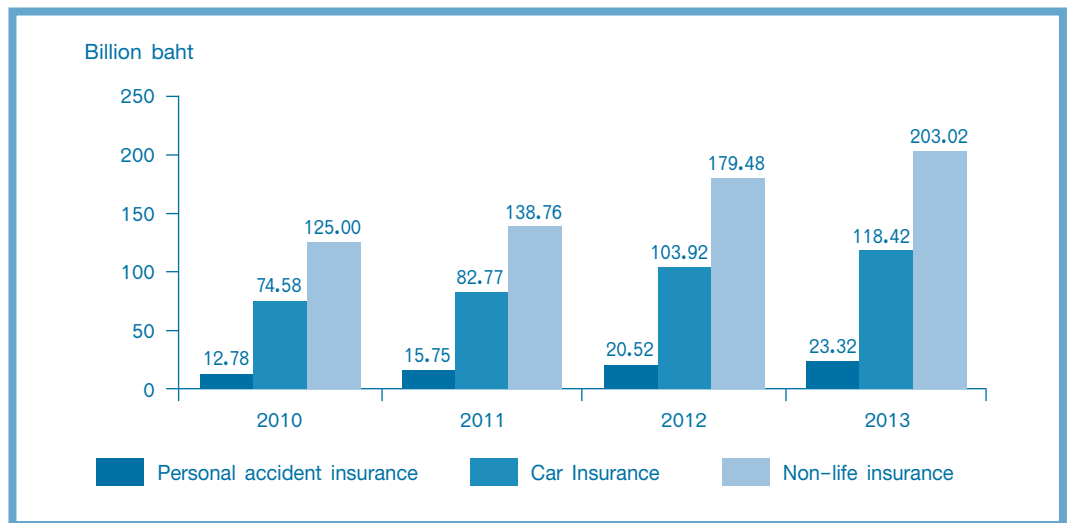
9.4.2 Non-life Insurance Industry

Non-life insurance business expanded in the same direction as the country's economic growth. During 2010–2013 the direct premiums of non-life insurance business continuously increased from 125.00 billion baht in 2010 to 138.76 billion baht in 2011, 179.48 billion baht in 2012 and 203.02 billion baht in 2013 which equaling to growth rate of 11.01%, 29.35% and 13.12% respectively. The year 2012 significant increase of 29.35% from year 2011 resulted from the big flood in late 2011, Thai people in both industrial and household sectors were more interested in buying non-life insurance policy to help protect them from the future flood damages. Such circumstance has increased more understanding, to both entrepreneur and ordinary people, of how to use insurance as risk management tool. Therefore, the direct premium in 2013 still continually increased.

When considering only the type of insurance which related to the business of Muangthai Leasing Insurance Broker Co., Ltd (“MTLI”), the Company's subsidiary, whose products comprised Policy of Compulsory Protection for Motorcycle Victim (Por Ror Bor Motorcycle), Policy of Compulsory Protection for Car Victim (Por Ror Bor Motor Car) and Policy of Personal Accident Insurance, it is notable that the direct premium of automobile insurance increased from 74.58 billion baht in 2010 to 118.42 billion baht in 2013 equaling to 16.66% growth each year. This premium consisted of (1) direct premium of compulsory automobile insurance, which increased from 11.17 billion baht in 2010 to 14.89 billion baht in 2013 equaling to 10.04% growth per year and (2) direct premium of voluntary automobile insurance which increased from 63.41 billion baht in 2010 to 103.53 billion baht in 2013 equaling to average 17.75% growth per year. For direct premium of Personal Accident Insurance, the growth is also consistent, from 12.78 billion baht in 2010 increasing to 23.32 billion baht in 2013 which equaling to average 22.19% growth rate per year.



Direct Premium of all Types of Non-Life Insurance in year 2010-2013



Source: Office of Insurance Commission

10. Risk Factors

The Company's key risk factors and the preventive approach are summarized as follows.

10.1 Risk from competitiveness in the vehicle title loan industry

As the Company's executives have a long experience in vehicle title loan industry for over 22 year and have a thorough knowledge of the business as well as a good understanding of target customer's behaviors, they are highly capable of creating a proper and efficient direction for the Company's operation. The key strategy is to provide our customers with friendly and mindful services as per the Company's slogan of "Intimate services like closed family members." The Company's customers impressed when using its services so that they came back and recommended their families and friends to use the Company's services. As a result, the Company has been able to expand the business continually. At the end of year 2014, the Company has total of 848,858 loan contracts. By the way, the Company also emphasizes on the cautious loan approval criteria, allowing the proper credit limit for each customer, and deploying effective loan management and collection process. The Company's executives are confident that the Company will not be affected from the competitiveness of the vehicle title loan industry.

10.2 Risk from the quality of debtors

The Company's lending services focuses on the group of customers with mid-range and low income who could not access the lending services from commercial banks, for example, factory workers, general laborers, and farmers etc. Since this customer group do not have fix income and might result in missing payments, at the end this might impact the high ratio of non-performance loans and affect the Company's provision and its business results.

Besides providing loan amount that must be in line with the value of the collateral, the Company's loan approval process emphasizes on the verification of loan applicant's and his/her guarantor's personal information to ensure ability to payback. The Company also has effective loan management and collection system which help diminish the risk of non-performance loan. In addition, the Company employs the practice of Single Limit which states a single credit limit that applies to any combination of all types of loan for one borrower. This will limit the maximum losses of each debtor and helps minimize the risk. During 2012-2014, the Company's NPL ratio was 0.99%, 2.14% and 1.50% respectively.

10.3 Risk from failure to foreclose the collateral

The Company's core business is to provide vehicle title loan. Customers are required to use their own motorcycle, car or agricultural car/farm vehicle as collateral but do not have to register the transfer of ownership. In case the customers failed to pay the installment for 2 consecutive times or more, the Company is entitled to foreclose the collateral and sell those vehicles through the Company's Auction centers. However, as this type of collateral is and easy-to-move asset, it might be difficult to trace and foreclose. If the Company fails to foreclose and sell out these collateral, it will have negative impact to the Company's financial position and business results.

To diminish the possibilities of unabling to foreclose the collateral, the Company set a certain condition that the borrower must live locally, being a resident or working nearby the branch location. Branch staff who processes the loan request must check and validate the accuracy of address information and must be able to closely monitor each and every customer/borrower. The fact that the Company has over 500 branches located all over the country means the better network to trace and foreclose the default collaterals.



10.4 Risk from selling the foreclosed assets

The Company's selling process of the foreclosed assets is a public sale at the Company's auction centers. Presently, the Company has established 4 centers which are Phitsanuloke Auction Center, Ayudhya Auction Center, Chonburi Auction Center and Khonkaen Auction Center; all centers operate under the supervision and management of the Company. However, the Company has a risk to generate losses if the auctioned price is lower than the outstanding balance as the Company could not demand the default customer to pay the difference. So such losses will directly impact the Company's business performance.

The Company has emphasized the importance of granting proper credit limit, which needs to be in line with the value of the collateral. That means brand, model, popularity in market and physical appearance of the collateral must be taken into consideration. The Company also has a practice to review the pre-defined credit limit of each vehicle type once a year or when there was critical circumstance which might impact the business. In 2012, the Company gained 4.29 million baht profit from selling the foreclosed assets. While in 2013 and in 2014, the Company encountered the losses from the activity for 15.05 million baht and 13.49 million baht respectively, which representing 1.36% and 1.15% of total expenses. The losses resulted from the Company's decision, in June 2013, to tighten up the criteria for closing the defaulted loan accounts. The number of foreclosed vehicles increased from 4,501 in 2012 to 8,519 in 2013 while in 2014 the Company foreclosed 12,883 cars and motorcycles which were 4,364 higher than the number in 2013. The highly increasing number of foreclosed vehicle also impacted the auction prices due to over supply at the time each auction took place. The Company was aware of the drawback and decided to improve the selling process to be more effective by opening two more auction centers, Chonburi Auction Center and Khonkaen Auction Center in February and March 2014 respectively. As a result, the losses from selling foreclosed vehicles decreased from the average losses of 1,767 baht per vehicle in 2013 to 1,085 baht per vehicle in 2014.

10.5 Risk from employee fraud

Since the Company's business is Retail Finance service which provides relatively small loan amount, only 11,600–14,300 baht average per account, with a very large customer base, the Company needs to delegate the credit approval authorities to its branches and service centers in order to provide timely, effective and competitive services to the target customers. However, the Company is well aware of the chance of employee fraud so it has adopted strict measures to prevent employee fraud. Branch managers are required to review loan applications and all related documents and to verify customer's identity every time before approving the loan. For loans which are approved by sub branches or service centers which have only 2 staff, designated person by branch manager will perform verification with the customers via phone call before releasing the funds. In case any errors or unusual information found, he/she must immediately report to branch manager and Internal Audit team for further investigation and disciplinary actions. In case of employee committing fraud, he/she will have to take responsible for paying back the damage caused and will be dismissed immediately. Additionally, the Company has Internal Audit team who perform the operational auditing, focusing on loan approval and cash handling, at each branch on regular basis. Audit reports must be submitted to the Company's executives as well as the Audit Committee. All the above mentioned measurements help diminish the employee fraud effectively as reflecting in the Company's losses from employee fraud during the past 3 years and in year 2014. The amount of employee fraud losses were 0.71 million baht, 1.08 million baht, 1.67 million baht and 0.22 million baht respectively which equaled to 0.11%, 0.09%, 0.11% and 0.01% of total income. The management considered the number was relatively small when comparing to the size of the Company's business.

10.6 Risk from the custody of data and important documents

The Company's business operations are mostly relied on computer networks, storing critical data of its large customer base. If the system is down or encounters any circumstances that cause data loss or data leakage, it would be the major impact to the day-to-day operation. Therefore, the Company has set up the automatic data transferred system between the main server and the back-up server. In case the main server has problem the system will automatically switch to use data from the back-up server. The Company also has another back up process using portable hard disk to download critical data on weekly and monthly basis. For security reason, the Company has kept the hard disk in another office. In addition, the Company required all related employees to have personal user id and password when accessing the Company's database in order to control confidential data leakage.

Apart from computerized data, contract papers and other supporting documents like signed memorandum of ownership transfer, signed request to transfer the ownership, are also the important documents which must be used as evidence when processing the foreclosure or the court case when customer defaults payment. If these documents are lost or damaged by fire, it will impact the Company's operations and business results. In order to diminish the risk, the Company has a policy to keep all these document in an electronic form. Each branch is responsible for scanning all related documents and sending the file to Head Office to keep in archive.

10.7 Risk from fluctuations in interest rates

One of the source of fund that the Company used are loans from commercial banks, approximately 41%, with floating interest rate while the Company's main income is interest income from customer loans which applied fixed interest rates throughout the contract period. Therefore, the increasing interest rate in the market will directly affect the Company's cost of fund and might impact the business operations. The Company is aware of this risk and has a policy to factor in the trend of interest rate movement when calculating the interest rate for customer's loan in order to maintain the consistent interest spread levels. During 2012-2014, the Company's net interest spread were 19.57%, 19.49% and 18.83% respectively.

10.8 Risk from dependency on commercial bank's loans as source of fund

The Company's main source of fund are loans from commercial banks. As of 31 December 2014, the Company had total of 8,566.93 million baht as a line of credit provided by two commercial banks with the outstanding debt balance of 3,489.55 million baht, which were 40.60% of the Company's total fund. This outstanding comprised 501.89 million baht promissory notes which equaled to 14.38% and 2,987.66 million baht long-term commercial loans which equaled to 85.62% of total debt balance. In case that both commercial banks would decided not to continue giving financial supports to the Company, it will impact the Company's business operations.

However, since the Company had a long relationship with both banks with good payment history and always conformed with the Bank's terms and conditions, it had been well supported with continuous increase of credit line. The Company's management are confident that the banks will continue their supports to the Company in a long term. Nevertheless, the Company is aware of this risk so it has started seeking for more credit lines from other financial institutes. Besides, the Company has transformed to be public company, offering its shares to public through the Stock Exchange of Thailand, which provides the Company more options to raise fund in the future.



10.9 Risk from more controls from regulatory bodies

The Company's core business is providing vehicle title loan which contributed 83.93% and 84.17% of interest income in year 2013 and 2014 respectively. The operation of this business is not under supervision of any regulatory bodies. The only regulation that the Company must comply is about the interest rate charged, which must not exceed the rate stated in the Civil and Commercial Code. And the Company has always complied with the regulation. However, if in the future there are any governmental offices employ the policy which aims to supervise this type of business and standardize the business operations, the Company might get some impacts and that might effect its business results.

For personal loan business, the operation is under supervision of the Bank of Thailand. The Company must comply with the Prescribed Rules, Procedures and Conditions for operating personal loan business for non-bank operators, which specify the qualifications of loan applicant, guideline for setting credit limit, guideline for setting interest rate policy and other fee policy in order to create fairness for the Company's customers. The Company has always complied with all regulations. However, if BOT decides to change or add any regulations relating to personal loan business in the future, the Company is ready to conform even though it will effect the Company's operations and business results.

Being aware of this risk, the Company has been strictly complied with BOT regulations. Currently the Company has started applying guidelines that supervised by the Bank of Thailand i.e. loan loss provisions, revenue recognition and cease revenue recognition policy. Therefore, the Company is confident that the controls by regulatory bodies in the future will not significantly impact its operations and its competitive advantage.

10.10 Risk from the public policy to resolve the problem of informal loan outside the finance institution system

According to the Ministry of Finance's Notification No. 58 Re: Nano Finance for business operations under supervision and (No. 13) Re: Interest rates chargeable by financial institutions on borrowers dated 26 December 2014, the ministry would issue permits to non-bank institutions to offer nano-finance to public in order to resolve the problem of informal loan outside the finance institution (loan sharks) and the low income people who does not access to the fund source. Micro commercial loan or "Nano-finance" is a loan that will support the liquidity of small business operators who cannot access to the fund source i.e. commercial banks due to lack of collateral or guarantor. The Bank of Thailand has issued BOT notification no. sor nor sor 1/2015 Re: Prescribed Rules, Procedures and Conditions for Undertaking Nano-Finance under supervision for Non-bank operators with following details.

1. Effective interest rate not exceed 36% per year
2. Principle not exceeding 100,000 baht per borrower
3. Borrower must have ability to pay back the loan
4. Objective of lending is for business operation

The Company's management is confident that this policy will open more windows of opportunity and the Company is now preparing to apply for a nano-finance permit from the Bank of Thailand.

10.11 Risk from dependency on the Company's executives in running the business

Since the Company's executives has a long experience in the vehicle title loan business for over 22 years, they are highly competent in loan and collection management, collateral appraisal and understanding of borrower behaviors. The Company might encounter the risk from dependency on its executive in day-to-day operations if there is any changes in management team, which will affect its business operations. However, the Company has a clear goal to motivate its employee and management to work with the Company for a long-term. Most of the employee and executives has worked with the Company since the business started. The Company also has a policy to reduce its staff turnover by providing training and development programs to staff at all level. The programs included knowledge sharing and skill practices with the objectives to enhance the staff's skills, knowledges and understanding in their works. The Company also employs the policy to provide career paths to its employee so that they get advancement and grows with the Company.

10.12 Risk from having major shareholders holding over 50% of total shares

As of 16 May 2014, Mr. Chuchat Petaumpai and Mrs. Daonapa Petaumpai held total of 1,405,000,000 shares of the Company, equaling to 89.21% of the total paid-up capital. And after the IPO period, which was from 19-21 November 2014, the shareholding ratio of Mr. Chuchat Petaumpai and Mrs. Daonapa Petaumpai reduced to 66.27% of the total paid-up capital. As a result, both major shareholders still hold the power to control the Company's business operations and could influent most of the Company's business decisions i.e. the nomination of directors or other subjects which require resolution from majority of shareholders, except the subjects that are required by law or Company's regulation to acquire a minimum vote of 3 in 4 of total shareholders. As such, other Company's shareholders have a risk of unabling to collect sufficient votes to counterbalance the power of major shareholders in the shareholders meeting.

However, the Company has appointed the Audit Committee to be responsible for auditing, reviewing and considering all related issues in order to prevent any conflicts of interest in the future and to ensure transparencies in the Company's business operations. Additionally, the structure of the board of directors comprised 5 independent directors (including the Chairman) out of total 7 members. Only 2 executive directors are in the board. This board structure helps balancing the votes required in business decisions while the controlling of the Company is appropriate and highly effective.

10.13 Risk from dependency on the major shareholders as guarantor for loans from commercial banks

After the Company has registered as public company in the Stock Exchange of Thailand, the Company, since November 2014, gradually withdrew the guarantee contracts of its major shareholders (namely Mr. Chuchat Petaumpai and Mrs. Daonapa Petaumpai) from the related commercial banks, which included personal deposits as collateral and the Shareholder's letter of guarantee. The Company also arranged to revise the conditions of D/E Ratio with the Bank. The withdrawal of shareholder's guarantee did not affect the line of credit which the Company received from the Bank.



11. General Information and Other References

General Information

Company Name	: Muangthai Leasing Public Company Limited
Type of Business	: Financials – Provide vehicle title loan and personal loan to individuals
Head Quarter Address	: 32/1 Charan–sanitwong Road, Bang–Or, Bangplad, Bangkok 10700
Registration Number	: Bor Mor Jor 0107557000195
Home Page	: http://www.muangthaileasing.co.th
Telephone	: 0–2880–1033
Fax	: 0–2880–1173
Total registered capital	: 2,120,000,000 Baht
Paid–up Capital	: 2,120,000,000 Baht
Type of Shares	: Common

Other References

Share Registrar

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building
Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone : 0–2229–2866
Fax : 0–2359–1262–3

Company’s Secretary

Ms. Monthon Onphan
Muangthai Leasing Public Company Limited
32/1 Charan–sanitwong Road, Bang–Or, Bangplad, Bangkok 10700
Telephone : 0–2880–1033
Fax : 0–2880–1173

Auditor

Ms. Ratana Jala
Certified Public Accountant (Thailand) Registration No 3734
EY Office Limited (Former known as Ernst & Young Limited)
33rd Fl., Lake Rajada Office Complex, 193/136–137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone : 0–2264–0777
Fax : 0–2264–0789–90

12. Information on Securities and Shareholders

12.1 Registered Capital and Paid-up Capital

As of 31 December 2014, the Company had total registered capital of 2,120 million baht and Total paid-up capital of 2,120 million baht, divided into 2,120 million shares at par value of 1.00 baht per share.

12.2 Shareholder Structure

Table of major shareholders (top 10) as of 24 November 2014

No	Name	No of shares	Percentage
1	Petaumpai Family		
	Mr. Chuchat Petaumpai ¹	792,500,000	37.38
	Mrs. Daonapa Petaumpai ²	612,500,000	28.89
	Total shares held by Petampai family	1,405,000,000	66.27
2	Mr. Wasin Dejkitvikrom	65,000,000	3.07
3	Mr. Sorachai Dejkitvikrom	65,000,000	3.07
4	Mrs. Chatsamon Tiraganon	40,000,000	1.89
5	BNP Paribas Securities (Asia) Ltd.	26,000,000	1.23
6	Allianz Ayudhya Assurance Pcl.	14,500,000	0.68
7	Chase Nominees Limited	7,391,600	0.35
8	Mr. Kanoksak Pinsaeng	6,500,000	0.31
9	Mr. Marachai Kongboonma	6,347,600	0.30
10	Others	484,260,800	22.83
	Total	2,120,000,000	100.00

Remark: ¹ Mr. Chuchat Petaumpai is the Company's director and Chairman of the Executive Committee

² Mrs. Daonapa Petampai is the Company's director and Managing Director



13. Dividend Payment Policy of the Company and its Subsidiary

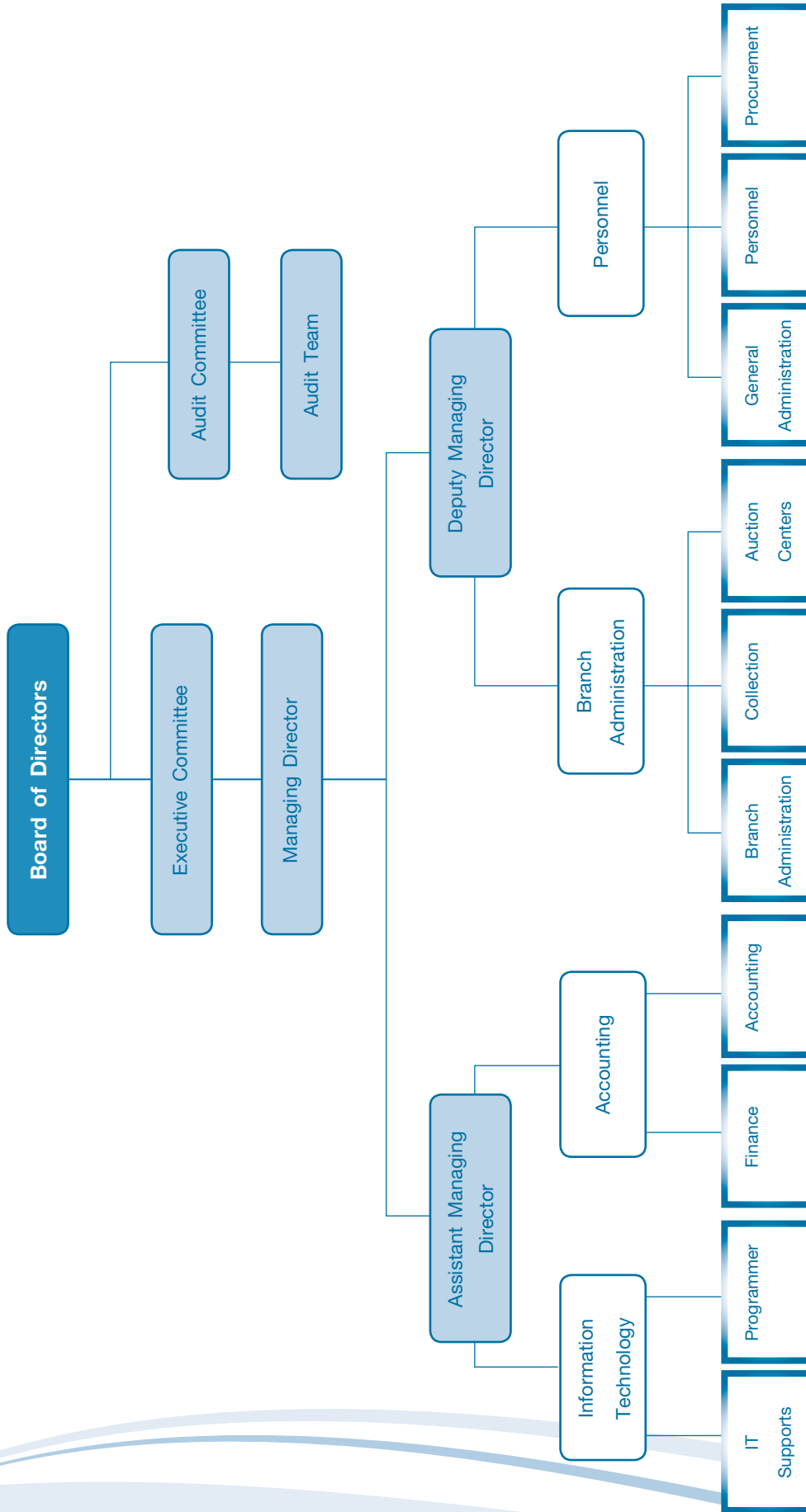
The Company has a policy to pay dividends not exceeding 50% of the Company's net profits in the consolidated financial statements after deducting corporate income tax and the provisions required by law in each year.

The Company's subsidiary has a policy to pay dividends not exceeding 50% of the Company's net profits after deducting corporate income tax and the provisions required by law in each year.

However, the Company may consider to pay dividends in different manner from the policy, depending on the business results, financial status and liquidity, need of cashflow for business expansion as well as the country's economy.

14. Management Structure

14.1 Organization Structure





14.2 Board of Directors

As of 31 December 2014, the Board of Directors consisted of 7 directors as follows;

Name	Position
1. Adm. Apichart Pengsritong	Chairman and Independent Director
2. Mr. Chuchat Petaumpai	Director
3. Mrs. Daonapa Petumpai	Director
4. Mr. Yodhin Anavil	Independent Director
5. Mrs. Kongkeaw Piamduaytham	Chairperson of the Audit Committee and Independent Director
6. Mr. Kampol Tatiyakavee	Member of the Audit Committee and Independent Director
7. Mr. Chainoi Puankosoom	Member of the Audit Committee and Independent Director

Remark : The Board of Director Meeting No.3/2014 on 14 May 2014 approved the appointment of Ms. Monthon Onphan to be the Company's Secretary.

Authorized Signatory

The Company's authorized signatories are Adm. Apichart Pengsritong or Mr. Chuchat Petaumpai or Mrs. Daonapa Petumpai or Mr. Yodhin Anavil. It is required that any two of these directors jointly sign with the seal of the Company affixed.

14.3 The Audit Committee

The Company's Audit Committee comprised the following 3 independent directors:

Name	Position
1. Mrs. Kongkeaw Piamduaytham	Chairperson of the Audit Committee
2. Mr. Chainoi Puankosoom	Member of the Audit Committee
3. Mr. Kampol Tatiyakavee	Member of the Audit Committee

Remark : The Audit Committee has Ms. Duangkhae Songnuy as a secretary.

14.4 The Executive Committee

As of 31 December 2014, the Company's Executive Committee comprised 12 members as follows.

Name	Position
1. Mr. Chuchat Petaumpai	Chairman of the Executive Committee
2. Mrs. Daonapa Petumpai	Executive
3. Mr. Surapong Pechaumpai	Executive
4. Mr. Surat Chayavoradech	Executive
5. Ms. Vimonrat Nujul	Executive
6. Mr. Poomin Booranapanich	Executive
7. Mr. Somkiat Ratsamee	Executive
8. Mr. Amnat Niamsee	Executive
9. Mr. Banyat Ninsiri	Executive
10. Mr. Niyom Rodnoi	Executive
11. Mr. Pradit Thongkhum	Executive
12. Mr. Songkran Eiamkai	Executive

14.5 Management

The Management of the Company comprised of the following members.

Name	Position
1. Mrs. Daonapa Petampai	Managing Director
2. Mr. Surapong Pechaumpai	Deputy Managing Director
3. Mr. Surat Chayavoradech	Assistant Managing Director
4. Ms. Duangkhae Songnuy	Manager – Audit
5. Ms. Vimonrat Nujul	Deputy Manager – Account
6. Mr. Poomin Booranapanich	Deputy Manager – Personnel
7. Mr. Somkiat Ratsamee	Assistant Manager – Branch Administration – Lampang District
8. Mr. Amnat Niamsee	Assistant Manager – Branch Administration – Ayudhaya District
9. Mr. Banyat Ninsiri	Assistant Manager – Branch Administration – Saraburi District
10. Mr. Niyom Rodnoi	Assistant Manager – Branch Administration – Khonkaen District
11. Mr. Pradit Thongkhum	Assistant Manager – Branch Administration – Nakornsawan District
12. Mr. Songkran Eiamkai	Assistant Manager – Branch Administration – Surin District

14.6 Company Secretary

In the Board of Director Meeting No.3/2014 on 14 May 2014, the Board of Directors have appointed Ms. Monthon Onphan as the Company Secretary in order to align with section 89/15 of Securities and Exchange Act B.E.2535 as amended by Securities and Exchange Act (No. 4) B.E. 2551. Following are responsibility of the Company Secretary.

1. Supervising and providing recommendations to the Directors and Executives regarding the adoption of related law, rules and regulations of regulatory bodies and of the Company itself as well as monitoring and to monitor on regular basis to ensure conformity in all aspects.
2. Arranging the Board's meetings and Shareholders' meeting and coordinating with related parties to act or response to the meeting's resolutions.
3. Supervising the disclosure of information and preparing material information report as required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other related law.
4. Preparing and maintaining the following documents:
 - 4.1 A register of Directors
 - 4.2 Notice and Minutes of the Board meeting
 - 4.3 Notice and Minutes of Shareholder meeting
 - 4.4 Annual Report
 - 4.5 Director and Management's report on conflict of interest.



14.7 Director and Management Remuneration

14.7.1 Financial Remuneration

Board of Director remuneration

In year 2014 the Company has paid meeting fee to the Board of Directors with details as follows:

(unit : baht)

Name-surname	Year 2014
1. Adm. Apichart Pengsritong	250,000
2. Mr. Chuchat Petaumpai	150,000
3. Mrs. Daonapa Petampai	150,000
4. Mr. Yodhin Anavil	150,000
5. Mrs. Kongkeaw Piamduaytham	275,000
6. Mr. Kampol Tatiyakavee	250,000
7. Mr. Chainoi Puankosoom	200,000
Total	1,425,000

The 2014 Annual General Shareholder Meeting on 28 April 2014 approved the directors' remuneration in year 2014 as follows:

- The Company's board, chairman and members, will receive following remuneration.
 1. Meeting Fee to be paid in accordance with the number of meeting attended. The chairman will receive 50,000 baht per attendance while board members will receive 30,000 baht each.
 2. Bonus for year 2014 will be paid to the Board of Directors with the amount not exceeding 1,500,000 baht
- The Audit Committee will receive remuneration only as meeting fee which will be paid in accordance with the number of meeting attended. The chairperson will receive 25,000 baht per attendance while members of the committee will receive 20,000 baht each.

Executive's remuneration

In 2014 total remuneration that the Company and its subsidiary paid to their executives was 26.31 million baht, of which included salary, position allowance, bonus, per diem, social securities contribution and providend fund contribution.

14.7.2 Other Remuneration

The 2014 Annual General Shareholder Meeting on 28 April 2014 approved the Company to issue total 42,500,000 new common shares to offer to the Company's directors, executives and employee at the price of 5.50 baht which was the same price as the IPO. This amount of shares equaled to 2.01% of total paid-up capital were sold at the same period of IPO.

By the way there was no employee holding over 5% of total shared allocated to the Company's executives and employee.

Following are details of share allotments for directors and executives.

Name	Position	Number of shares allotted	% of total shares offered to directors, executives and staff
1. Adm. Apichart Pengsritong	Chairman	800,000	1.88
2. Mrs. Kongkeaw Piamduaytham	Chairperson of the Audit Committee	800,000	1.88
3. Mr. Kampol Tatiyakavee	Member of the Audit Committee	800,000	1.88
4. Mr. Chainoi Puankosoom	Member of the Audit Committee	800,000	1.88
5. Mr. Yodhin Anavil	Director	800,000	1.88
6. Mr. Surapong Pechaumpai	Executives and Deputy Managing Director	525,000	1.24
7. Ms. Vimonrat Nujul	Executives and Deputy Manager – Account	252,000	0.59
8. Mr. Somkiat Ratsamee	Executives and Assistant Manager – Branch Administration – Phitsanuloke	219,000	0.52
9. Mr. Amnat Niamsee	Executives and Assistant Manager – Branch Administration – Ayudhaya	219,000	0.52
10. Mr. Banyat Ninsiri	Executives and Assistant Manager – Branch Administration – Saraburi	219,000	0.52
11. Mr. Niyom Rodnoi	Executives and Assistant Manager – Branch Administration – Khonkaen	219,000	0.52
12. Ms. Duangkhae Songnuy	Manager – Audit	315,000	0.74



14.8 Personnel

14.8.1 Number of employee

As of 31 December 2014, the Company and its subsidiary had total number of employee of 1,703 persons (not including 12 Executives) working under the following classifications.

Classification Name	Number of employee (person)		
	Head Office	Branch	Total
1. Branch Administrative	–	80	80
2. Credit Analyst	–	1,217	1,217
3. Collection	–	52	52
4. Accounting	12	141	153
5. Finance	4	93	97
6. IT	7	–	7
7. Legal	3	–	3
8. Administrative	6	–	6
9. Personnel	2	–	2
10. Audit	20	–	20
11. Procurement	3	–	3
12. Auction Center	–	7	7
13. Office Maid	2	54	56
Total	59	1,644	1,703

14.8.2 Major labor disputes during the past 3 years

None

14.8.3 Employee remuneration

Financial remuneration

In 2014, the Company and its subsidiary paid remuneration of 514.11 million baht to their employee (not including Executive), which comprised salary, commission, bonus, per diem, contribution to social security fund, contribution to provident fund and other welfares.

14.8.4 Policy on Employee Training and Development

The Company recognized the importance of its employee and had a policy to define training and development plan for continual learning of employee at all levels, from staff to manager. There were curriculums covering soft skills like service skill, managerial skill and other technical skills. The Company also sent employee to participate in external training programs arranged by private and public organizations. Well-known and successful speakers were invited to widen the employee's perspectives in customer services, how to be more effective in their works and motivate them to improve their knowledge and skills. Additionally, the Company had a policy to provide scholarship for its employee to further their study. This would be a good chance for them to develop themselves, learning new knowledge, getting new experience from both the classroom and their peers. It was expected that the employee would be able to adopt what they had learnt in their job and contributed to the Company's success as well.

15. Corporate Governance

15.1 Corporate Governance Policy

The Company has recognized the importance of good corporate governance as it is a key factor that leads to effective, transparent and verifiable management and administration, which helps build confidence and gain trust from its shareholders, investors, stakeholders and all related parties. Good corporate governance is a tool to add values, enhance the competitive edge and promote the sustainable growth for long-term. To align with guideline set by the Stock Exchange of Thailand, the Company has established its Corporate Governance Policy with following 5 sections.

Section 1 The Rights of Shareholders

The Company was aware of the significance of shareholders' basic rights i.e. right to sell or transfer the shares, right to receive the rightful portion of Company's profits, right to obtain relevant and adequate information of the Company, right to attend and vote in the shareholders' meetings to elect or remove members of the Board of Directors, right to appoint external audit, right to decide on any transactions that significantly affect the Company i.e. dividend payment, amendments of Company's regulations or memorandum of association and articles of association, the increase or decrease of capital, etc.

Apart from the above mentioned rights, the Company has made the following arrangements to promote and facilitate shareholders to conveniently exercise their rights.

- The Company shall prepare Notice of the shareholder meeting and send to shareholders not less than 7 days before the date set for the meeting. The notice must state the date, time, venue and agenda of the meeting and must include information related to the topics which need decision from share holders.
- In case that shareholders cannot attend the meeting, the Company allows the shareholders to appoint a proxy, who may be one of independent directors or any other person by using the provided proxy form which is sent together with the notice of the meeting.
- In the meeting, the Chairman shall allocate appropriate time for shareholders to ask questions, to share their opinion and to make recommendations thoroughly and independently.
- After the meeting, the Company shall prepare minutes of meeting which records accurate information with full coverage so that the Shareholders can review when needed.

After the Company has transformed to be public company and registered to be the member of the Stock Exchange of Thailand, the Company is required to include the opinion of the Board of Directors in the Notice of the Shareholder meeting and to send the notice to shareholders within the timeframe that defined by the Stock Exchange of Thailand and the Securities and Exchange Commission so that the shareholders will have sufficient time to review the information before attending the meeting. In addition, the shareholders will also receive the related information via the SET's electronic channels, the Company's website and the newspaper announcement as required by the Public Company Act. The Company also has a policy to invite all members of the board to attend the meeting, especially the chairperson of each committee, i.e. the Audit Committee, so that they can directly clarify or respond to the shareholder's queries.

Section 2 The Equitable Treatment of Shareholders

The Company has a policy to treat and protect the right of all shareholders, executive and non-executive, foreign or Thai, majority or minority, fairly and equally. After the IPO, the Company has registered to be a member of the Stock Exchange of Thailand and has applied the policy to provide more option for shareholders who are unable to attend the meeting. Shareholders shall appoint a proxy who may be one of independent directors or any other person who will be able to



vote for the shareholder as well. Additionally, the Company also has a policy to allow shareholders to nominate qualified candidate for director positions by notifying the Board of Directors in advance.

During the shareholder meeting, according to the Company's regulation, the chairman will run the meeting as per the agenda by clarifying all related information before asking the shareholders to vote for resolution. Unless it deems necessary, there will not be additional agenda which has not been notify to shareholder in advance, especially the important topic that shareholders may require times to study before making decision.

The Company has prescribed the measure to prevent insider trading by related personnel which includes executives, employees and workers and also their spouses and any minor children. There will be a serious penalty in case of disclosure of Company's information or usage of inside information for their own benefit. Moreover, the Company's directors and executives and their spouses and minor children are prohibited from trading Company's shares during one month before the Company disclosing its financial statement to the public. The Company has communicated to all directors and executives to ensure a clear understanding of their responsibility to report their securities holding in the Company as well as the securities holding of their spouses and any minor children to the Office of Securities and Exchange Commission. The report must also be filed when there is any change in securities holding of the above mentioned parties. All these measures are set to comply with section 59 and Penalties prescribed in the Securities and Exchange Act B.E 2535.

Section 3 Role of Stakeholders

Realizing the importance of stakeholder's right, the Company shall treat all related parties fairly with following details.

- **Employee** : The Company is fully aware the significance of every employee, who has participated in driving the Company to build up its business in the future. Therefore, the Company has focused on developing the employee's knowledge and skill continually in order to enhance their competencies and potentials. Compensation provided for employee is well suited with each person's capabilities and is competitive when comparing to companies in the same industry. The Company provides the proper work environment with the awareness of work life quality and safety workplace. Above all, the Company always treats every employee fairly and evenly
- **Business partner and Debtor** : The Company treats its business partners and debtors fairly, evenly and without any discretion. Any trade conditions and/or contractual agreements are strictly followed in order to ensure mutual benefit.
- **Customer** : The Company has a policy and standard guidelines to treat every customer fairly. Related terms and conditions must be clearly informed to customer. And such terms and conditions must be fair. Besides, the Company commits to provide service excellence. Its employee give consultation to customer in a soft and polite manner and are willing to listen to customer's problems in order to propose the proper solutions and keep confidential.
- **Competitor** : The Company respects compliance with contracted terms and conditions in trade, fair and acceptable competition and refrains from all unethical and/or illegal practices.
- **Society and Community** : The Company focuses on building awareness, among its employee, to take responsibilities for our society and community on regular basis as well as supporting activities that benefit to all and avoiding any illegal or unethical activities.

Section 4 Disclosure and Transparency

The Company's Board of Directors recognizes the importance of information disclosure, with respect to financial reports and non-financial information, in an accurate, complete and transparent, in compliance with the SEC and SET's regulations. Since some particular information may affect the

price of the Company's securities and may affect the decision making of investors and other Company's stakeholders, it is critical to equitably disclose the information to all stakeholders. After the IPO, the Company has already registered as a member of the Stock Exchange of Thailand. The Company will disclose the information to its shareholders and public through the Company website and the information dissemination channels of the Stock Exchange of Thailand.

Section 5 Responsibilities of the Board of Directors

1. Board Structure

The Company's Board of Director comprises experts who are highly qualified and has work experiences from various organization so they can use their experiences and expertise to move the Company forward and to decide the Company policy and strategy to ensure the effective business operations and maximum benefit to the Company and its shareholders. The Board plays important role in deciding policy and overview of the Company as well as supervision role to review and monitor the management's implementation plan and to assess the Company's performance to ensure it reach the set target.

Regarding the Board structure, independent director is made up of more than one-third of the Board members. Presently, the Board consists of 7 directors, of which 2 are executive directors and 5 are non-executive (including the Chairman of the Board). 3 out of 5 non-executive directors are members of the Audit Committee. This Board structure helps balancing the voting when the Board considers and makes important decision. The Board also approve to set up certain committees to help supervise the Company's business operations.

1.1 Executive Committee Comprising 10 members, the executive committee is responsible for deciding guideline and tactical approach for the Company's business implementation plan in order to achieve business goal set by the Board of Directors and to facilitate the business operation.

1.2 Audit Committee Comprising 3 members, the audit committee, conducting its duties as prescribe in the scope of authorities, reports directly to the Board of Directors. There is also a requirement that, at minimum, one of the 3 members must have adequate knowledge and experience in finance and accounting area in order to review the reliability of the Company's financial statement.

2. Authorities, Duties and Responsibilities of the Board

The Company requires the Board of Director to strictly follow Code of Best Practices provided by the Stock of Exchange Thailand. The Board shall understand and well aware of its duties and responsibilities and must comply with the laws, the Company's objectives and articles of associate, as well as the shareholder meeting's resolutions. The Board shall honestly perform their duties and focus on the best interest of the Company and its shareholders. With the aim to achieve maximum results for the Company and its shareholders, the Board shall be responsible for deciding the Company policy, business goal, business plan and the Company budgets and shall supervise the management team to implement the policy and business plan effectively and efficiently within the budget provided.

Policy on conflict of interest

The Company has prescribed the measure, based on the principle of duty segregation, to prevent conflict of interest which might be resulted from connected transactions of The Company with its subsidiary or individual who has conflict of interest. The Board shall supervise the Company and its management to comply with related laws and regulations i.e. Securities and Exchange Act, related Rules/Notifications/ Orders/Regulations set by the



Securities and Exchange Commission and by the Stock Exchange of Thailand, and to follow the Company's regulations on the disclosure of connected transactions and the acquisition or disposal of key assets.

Moreover, the Board shall advise the Audit Committee or external auditor or independent specialist, as deem appropriate, to review and comment about the suitability of price and the sensibility of the transactions. Those connected transactions will then be disclosed in the Notes of the audited financial statement and submitting Disclosure Report on Additional Information (form 56-1) and Annual Report (form 56-2)

Internal control system

The Company recognizes the importance of internal control system for both managerial and operational levels so various control activities are implemented. For example, job scope and approval authorities are documented; guideline for asset control, segregation of approval duty, accounting transaction and MIS procedure are in place. Not only the appropriate check and balance measures, the Company also has internal control system of financial reporting. Financial reports are submitted to responsible executives on regular basis. In addition, as the Company operates business of personal loan (unsecured loan) for retail customers through branches and service centers which locate all over the country, the Company requires Internal Audit team to submit audit plan each year to ensure that each branch and service center will has on-site visit at minimum once a year. The internal audit team will submit each audit report directly to the Audit Committee.

The Company has clear and measurable business goals. Its executive and management team monitor and review monthly performance to compare actual result to the set goal while assessing external and internal risk factors. They will analyze root causes and decide on measures to monitor that risk factor as well as preventive actions to reduce the risk. Specific work team will be assigned to continuously follow up the situation and report back the progress to the committee.

3. Board of Director meeting

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

4. Remuneration of directors and executives

The Company provides appropriate remuneration for its directors and executives. It is a rate that is sufficient, suitable and competitive among the industry in order to keep the quality directors and executives with the company. Factors which are brought to consideration, are work experience, job description and scope of duties and responsibilities. Remuneration of each directors shall be approved by the Board of Directors while the remuneration of executives will follow the compensation policy and guideline set by the Board of Directors based on the scope of their duties and responsibilities, performances and the Company business results.

5. Directors and Executives' Development

The Board has a policy to support and facilitate the training and development for the personnel related to the corporate governance which are directors, member of audit committee, executives and the company's secretary in order to continually improve their performance. The programs from Thai Institute of Directors Association (IOD) will be provided.

15.2 Company's Committees

The Company's broad structure consists of 3 board and committee which are the Board of Directors, the Audit Committee and the Executive Committee. All has adequate qualifications prescribed in Section 68 of Public Company Act B.E. 2535 and the related notification of the Capital Market Supervisory Board. Following are scope of authorities of each board and committee.

15.2.1 Scope of authority of the Board of Directors

1. The Board has power, duty and responsibility to manage and supervise the Company to operate legally and comply with all related laws, the Company's objectives and articles of association, and the resolution of the shareholder meeting with honesty, carefulness, and protection of the Company's and shareholder's best interest.
2. To supervise the preparation of an audited statements of financial position and an audited statement of comprehensive income for the Company as at the last day of the Company's accounting period and bring to the shareholder meeting for consideration and approval.
3. To decide business goals, directions, policies, business plans and the Company's budget and to monitor and supervise the administration and management of the management team to be in line with the Company's policies, plans and use the provided budgets effectively and efficiently.
4. To review, audit and approve the policies, directions, strategies and implementation plan proposed by the management.
5. To follow and evaluate the implementation plan and budget spent on regular basis
6. To ensure that the Company and its subsidiary have a proper and effective accounting system, providing reliable financial reports and reviews, and have adequate and sufficient internal control and internal audit systems in place.
7. To decide Risk Management policy that covers the whole operations and to supervise the Company to have system or process to manage all related risks with the preventive and control measures to diminish the impacts to the Company's business in a proper manner.
8. To decide the Company's management structure, appoint the executive committee, the managing director and other sub-committees as deem appropriate. And to decide scope of duties and responsibilities of the executive committee, the managing director and other approved sub-committees.

Importantly, the delegation of authorities prescribed in the scope of duties and responsibilities shall not allow the executive committee, the managing director and other sub-committees to consider and approve the transactions which might result in a conflict of gain or loss or any other conflicts of interest with the Company or its subsidiary (if any) unless the approval of the transaction follows the policies and guidelines already reviewed and approved by the Board of Directors.



9. To supervise the preparation of the Board's annual report and be responsible for the disclosure of the Company financial statement which will reflect the financial status and operation results in the past year and to propose them to the shareholder meeting for consideration and approval.
10. To supervise and oversee the management and operation of the Company and its subsidiary to comply with the Company's policy, the Securities and Exchange laws, the notifications of the Capital Markets Supervisory Board and the Stock of Exchange Thailand's regulations, especially on the connected transaction and the acquisition and disposal of assets and not to conflict with other laws.
11. The Board of Directors may authorize one or more directors or other person to act on behalf of the Board under the supervision of the Board, or authorize the person to have authorities as the Board deems appropriate and within the approved timeframe. Such authorization may be cancelled, revoked or amended as the Board sees fit.

Such authorization to act on behalf of the Board of Directors must not allow the person to review and approve a transaction that can result in a gain or loss to the authorized person himself or to a third party who may has a conflict of interest with the Company or its subsidiary as per the description in the notification of the Capital Market Advisory Board and/or the Stock Exchange of Thailand and/or any other notifications of related regulatory bodies, unless the approval of the transaction in question follows he policies and guidelines already reviewed and approved by the Board of Directors.

15.2.2 Scope of authority of the Audit Committee

1. To review the accuracy and sufficiency of the company's financial reports
2. To review the appropriateness and effectiveness of internal control systems and internal audit function including the independence of the internal systems to appoint, removal, transfer, or dismissal of the internal audit manager or manager of any work unit who is responsible for internal control task.
3. To carry out the review to ensure compliance with Securities and Exchange Acts, regulations of the Stock Exchange of Thailand and other related laws.
4. To consider, select and propose independent person to be appointed as the Company's external auditor to the Board, offer the compensation and meet privately with external auditor at least once a year without management members insight.
5. To review a connected transaction or transaction that may lead to conflict of interests to ensure that the Company complies with all related rules and the notification of the Stock Exchange of Thailand and that the transaction is reasonable and give the Company the maximum advantage.
6. To ensure full coverage of the audit committee's monitoring activities disclosed in the Company's annual report. The report must be signed by the Chairperson of the Audit Committee and should include the following information:
 - (a) Opinion on the accuracy, completeness and reliability of the Company's financial report
 - (b) Opinion on the adequacy of the Company's internal control system
 - (c) Opinion on the Company's compliance with SEC's and SET's laws and regulations or other laws relevant to the Company's business

- (d) Opinion on suitability of the external auditor
 - (e) Opinion on transactions which may cause conflict of interest
 - (f) Number of committee meetings and attendance of each member
 - (g) General opinion or observation arisen as the Audit Committee performing its duty as defined in the committee's charter
 - (h) Any other transaction which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board
7. Any other assignments from the Board with the consent from the Audit Committee

15.2.3 Scope of authority of the Executive Committee

1. To propose goal, policy, business plan and yearly budget of the Company to the Board of Directors for approval
2. To control the Company's business operation to follow the set policy, plan and budget approved by the Board
3. To consider and approve the transactions incurred from the normal business operation i.e investments which are within the capital expenditure budget or in accordance with the budget approved by the Board. Also the amount of each transaction must in line with the approval authorities matrix approved by the Board.
4. To consider and approve the definition and any amendments in the rule and criteria of loan approval, credit determinator table, as well as the definition and any amendments of penalty fee and discounts.
5. To propose the organization structure which suits the Company's business operation for the Board's approval and to consider and approve the additional hiring of employee which is not in the approved annual budget.
6. To consider the Company's profit and loss, the proposal to pay the interim dividend or the annual dividend in order to propose to the Board for approval
7. The Executive committee may appoint or hire consultant for the Company's internal administration and management in order to maximize results
8. The Executive committee may authorize one or more individuals to act on behalf of the committee under the supervision of the Executive committee, or authorize the person to have authorities as the committee deems appropriate and within the approved timeframe. Such authorization may be cancelled, revoked or amended as the committee sees fit.
9. To perform any other duties assigned by the Board of Directors.

Importantly, the delegation of authorities and responsibilities by the Executive committee shall not be in the manner of general power of attorney which will allow the authorized person to approve the transactions which might result in a conflict (as defined by the notifications of the Capital Market Advisory Board and/or the Stock Exchange of Thailand) of gain or loss or any other conflicts of interest with the Company or its subsidiary and/or related companies. As the Executive Committee also do not have authority to approve such transaction, it will have to be submitted to the Board of Directors and/or the shareholder meeting (as deem appropriate) for further approval. Unless the approval of the transaction is for normal trade or in accordance with normal trade conditions which comply with the notifications of the Capital Market Advisory Board and/or the Stock Exchange of Thailand and/or other related regulators.



15.2.4 Scope of authority, Duty and Responsibility of Managing Director

1. To control and supervise business operation and/or day-to-day administration in the Company
2. To operate and administrate the Company by following the policies, plans and budget approved by the Board of Director and/or the Executive committee
3. To prepare policy, business plan, business strategies and yearly budget of the Company to propose to the Executive committee in order to get approval from the Board of Directors
4. To consider and approve the Company's normal business transactions, for example, approval of investment expenses within the capital expenditure budget or budget approved by the Board of Directors, approval of asset buy, approval of other expenses and financial expenses. The amount of approval of each transaction shall be within the limit stated in the approval authorities matrix which was approved by the Board of directors.
5. The Managing director has authority to approve the headcounts, hiring and placing employee, determining wage, promoting and transferring as well as deciding role and job description of employee in any position in any work unit, for all employee in all levels below assistant manager, according to the approval from the Board of directors.
6. The Managing director has authority to approve all operating expenses for normal business activities according to the budget approved by the Board of directors
7. To monitor and assess the Company's performance on regular basis and to report the operating results as well as progress report of related projects to the Executive committee, the Audit committee and the Board of directors.
8. To issue and announce orders, regulations, notifications and memorandum to ensure that the Company's business operations will be align with the policy and to protect the Company's benefit as well as to keep orders within the organization.
9. The Managing director has authority to appoint committees or sub-committees for the benefit and the effectiveness of good management, and also to authorize one or more individuals to execute things under the supervision of the Managing director, or authorize the person to have authorities as the Managing director deems appropriate and within the approved timeframe. Such authorization may be cancelled, revoked or amended as the Managing director sees fit.
10. To perform other duties as per assignment from the Executive committee or the Board of directors

Importantly, when there is a transaction that relates to the Managing director or the authorized person by the Managing director or any person who may have a conflict (as defined by the notifications of the Capital Market Advisory Board and/or the Stock Exchange of Thailand) of gain or loss or any other conflicts of interest with the Company or its subsidiary and/or related companies. The Managing director do not have authority to approve such transaction. It will have to be submitted to the Board of Directors and/or the shareholder meeting (as deem appropriate) for further approval. Unless the approval of the transaction is for normal trade or in accordance with normal trade conditions which comply with the notifications of the Capital Market Advisory Board and/or the Stock Exchange of Thailand and/or other related regulators.

15.3 Nomination and appointment of directors and top executives

The selection and appointment of the Company's directors will be considered and approved in the shareholder meeting. Since the Company does not have the Nomination and Compensation Committee, the Board of directors will perform the screening of candidates based on the experience, capability and qualifications defined by related laws and propose to the shareholder meeting, who will select and approve the hiring of the director in according to the criteria and process that prescribed in the Company's Articles of Association.

15.3.1 Composition and appointment of the Board of Directors

The composition and nomination, appointment, removal and expiration of the Company directors have been defined in the Company's Article of Association, which can be summarized as follows:

1. The Board of Director comprises not be less than 5 members, provided that not less than one half of the directors shall reside within Thailand. The directors shall have qualifications as specified by laws.
2. The directors shall be elected by the shareholder meeting under the following rules and procedures.
 - (1) Each shareholder shall have one vote per share held by him/her
 - (2) Each shareholder shall exercise all votes in electing one or more persons to be a director, but provided that no vote shall be divisible.
 - (3) Any candidates who have the most votes shall be elected as directors equivalent to the number of directors required; if two candidates have equal votes, the Chairman shall have a casting vote.
3. At every Annual General Meeting, one-third ($\frac{1}{3}$) of the directors, or, if their number is not divided by three (3), then the number nearest to one-third ($\frac{1}{3}$) shall retire from office. In the first year and the second year following the establishment of the Company, the retiring directors shall be drawn by lots. In the third year and subsequent years, the directors who have been longest in office shall retire. The retired directors shall be re-elect to consume the position.
4. Any director who wishes to resign from his office shall submit a resignation letter to the Company. The resignation shall be effective on the date the notice reaches the Company.
5. In case there is a vacancy for the director position with reasons other than the normal retirement, the Board may decide to select the qualified candidate who does not possess any qualifications which were prohibited by the Public Company Limited Act and/or the Securities and Exchange Act, to resume the vacant position, except when the term of the departing director is less than 2 months. The new director's term will equal to the period of term left of the departing director. The Board's resolution requires the votes of not less than three-fourth ($\frac{3}{4}$) of the number of the left directors.
6. The shareholder meeting may vote to remove any director from office prior to retirement. A three-quarter ($\frac{3}{4}$) vote of any shareholders with an aggregate number of up to half ($\frac{1}{2}$) of all shares held by the shareholders present and eligible to vote shall be required.

15.3.2 Composition and appointment of independent director

The Board of Director shall considers the qualification of candidate who will be the Company's independent director based on the qualifications and forbidden characteristics under



the Public Company Limited Act, Securities and Exchange Act, Notifications of the Capital Market Supervisory Board, and other related notifications, announcements and/or regulations. Moreover, the Board shall select the candidate based on expertise, work experience, and other suitabilities. The Board shall propose the candidate to the shareholder meeting for voting to appoint the person as an independent director. The Company has a policy to appoint at least one-third (1/3) of the total directors and should not be less than 3 persons.

Qualifications of Independent Director

1. Holding not exceeding 1 per cent of the total number of voting rights of the Company, its parent company, subsidiaries, associated companies or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
2. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and son/daughter, including spouse of the son/daughter, to management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.
4. Not having any business relationship with the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest that could be barrier to independent judgement. And not being or having been major shareholder, director other than independent director or management of the stakeholders of the Company, subsidiaries, associated companies or any juristic person who may have conflicts of interest unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC
6. Neither being nor having been any profession advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
8. Not having any characteristics which make him/her incapable of expressing independent opinion with regard to the Company's business operations.

15.3.3 Composition and appointment of the Audit Committee

The Board of Director shall appoint the Audit Committee which consists of at least 3 members, who shall be selected from the Company's independent directors who have qualifications under the Securities and Exchange Act and other related notifications, announcements and/or regulations of the Stock Exchange of Thailand. Moreover, the independent director who presume the duty of audit committee shall also has the additional qualifications as follows.

1. Not being a director who is assigned by the Board to make decisions in the business activities of the Company, its parent company, subsidiaries, joint/associated companies or juristic person who may have conflicts of interest.
2. Not being a director of the Company, its subsidiaries, joint/associated companies which is the listed company.
3. Having adequate knowledge and experience to perform the duties of audit committee and at least one committee member must have adequate knowledge and experience in finance and accounting area in order to review the reliability of the Company's financial statement.

Terms of Audit Committee

1. Chairperson of Audit committee 3 years or equal to the term of Managing Director
2. Member of Audit committee 3 years or equal to the term of Managing Director

When his/her term ends, either the expiring chairperson or the member of Audit committee shall be re-elected to resume the duty again.

15.4 Supervision of business operations of its subsidiary and its affiliated company

The Company shall invest in any companies that have the same business objectives as the Company's core business, or with the business similar to the Company's, or with the business that supports the Company's operations. The investment shall improve the Company's performance with more profit or synergize with the Company's core business to provide comprehensive services to its customers, which increases the Company's competitive advantage.

In controlling and supervising its subsidiaries and its affiliated company, the Company shall send director or executive who is qualified and has suitable experience to be its representative, to participate in the management, to decide on the key policies and to control the operation of such subsidiary and/or affiliated company. The director who is the Company's representative shall supervise the administration of such subsidiary and/or affiliated company to follow the set policy and shall use his/her discretion, under the resolution of the Board's meeting and/or the shareholder meeting about the major issues of the such subsidiary and/or affiliated company, for the maximum benefit of the Company and for the Company's sustainable growth.

15.5 Supervision of inside information

1. The Company prohibits its directors, executives, employees and workers from disclosing the Company's confidential information and/or inside information or using it for their own benefit or any other person's benefit directly or indirectly and by gaining or not gaining compensation.



2. The Company prohibits its directors, executives, employees and workers, including their spouse and minor children from using the Company's inside information which has not been disclosed to public and which shall or shall not impact the change of the price of the Company's securities, to buy, sell, offer to buy, offer to sell, or convince other persons to buy, sell, offer to buy, offer to sell the Company's securities, whether directly or indirectly, before such information is disclosed to public. Regardless of the purpose of the action which aims for his/her own benefit or for others to act and provide him/her a compensation, the person who fails to comply will be punished under the Company's disciplinary measures.
3. The Company has informed all executives to understand and take responsibility to report the holding of the Company's securities of themselves, their spouse and their minor children, and to report any changes in securities holding to the Office of Securities and Exchange Commission to comply with section 59 and Penalties prescribed in the Securities and Exchange Act B.E 2535.
4. In order to prevent insider trading, the Company's directors and executives and their spouses and minor children are prohibited from trading Company's shares during one month before the Company disclosing its financial statement to the public.

15.6 Remuneration for external auditor

The shareholder annual general meeting year 2014 has approved the remuneration of external auditor for 2014 at 2,980,000 baht which included the audit fee and the interim financial statement review for the Company's and its subsidiary's and the consolidated statement.

15.7 Other good corporate governance practices

-N/A-

16. Corporate Social Responsibilities : CSR

The Company commits to manage and operate its business with the consciousness of social responsibilities as well as the responsibilities for its stakeholders such as shareholder, customer, business partner, employee, community and surrounding society. With the aim to build sustainable business operation, steadily growing and well-accepted organization and to effectively provide profit for its shareholders, the Company has set a policy to operate the business with focus on social responsibility and the awareness of impact and benefit to the Company's stakeholders. The policy is divided into 7 area as follows.

16.1 Operate the business with integrity

- The Company has a policy and guideline to treat its customers with integrity. Details of terms and conditions which are fair for both parties are clearly communicated to customers. The Company commits to provide excellent customer service by providing consultation to every customer in a soft and polite manner. Its staff and managers are willing to listen to customers and try to provide them solutions without disclosing their confidential personal information.
- The Company treats its business partners and debtors fairly, evenly and without any discretion. Any trade conditions and/or contractual agreements are strictly followed in order to ensure mutual benefit.
- Business operation of the Company must be administered for sustainable and steady growth based on the carefulness, honesty and fairness to all related parties.
- The Company treats its trade competitors fairly and refrain from all unethical practices which may destroy the competitor's reputation.

16.2 Anti-corruption policy

The Company emphasizes the importance of every anti-corruption practices by building awareness in the Company's executives and staff at all levels so that they realize the impacts of corruptions, have the right values and are able to get more confidence from all stakeholders. Following are guidelines provided:

- Do not offer compensation, pay bribe, request, agree or take bribe in any manners from other person or from other organization, directly or indirectly, in exchange with favorable treats or extra benefit from the Company's business.
- Do not incur any unethical transactions in relation with government officials, other persons, or other organization directly or indirectly
- Staff who commit fraud, no matter in which position, will be punished in every case regardless of the amount of damages.
- The Company instills the value of integrity in its employee by emphasizing that everyone should have awareness and perform their duty honestly, do not exploit the benefit from his/her position or provide favorable treats to others. All employee is informed about penalties, negative impacts and damages caused by committing fraud.

16.3 Respect for Human rights

- The Company recognizes the importance of human rights and respect of human rights. The Company shall not violate the rights of individual or group of individuals directly and indirectly and shall treat them evenly and fairly regardless of differences in race, religion, gender or physical condition.



16.4 Fair Treatment to Employee

The Company is well aware that the continuous growth of the Company over the past 22 years is resulted from the cooperation and contribution of its employee at all levels, who are highly committed to achieve the set target. The Company has policies to treat all employee fairly and evenly, as follows:

- The Company provides compensation for employee which is well suited with each person's capabilities and is competitive when comparing to companies in the same industry. The Company provides the proper work environment with the awareness of work life quality and safety workplace. Also, additional supports and welfares are appropriately provided.
- The Company arranges continuous training and development programs for its employee in every position and every level. Every year there are training courses and seminars which are conducted by well known experts in each specific area provided. This policy enables our employee to continually learn and grow.
- The Company encourages employee at all levels to have continuously career advancement within the organization.
- The Company implements the open door policy, allowing employee at all levels to participate in queries or make recommendations directly or indirectly in order to get cooperations from all parties to solve any problems together.

16.5 Responsibility toward Consumer

- Since the Company's business is service-related, service excellence is a key to success and sustainable growth. The Company's mission no.5 **"The Company will provide service excellence and achieve the highest customer satisfaction"** which is in line with the Company's slogan of "Intimate services like closed family members" becomes guiding principle for every employee on how to treat their customers.
- Regarding the terms & conditions of loan approval, the Company shall provide the terms & conditions and/or benefits that customer will receive in a clear and transparent manner for the best interest of our customers.
- The Company provides channels for customers to file their complaints directly through the Head Office's Complaint Center at telephone number 02-880-1033 or through the questionnaire that the Company sent to customer or through the mailing address of P.O.Box 19 Por Nor Phor Banga-Or 10704

16.6 Environmental Conservation

Although the Company's business operation does not have direct impact on the environment, the Company is aware of the importance of environmental conservation and has a policy to instill the awareness in its employee. Starting from the in-company environments, the Company implements the 5S activities on yearly basis, campaigning to use water and electricity considerately, controlling the usage of stationary and office equipments, reducing the usage of equipments which create pollution, promoting recycle and reuse of paper and encouraging to use more of electronic archive.

16.7 Community and Society Development

The Company has Corporate Social Responsibilities (CSR) policy which focuses on community developments based on the traditions and culture of the surrounding communities that the Company's branches are located. Following are activities which the Company has been regularly participating in order to support both private and public sectors.

- **Religion** The Company has a custom of offering the unity kathina ceremony, the tradition of presenting robes and donations to monks at the end of the lent, to various temples for over 20 years. Each year it offers over 2 million baht to the selected 2 temples. In 2014, the

Company hosted 2 unity kathina ceremonies to Wat Aroonpathumaram in Udonthani province with the donation of 1,225,127 baht and to Wat Nongphongcharoensook in Supanburi province with the donation of 1,252,553 baht. **Total amount of donation collected was 2,477,680 baht.** This kathina ceremony has been arranged in rotation to temples located nearby the Company's branches, which not only help preserving the local tradition but also building unity among the community.



- **Education** The Company has a policy to give away scholarships to students and to give educational support funds to local schools which are located in the area of the temples. Besides, since 2012 onwards, the Company has started the project to build a building for child development center with the construction budget of 1 million baht under the name "Baan Mai khong Noo (my new home)". The first center was in aor bor tor Kirirat, Phobpra district, Tak province while the second center built in 2013 was located in aor bor tor Nakham, Muang district, Loey province. In 2014, the third center was built in aor bor tor Paklang, Pou district, Nan province. The Company plans to build more center every year in the location nearby the Company's branches.





- **Society** Every year in June, the Company invites its employee to donate their blood to the Thai Red Cross Society. This is also the Company's custom for over 20 years. The Company has funded many local traditional events such as Long boat racing, event of paying respect to god (Chinese) and making a spirit offering, event of lion dancing, etc. Moreover, the Company has a policy that prohibits staff at all levels to involve with drugs, as a trader or user. The Company performs annual workplace drug testing once a year to prevent our employee from creating problems to the society.



17. Internal Control System

The Board of Directors of Muangthai Leasing PLC recognizes the importance of having internal control system in place. Apart from advising the Company to design a good and comprehensive internal control system, the Board has appointed the Audit Committee to review the system to ensure that it is adequately effective and efficient. And that it can be sensibly believed that the Company's operations align with its strategic plan under effective administration. The financial reports are reliable. All business activities are complied with the governing laws throughout the year 2014. The Board has opinions about the Company's internal control system as summarized below.

17.1 Control Environment

The Company emphasizes on the good corporate governance, having core value and company culture which reflect Integrity and Ethics as its normal tradition. The Audit Committee, being independent from the management, is responsible for oversight and development of internal control functions. The management has set up a line of command, delegation of authorities and proper responsibilities so that the Company achieves its business objectives under the oversight of the committee.

17.2 Risk Assessment

The Company has risk management activities as well as regular monitoring. The implementation of preparing Business Continuity Plan –BCP and Disaster Recovery Plan – DRP companywide ensures that the operation will not be interrupted either in normal business environment or in the vulnerable environment.

17.3 Control Activities

The Company has clearly defined scope of duties and approval authority for management at all levels, having the operating manual for each and every work units, implementing the segregation of duties for check and balance as well as updating the Company's regulations on regular basis.

17.4 Information & Communication

The Company recognizes the importance of adequate management information system (MIS) to support day to day operations as well as to support the management's decision. The existing system is not only support the internal control report to be on time, but also enables the Company to effectively prepare financial reports with accuracy and within the timeframe.

17.5 Monitoring Activities

The Company authorizes the Internal Control unit to be responsible for monitoring and communicating internal control deficiencies, in a timely manner, to the responsible persons which includes the high-level executives and the Audit Committee who shall assess the results and ensure that the internal control activities are still in place completely and adequately.

The Board agreed that the Company has adequate and appropriate internal control system. The Company has dedicated sufficient group of personnel to execute such control system effectively, enabling the Company's operations to be transparent and comply with the principle of Good Corporate Governance. Additionally, the Company has executed the control and monitor system within the Company and its subsidiary to ensure that assets of the Company and its subsidiary are well protected from any director or executive's misuse. The Company also has the sufficient control system to monitor the transactions with connected person or person who may have conflict of interest.

18. Details of Director, Management and Controlling Person

Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Adm. Apichart Pengsritong Chairman of the Board of Directors and Independent Director (Authorized Signatory)	64	Bachelor of Science Royal Thai Naval Academy Directors Accreditation Program (DAP) Class 82/2010	-	-	2012 – Present 2010 – Present	Chairman of the Board of Directors Independent Director	Muangthai Leasing Plc. S&J International Enterprises Plc.	Vehicle title loan Cosmetics
Mr. Chuchat Petampai (Authorized Signatory)	61	Master of Business Economics, Thammasat University Master of Business Director and Chairman of Executive Committee Administration, Naresuan University Master of Finance, Oklahoma City University, USA Directors Accreditation Program (DAP) Class SET/2012	50.32	Spouse of Mrs. Daonapa Petampai	2012 – Present 2011 – Present 1992 – 2011	Director and Chairman of Executive Committee Director Director and Managing Director	Muangthai Leasing Plc. Muangthai Leasing Insurance Broker Co., Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Insurance Broker Vehicle title loan
Mrs. Daonapa Petampai Director and Managing Director (Authorized Signatory)	60	Master of Finance, Oklahoma City University, USA Directors Accreditation Program (DAP) Class SET/2012	38.89	Spouse of Mr. Chuchat Petampai	2012 – Present 2011 – Present 1992 – 2011	Director and Managing Director Director Director and Deputy Managing Director	Muangthai Leasing Plc. Muangthai Leasing Insurance Broker Co.,Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Insurance Broker Vehicle title loan



Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Mr. Yodhin Anavil Director and Independent Director (Authorized Signatory)	64	Doctor of Electrical Engineering University of Cincinnati, USA Master of Electrical Engineering, George Washington University, USA Diploma, National Defence College, The Joint State - Private Sector Course (Por Ror Or Class 6) Directors Certification Program (DCP) Class 101/2008 Directors Accreditation Program (DAP) Class 60/2006 Audit Committee Program (ACP) Class 24/2008 Charter Director Class (CDC) Class 3/2008 Financial Statements Demystified for Directors (FDD) Class 1/2009 Role of The Compensation Committee (RCC) Class 7/2008	-	-	2012 - Present	Director	Muangthai Leasing Plc.	Vehicle title loan
					2011 - Present	Independent Director, Member of Audit Committee and Ethics Committee	Robinson Department Store Plc.	Retail business
Mrs. Kongkeaw Piamduaytham Chairperson of the Audit Committee and Independent Director	61	Master of Finance, Washington State University, USA Directors Certification Program (DCP) Class 157/2012 Advanced Audit Committee Program (AAP) Class 13/2013	-	-	2005 - Present	Independent Director, Member of Audit Committee and Nomination and Remuneration Committee	Jasmine International Plc.	Telecommunication
					2002 - Present	Director	Pop Network Co.,Ltd.	E-Commerce
					1998 - Present	Director	Peter and Jeannie Co.,Ltd	Clothing products and Real Estate
					1998 - Present	Director	Frederick World Sales Co.,Ltd.	Clothing products and Real Estate
					1991 - Present	Director	The Vintage Club Co.,Ltd.	Golf Course
					1991 - Present	Director	Fairway Estate Co.,Ltd.	Real Estate
Mrs. Kongkeaw Piamduaytham Chairperson of the Audit Committee and Independent Director	61	Master of Finance, Washington State University, USA Directors Certification Program (DCP) Class 157/2012 Advanced Audit Committee Program (AAP) Class 13/2013	-	-	2012 - Present	Chairperson - Audit Committee	Muangthai Leasing Plc.	Vehicle title loan
					2011 - Present	Chairperson - Audit Committee	Papop Co.,Ltd.	Energy
					2010 - Present	Director	Aira Capital Plc.	Holding (Finance)
					2009 - Present	Consultant	Aira Securities Plc.	Securities
					2009	Executive Vice President	Stock Exchange of Thailand	Capital Market
					2004 - 2009	Managing Director	Thailand Clearing House Co.,Ltd.	Capital Market
					2000 - 2009	Managing Director	Thai NVDR Co.,Ltd.	Capital Market
					1996 - 2009	Managing Director	Thai Trust Fund Management Co.,Ltd.	Securities



Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Mr. Chainoi Puankosoom Member of the Audit Committee and Independent Director	64	Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University Directors Accreditation Program (DAP) Class 63/2007 The Role of the Chairman Program (RCP) Class 33/2014 Financial Institutions Governance Program (FGP) Class 3/2011 Politics and Governance in Democratic Systems for Executives (Por Por Ror class 6), King Prajadhipok's Institute Capital Market Academy program for senior executives (CMA Class 9) Energy Literacy for senior executives program, Thailand Energy Academy	-	-	2013 – Present	Member of Audit Committee	Muangthai Leasing Plc.	Vehicle title loan
					2012 – Present	Member of Audit Committee	Golden Land Property Development Plc.	Real Estate
					2012 – Present	Acting Director	The Energy Fund Administration Institute	Energy
					2010 – Present	Member of Audit Committee	National Power Supply Plc.	Biomass power plants
					2013 – Jun 2014	Chairman of the Board and Chairman of Executive Board	IRPC Plc.	Petrochemical
					2013 – Jun 2014	Chairman of the Board	IRPC Oil Co.,Ltd.	Petroleum trader
					2013 – Jun 2014	Chairman of the Board	Thai ABS Co.,Ltd.	Produce plastic beads
					2013 – Jun 2014	Chairman of the Board	IRPC Polyol Co.,Ltd.	Energy
					2012 – Jun 2014	Director	Rayong Olefins Co.,Ltd.	Produce petrochemical products
					2012 – 2013	Director	Tipco Asphalt Plc.	Manufacture and distribute asphalt products.
2011 – 2014	Chairman of the Board	HMC Polymers Co.,Ltd.	Produce plastic beads					
2011 – 2013	Director	TISCO Financial Group Plc.	Financial Institute					
2010 – 2013	Consultant	PTT Plc.	Energy					
2008 – 2010	Chairman of Executive Board and CEO	PTT Aromatics and Refining Plc.	Energy					

Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Mr. Kampol Tatiyakavee Member of the Audit Committee and Independent Director	54	Master of Industrial Engineering, University of Texas at Arlington, USA Directors Certification Program (DOP) Class 74/2006 Directors Accreditation Program (DAP) Class 55/2006 Capital Market Academy program for senior executives (CMA Class 9)	-	-	2013 - Present	Chief Operating Officer	Amata VN Plc.	Real Estate
					2013 - Present	Director	We Retail Plc.	Real Estate
					2012 - Present	Member of Audit Committee	Muangthai Leasing Plc.	Vehicle title loan
Mr. Surapong Pechaumpai Deputy Managing Director	52		-	Brother of Mr. Chuchat Petaumpai	2012 - Feb 2015	Director	ThreeSixtyFive Plc.	Public Relation Advisor
					2011 - Present	Director	T52 Asset Co.,Ltd.	Service Apartment
					2010 - 2013	Chairman of Executive Board	We Retail Plc.	Real Estate
Mr. Surat Chayavoradech Assistant Managing Director	43	Master of Finance, Thammasat University Master of Business Administration, Chulalongkorn University	-	-	2010 - 2012	Director	State Enterprise Policy Office	Government Office
					2008 - 2010	Chairman of Executive Board	Pattaya Food Industry Co.,Ltd.	Produce and distribute canned food
					2013 - Present	Deputy Managing Director	Muangthai Leasing Plc.	Vehicle title loan
Mr. Surapong Pechaumpai Deputy Managing Director	52	Master of Business Administration, University of the Thai Chamber of Commerce Barrister-at-law, Institute of Legal Education of the Thai Bar Association	-	Brother of Mr. Chuchat Petaumpai	2012 - Present	Director	Muangthai Leasing Insurance Broker Co.,Ltd.	Insurance broker
					2002 - 2012	Assistant Managing Director	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2013 - Present	Assistant Managing Director	Muangthai Leasing Plc.	Vehicle title loan
Mr. Surat Chayavoradech Assistant Managing Director	43	Master of Finance, Thammasat University Master of Business Administration, Chulalongkorn University	-	-	2010 - 2012	Accounting & Finance Manager	Bio-active Co.,Ltd.	Chemical
					2005 - 2009	Accounting & Finance Manager	Taiban Fishery Co.,Ltd.	Cold storage service
					2011 - Present	Audit Manager	Muangthai Leasing Plc.	Vehicle title loan
Ms. Duangkhae Songnuy Manager - Audit	46	Master of Management and Organization, Dhurakij Pundit University	-	-	2007 - 2011	Deputy Manager - Audit	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2014 - Present	Deputy Manager - Personnel	Muangthai Leasing Plc.	Vehicle title loan
					2012 - 2014	Human Resource Manager	Siam Winery Co.,Ltd.	Produce and import wine products
Mr. Poomin Booranapanich Deputy Manager - Account Personnel	39	Bachelor of Political Science, Prince of Songkla University	-	-	1997 - 2012	Assistant Manager - Human Resource and Administrative	NMB-Minebea Thai Co.,Ltd.	Manufacture electronic parts



Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Ms. Vimornat Nujul Deputy Manager – Account	44	Master of Accounting, Dhurakij Pundit University	*	-	2012 – Present	Deputy Manager– Accounting	Muangthai Leasing Plc.	Vehicle title loan
					2012 – Present	Director	Muangthai Leasing Insurance Broker Co.,Ltd.	Insurance broker
					2004 – 2012	Assistant Manager– Accounting	Muangthai Leasing Co.,Ltd.	Vehicle title loan
Mr. Somkiat Ratsamee Assistant Manager – Branch Administration	50	Master of Public Administration, The National Institute of Development Administration (Phitsanuloke campus)	-	-	2011 – Present	Assistant Manager–Branch Administration–Phitsanuloke District Manager	Muangthai Leasing Plc.	Vehicle title loan
					2006 – 2010	Assistant Manager–Branch Administration–Ayudhya District Manager	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2011 – Present	Assistant Manager–Branch Administration–Ayudhya District Manager	Muangthai Leasing Plc.	Vehicle title loan
Mr. Arnat Niamsee Assistant Manager – Branch Administration	50	Master Master of Public Administration, The National Institute of Development Administration (Phitsanuloke campus)	-	-	2006 – 2010	Assistant Manager–Branch Administration–Phitsanuloke District Manager	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2011 – Present	Assistant Manager–Branch Administration–Ayudhya District Manager	Muangthai Leasing Plc.	Vehicle title loan
					2011 – Present	Assistant Manager–Branch Administration–Saraburi District Manager	Muangthai Leasing Plc.	Vehicle title loan
Mr. Banyat Ninsiri Assistant Manager – Branch Administration	41	Bachelor of Arts (English), Pibulsongkram Rajabhat University	-	-	2007 – 2010	Branch Manager–Thanon Boromtrai, Phitsanuloke	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2011 – Present	Assistant Manager–Branch Administration–Khonkaen District Manager	Muangthai Leasing Plc.	Vehicle title loan
					2011 – 2013 2006 – 2010	Branch Manager–Ayudhya Branch Manager–Pichit	Muangthai Leasing Co.,Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Vehicle title loan
Mr. Niyom Rodnoi Assistant Manager – Branch Administration	44	Bachelor of Business Administration, Phetchabun University	-	-	2014 – Present	Assistant Manager–Branch Administration–Nakornsawan District Manager	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2013 – 2014 2007 – 2011	Branch Manager–Pichit Branch Manager–Ayudhya	Muangthai Leasing Co.,Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Vehicle title loan
					2011 – Present	Assistant Manager–Branch Administration–Phitsanuloke District Manager	Muangthai Leasing Plc.	Vehicle title loan
Mr. Pradit Thongkhum Assistant Manager – Branch Administration	50	Bachelor of Education Uttaradit Rajabhat University	-	-	2014 – Present	Assistant Manager–Branch Administration–Nakornsawan District Manager	Muangthai Leasing Co.,Ltd.	Vehicle title loan
					2013 – 2014 2007 – 2011	Branch Manager–Pichit Branch Manager–Ayudhya	Muangthai Leasing Co.,Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Vehicle title loan
					2011 – Present	Assistant Manager–Branch Administration–Phitsanuloke District Manager	Muangthai Leasing Plc.	Vehicle title loan

Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Mr. Songkran Eiamkai Assistant Manager – Branch Administration	50	Bachelor of Education Petchabun Rajabhat University	-	-	2014 – Present	Assistant Manager-Branch Administration-Surin District Manager Branch Manager- Banglamung Branch Manager-Thanon Matulee nor. wor.	Muangthai Leasing Co.,Ltd. Muangthai Leasing Co.,Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Vehicle title loan Vehicle title loan

Details of Company Secretary

Name-Surname/Position	Age (years)	Education / Director's Training course	Total Shareholding Percentage (16/5/2014)	Family Relationship with other Management	Work Experience within 5 years			
					Period	Position	Company / Organization	Type of Business
Ms. Monthon Onphan Company Secretary	39	Bachelor of Management, Suan Dusit Rajabhat University Company Secretary Program (CSP) Class 50/2013 Effective Minute Taking (EMT 26/2013)	-	-	2013 – Present 2011 – 2013 2005 – 2011	Company Secretary Team Head – Accounting Team Head – General Administration	Muangthai Leasing Plc. Muangthai Leasing Co.,Ltd. Muangthai Leasing Co.,Ltd.	Vehicle title loan Vehicle title loan Vehicle title loan

Roles & Responsibilities of Company Secretary

1. Supervising and providing recommendations to the Directors and Executives regarding the adoption of related law, rules and regulations of regulatory bodies and of the Company itself as well as monitoring and to monitor on regular basis to ensure conformity in all aspects.
2. Arranging the Board's meetings and Shareholders' meeting and coordinating with related parties to act or response to the meeting's resolutions.
3. Supervising the disclosure of information and preparing material information report as required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other related law.
4. Preparing and maintaining the following documents:
 - 4.1 A register of Directors
 - 4.2 Notice and Minutes of the Board meeting
 - 4.3 Notice and Minutes of Shareholder meeting
 - 4.4 Annual Report
 - 4.5 Director and Management's report on conflict of interest

Details of Management and Controlling person of the Company in its related companies as of 14 July 2014

Name	The Company																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Adm. Apichart Pengsitong	C																
Mr. Chuchatt Petaumpai	/, //	/													/		
Mrs. Daonapa Petumpai	/, M	/															
Mr. Yodhin Anavil	/	AC	/											AC			
Mrs. Kongkeaw Piamduaytham	AC					AC										/	
Mr. Chainoi Puankosoom	AC				AC					AC							
Mr. Kampol Tatiyakavee	AC			/	/												
Mr. Surapong Pechaumpai	M	/															M
Mr. Surat Chayavoradech	M																
Ms. Duangkhae Songnuy	M																
Mr. Poomin Booranapanich	M																
Ms. Vimornrat Nujul	M	/															
Mr. Somkiat Ratsamee	M																
Mr. Amnat Niamsee	M																
Mr. Banyat Ninsiri	M																
Mr. Niyom Rodnoi	M																

Remark: C = Chairman of the Board AC = Audit Committee / = Director // = Chairman of Executive Committee M = Management/Executive

Related Companies:

1. Muangthai Leasing Insurance Broker Company Limited
2. Jasmine International Public Company Limited
3. The Vintage Club Company Limited
4. ThreeSixtyFive Public Company Limited
5. T52 Asset Company Limited
6. National Power Supply Public Company Limited
7. Papop Company Limited
8. Pop Network Company Limited
9. Peter and Jeannie Company Limited
10. Golden Land Property Development Public Company Limited
11. Frederick World Sales Company Limited
12. Fairway Estate Company Limited
13. We Retail Public Company Limited
14. Robinson Department Store Public Company Limited
15. S&J International Enterprises Public Company Limited
16. Aira Capital Public Company Limited
17. Amata VN Public Company Limited



19. Connected Transactions

19.1 Details of connected transactions

In 2014, the Company has connected transactions with connected persons as follows.

Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
Mr. Chuchat Petaumpai	<ul style="list-style-type: none"> - Mr.Chuchat Petaumpai is Chairman of the Executive committee and holding 1,405,000,000 shares (including the spouse's holding) equaling to 66.27% of fully paid-up share capital as of 26 November 2014 - Spouse of Mrs.Daonapa Petaumpai 	1. Building rental	2.12	2.12	<p>The Company rents 7 shophouses and warehouses from Mr. Chuchat Petaumpai to use for branch office and auction center with 3 year rental contracts starting from 1 January 2012 to 31 December 2014, with following details.</p> <ol style="list-style-type: none"> 1. Shophouse with 4 storey 1 unit address: 230/6 Boromtrailoknard Road, Naimuang, Muang, Phitsanuloke 2. Shophouse with 3 storey 2 units address: 28/103-104 Singhawat Road, Naimuang, Muang, Phitsanuloke 3. Shophouse with 3 storey 3 units address: 2/243-245 Srimala Road, Naimuang, Muang, Pichit 4. Shophouse with 3 storey 2 units address: 58/38-39 Tambol Baankiang, Muang, Lamphoon 5. Shophouse with 3 storey 2 units address: 811/41-42 Mitphab Road, Naimuang, Muang, Phitsanuloke 6. Shophouse with 2 storey 2 units address: 187/13-14 Phrompiram-Nongtom Road, Matong, Phrompiram, Phitsanuloke 7. Warehouse 1 unit address: 462/3 Pichaisongkram Road, Naimuang, Muang, Phitsanuloke <p>The rental rates are in accordance with the fair rental value provided by the American Appraisal (Thailand) Co.,Ltd, the independent valuer approved by the Office of the Securities and Exchange Commission. The valuation is for public objectives.</p> <p>The Audit Committee considered and viewed that the Company rental of shophouses and warehouses from Mr. Chuchat Petaumpai is the transaction that is beneficial for the Company and the rental fee is in accordance with the fair rental value provided by the independent valuer approved by the Office of the Securities and Exchange Commission so it is considered an appropriate and fair price.</p>



Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
		2. Collateral for credit facility Total credit facility Total outstanding	6,985.70 3,791.12	769.70 251.89	Mr. Chuchat Petaumpai used his personal assets and bank deposits as collateral, and signed personal guarantee for credit facilities from commercial bank, without charging any guarantee fee from the Company The Audit Committee considered and viewed that the loan guarantee contract of Mr. Chuchat Petaumpai arised from the Company's necessity to have credit facilities from commercial bank as a source of fund for its operation. The transaction is beneficial for the Company.
		3. Guarantor of leasing contract Credit facility Balance	27.42 15.68	25.06 11.19	Mr. Chuchat Petaumpai entered into the contract as a guarantor for the Company to get credit facilities from the leasing company without charging for any guarantee fee from the Company. The Audit Committee considered and viewed that the guarantor contract of Mr. Chuchat Petaumpai arised from the Company's necessity to use the leasing contract for its business operation and for the benefit of the Company.
		4. Payable to director for purchasing of assets	5.46	-	In early 2012, the Company purchased 5 cars from Mr. Chuchat Petaumpai to use in the Company's business at the market price of 5.46 million baht and paid total amount to him on 28 June 2013 The Audit Committee considered and viewed that the transaction incurred with the necessity and reasonableness and the price paid to Mr. Chuchat Petaumpai was the market fair price.

Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
Mrs. Daonapa Petampai	<p>- Mrs. Daonapa Petampai is the Company's Managing Director committee and holding 1,405,000,000 shares (including the spouse's holding) equaling to 66.27% of fully paid-up share capital as of 26 November 2014</p> <p>- Spouse of Mr. Chuchat Petampai</p>	1. Building rental	3.95	3.95	<p>The Company rents 5 building and shophouses from Mrs. Daonapa Petampai to use as Head office and branch office with 3 year rental contracts starting from 1 January 2012 to 31 December 2014, with following details.</p> <ol style="list-style-type: none"> Five storey building with 540 sq.m. space (Head Office) address: 32/1 Jaransanitwong Road, Bang-Or, Bangplad, Bangkok Shophouse with 2 storey 2 units address: 28,30 Jarotviteetong Road, Muang Sawankaloke, Sawankaloke, Sukhothai Shophouse with 3 storey 2 units address: 88/1 Samakkichai Road, Naimuang, Muang, Petchaboon Shophouse with 4 storey 2 units address: 176,178 Ratdamri Road, Namuang, Muang, Prachinburi Shophouse with 4 storey 1 unit address: 2/10 Anghong-Singhuri, Taladluang, Muang, Anghong <p>The rental rates are in accordance with the fair rental value provided by the American Appraisal (Thailand) Co.,Ltd, the independent valuer approved by the Office of the Securities and Exchange Commission. The valuation is for public objectives. Additionally, the Company rented 2 shophouses from Mrs. Daonapa Petampai for storage of the Company's assets with 2 year rental contracts starting from 3 January 2013 to 31 December 2014, with following details.</p> <ol style="list-style-type: none"> Shophouse 2 units address: 13 Soi Jaransanitwong 83/1, Bang-Or, Bangplad, Bangkok Shophouse 1 unit address: 44 Soi Jaransanitwong 83/1, Bang-or, Bangplad, Bangkok <p>The rental rates are the same market rate which the Company paid for renting other nearby shophouse from external party.</p>



Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
					The Audit Committee considered and viewed that the Company rental of building and shophouses from Mrs. Daonapa Petampai is the transaction that is beneficial for the Company and the rental fee is in accordance with the fair rental value provided by the independent valuer approved by the Office of the Securities and Exchange Commission and the same market price as rental from external party so they are considered as appropriate and fair prices.
		2. Collateral for credit facility			Mrs. Daonapa Petampai used her personal assets and bank deposits as collateral, and signed personal guarantee for credit facilities from commercial bank, without charging any guarantee fee from the Company
		Total credit facility	5,587.70	769.70	
		Total outstanding	2,391.12	251.89	The Audit Committee considered and viewed that the loan guarantee contract of Mrs. Daonapa Petampai arised from the Company's necessity to have credit facilities from commercial bank as a source of fund for its operation. The transaction is beneficial for the Company
		3. Guarantor of leasing contract			Mrs. Daonapa Petampai entered into the contract as a guarantor for the Company to get credit facilities from the leasing company without charging for any guarantee fee from the Company.
		Credit facility	-	1.89	
		Balance	-	1.49	The Audit Committee considered and viewed that the guarantor contract of Mrs. Daonapa Petampai arised from the Company's necessity to use the leasing contract for its business operation and for the benefit of the Company.

Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
		4. Payable to director for purchasing of assets	30.36	-	In early 2012, the Company purchased assets from Mrs. Daonapa Petampai with total amount of 30.36 million baht which included office equipment and computer, employee loans receivable, car, consumables, motorcycle, and other assets with different valuation as follows:- <ul style="list-style-type: none"> - office equipment and computer : using book value - employee loan receivable and foreclosed cars : using the debt outstanding - car and motorcycle : using market price - Foreclosed cars for auction : using the auction price sold to external party - Consumables and other unused assets : using the actual price. <p>The Company paid for the above mentioned assets on 28 June 2013. The Audit Committee considered and viewed that the transaction incurred with the necessity and reasonableness and the price paid to Mrs. Daonapa Petampai according to the above valuation was appropriate.</p>
		5. Short-term loan			
		Brought forward	47.00	-	In 2013, the Company borrowed from Mrs. Daonapa Petampai the total amount of 22 million baht with following details:-
		add loan during the period	22.00	-	- amount of 12 million baht borrowed during 12-18 April 2013 and paid back on 19 April 2013
		less payment during the period	(69.00)	-	- amount of 10 million baht borrowed during 2-3 July 2013 and paid back on 5 July 2013
		Balance at the end of period	-	-	The Audit Committee considered and viewed that the transactions incurred from the necessity and urgency for the Company's cashflow for loan releasing. The Company did not pay any interest to Mrs. Daonapa Petampai as the period of borrowing was very short about 3-7 days only. Also, the Company does not have policy to borrow from its directors to fund the Company's lending again in the future.



Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
Mr. Surapong Pechaumpai	<ul style="list-style-type: none"> - Mr. Surapong Pechaumpai is Executive and Deputy Managing Director - Brother of Mr. Chuchat Petaumpai 	<ul style="list-style-type: none"> Guarantor of leasing contract Credit facility Balance 	3.60	9.54 8.08	<p>Mr. Surapong Pechaumpai entered into the contract as a guarantor for the Company to get credit facilities from the leasing company without charging for any guarantee fee from the Company.</p> <p>The Audit Committee considered and viewed that the guarantor contract of Mr. Surapong Pechaumpai arised from the Company's necessity to use the leasing contract for its business operation and for the benefit of the Company.</p>
Mr. Wasin Dejkitvikrom	<ul style="list-style-type: none"> - Brother of Mrs. Daonapa Petumpai - holding 65,000,000 shares equaling to 3.07% of fully paid-up share capital as of 26 November 2014 	Agency commission	0.56	0.64	<p>The Company paid agency commission to Mr. Wasin Dejkitvikrom based on the amount of monthly loan release at the pre-defined commission structure.</p> <p>The Audit Committee considered and viewed that the transaction incurred as normal business practice in order to provide more channels to service the Company's customers. The commission rate paid to Mr. Wasin Dejkitvikrom was appropriate as it was the same rate paid to other agents. However, the Company does not have a policy to recruit more agents in the future.</p>

Connected Person	Nature of Relationship	Type of Transaction	Value (Million baht)		Necessity and Reasonableness of the transaction
			Year 2013	Year 2014	
The Company's executives – Ms. Duangkhae Songnyu – Ms. Vimonrat Nujul – Mr. Amnat Niamsee – Mr. Bunyat Ninsiri – Mr. Niyom Rodnoi – Mr. Surat Chayavoradech – Mr. Pradit Thongkhum – Mr. Songkran Eiamkai	– Ms. Duangkhae Songnyu is Manager – Audit	Loan to executives	0.09	0.04	In 2013 and 2014, the Company provided loans for 8 executives with the annual interest rate of 8.00%. The Audit Committee considered and viewed that it is appropriate for the Company to provide loans for its executives since it is one of employee benefits. The conditions applied for executives are the same as other employees.
	– Ms. Vimonrat Nujul is Executive and Deputy Manager – Account	Brought forward add loan during the period	0.20	0.38	
	– Mr. Amnat Niamsee is Executive and Assistant Manager – Branch	less payment during the period	(0.25)	(0.20)	
	– Mr. Surat Chayavoradech Administration – Ayudhaya	Balance at the end of period	0.04	0.22	
	– Mr. Pradit Thongkhum Assistant Manager – Branch	Interest	0.005	0.005	
	– Mr. Songkran Eiamkai Administration – Saraburi				
	– Mr. Niyom Rodnoi is Executive and Assistant Manager – Branch				
	– Mr. Pradit Thongkhum is Executive and Assistant Managing Director				
	– Mr. Pradit Thongkhum is Executive and Assistant Manager – Branch				
	– Mr. Surat Chayavoradech is Executive and Assistant Manager – Branch				
	– Mr. Pradit Thongkhum is Executive and Assistant Manager – Branch				
	– Mr. Songkran Eiamkai is Executive and Assistant Manager – Branch				



The Audit Committee's opinion

Resolution of the Board of Directors meeting no 1/2015 on 19 February 2015 which the Audit Committee who were all independent directors agreed that the connected transactions were a necessity for business operations in general. Conditions of all connected transactions were in accordance with market price, contractual price and agreed price, which were reasonable and appropriate for normal business practice.

19.2 Criteria or Procedure for Approval of Connected Transactions

Connected transactions shall be proposed to the Audit Committee and/or the independent directors to consider and provide opinion that such transactions are in accordance with normal business practices and should be incurred for the best interest of the Company.

19.3 Policy and Future Trends of Connected Transactions

The Company and/or its subsidiary may continually incur connected transactions in the future which are normal business practices and has a clear policy for connected transactions based on normal pricing and terms which the Company offers to other person and/or non-related company.

For the connected transactions which do not follow normal business practice and might incurred in the future, the Company requires that the Audit Committee shall review the transaction against the regulations and indicate the reason of the transaction before the Company incurring the transaction by following the above mentioned criteria and procedure for approval of connected transactions. However, for the transactions that may cause conflict of interest in the future, the Board of directors will comply with the Securities and Exchange Act, regulations, notifications, announcements or rules of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as the regulations regarding disclosure of connected transactions and the acquisition and disposal of assets of the Company and its subsidiary, and will follow the accounting standards defined by the Federation of Accounting Professions (FAP).

20. Key Financial Information

20.1 Summary of Auditor's Report

Year	Auditor's name	Certified Public Accountant Registration No	Auditor's Office	Summary of auditor's report
2014	Ms. Ratana Jala	3734	EY Office Limited	The auditor expressed an unqualified opinion that the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiary and separately of the Company as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards
2013	Ms. Ratana Jala	3734	EY Office Limited	The auditor expressed an unqualified opinion that the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiary and separately of the Company as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards
2012	Ms. Ratana Jala	3734	Ernst & Young Office Limited	The auditor expressed an unqualified opinion that the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiary and separately of the Company as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards



20.2 Summary of the Company's Financial Information

Table depicting separate financial statements of the Company

Statements of financial position	Year 2014		Year 2013		Year 2012	
	Million baht	%	Million baht	%	Million baht	%
Assets						
Current assets						
Cash and cash equivalents	705.31	8.04	87.73	1.46	47.51	0.99
Short-term investments	500.00	5.70				
Current portion of loan receivables	5,763.11	65.68	4,666.13	77.60	3,911.11	81.73
Other receivables – related parties	1.03	0.01	3.89	0.06	–	–
Short-term loans	15.68	0.18	11.02	0.18	10.97	0.23
Other current assets	23.88	0.27	20.98	0.35	28.16	0.59
Total current assets	7,009.01	79.88	4,789.75	79.66	3,997.75	83.54
Non-current assets						
Loan receivables – net of current portion	1,359.64	15.49	847.17	14.09	695.17	14.53
Investments in subsidiary	2.00	0.02	2.00	0.03	2.00	0.04
Land, buildings and equipment	362.32	4.13	335.03	5.57	67.87	1.42
Deferred tax assets	15.63	0.18	25.17	0.42	9.62	0.20
Other non-current assets	26.44	0.30	13.70	0.23	12.86	0.27
Total non-current assets	1,766.03	20.12	1,223.07	20.34	787.51	16.46
Total assets	8,775.04	100.00	6,012.82	100.00	4,785.26	100.00

Statements of financial position (continued)	Year 2014		Year 2013		Year 2012	
	Million baht	%	Million baht	%	Million baht	%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	500.09	5.70	230.34	3.83	530.26	11.08
Trade payables and other payables	102.38	1.17	92.53	1.54	119.94	2.51
Current portion of long-term loans from financial institutions	2,610.22	29.74	3,055.22	50.81	905.60	18.92
Current portion of long-term loans from connected person	–	–	–	–	47.00	0.98
Current portion of liabilities under hire purchase and financial lease payable	7.13	0.08	6.05	0.10	3.82	0.08
Income tax payable	54.65	0.62	46.52	0.77	90.25	1.89
Other current liabilities	16.29	0.19	12.35	0.21	8.46	0.18
Total current liabilities	3,290.76	37.50	3,443.01	57.26	1,705.33	35.64
Non-current liabilities						
Long-term loans – net of current portion	356.65	4.06	613.40	10.20	1,480.00	30.93
Liabilities under hire purchase and financial lease payable– net of current portion	10.99	0.13	11.58	0.19	4.22	0.09
Provision for long-term employee benefits	16.32	0.19	13.90	0.23	15.46	0.32
Total non-current liabilities	383.96	4.38	638.88	10.63	1,499.68	31.34
Total liabilities	3,674.72	41.88	4,081.89	67.89	3,205.00	66.98
Shareholders' equity						
Share capital						
Registered capital	2,120.00		1,575.00		1,260.00	
Issued and paid-up capital	2,120.00	24.16	1,575.00	26.19	1,260.00	26.33
Share premium	2,379.84	27.12	–	–	–	–
Retained earnings						
Appropriated – statutory reserve	68.40	0.78	24.40	0.41	8.20	0.17
Unappropriated	532.09	6.06	331.54	5.51	312.05	6.52
Total shareholders' equity	5,100.33	58.12	1,930.94	32.11	1,580.25	33.02
Total liabilities and shareholders' equity	8,775.05	100.00	6,012.82	100.00	4,785.26	100.00



Statements of comprehensive income	Year 2014		Year 2013		Year 2012	
	Million baht	%	Million baht	%	Million baht	%
Revenues						
Interest income from loan receivables – vehicle title loan	1,562.30	84.23	1,299.42	84.19	1,057.81	85.57
Interest income from loan receivables – personal loan	5.12	0.27	1.64	0.11	1.60	0.13
Fee and service income	262.02	14.13	223.67	14.49	164.88	13.34
Dividend income	4.40	0.24	–	–	–	–
Profit on disposals of assets foreclosed	–	–	–	–	4.29	0.35
Other income	20.89	1.13	18.68	1.21	7.56	0.61
Total revenues	1,854.73	100.00	1,543.42	100.00	1,236.14	100.00
Cost and expenses						
Selling and administrative expenses	881.64	47.53	720.81	46.70	564.27	45.65
Loss on disposals of assets foreclosed	13.49	0.73	15.05	0.98	–	–
Bad debts and doubtful accounts	14.20	0.77	156.02	10.11	127.98	10.35
Total expenses	909.33	49.03	891.89	57.79	692.25	56.00
Profit (loss) before financial cost and income tax expenses	945.40	50.97	651.53	42.21	543.89	44.00
Financial cost	265.98	14.34	213.66	13.84	148.17	11.99
Profit before income tax expenses	679.42	36.63	437.87	28.37	395.71	32.01
Income tax expenses	134.86	7.27	88.19	5.71	91.21	7.38
Net profit (loss)	544.56	29.36	349.68	22.66	304.51	24.63

(unit : million baht)

Statements of cash flow	Year 2014	Year 2013	Year 2012
Cash flows from operating activities			
Profit before income tax	679.42	437.87	395.71
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:			
Depreciation	28.70	23.52	18.42
Bad debts and doubtful accounts	14.20	156.02	127.98
Impairment loss on assets foreclosed (reversal)	(0.80)	4.00	-
Loss (gain) on disposals of equipment	(0.62)	(3.25)	(2.99)
Provision for long-term employee benefits	2.42	2.13	2.14
Dividend income	(4.40)	-	-
Interest income from loan receivables	(1,567.42)	(1,301.06)	(1,059.40)
Other interest income	(2.61)	(1.19)	(1.09)
Financial cost	265.98	213.66	148.17
Loss (gain) from operating activities before changes in operating assets and liabilities	(585.13)	(468.30)	(371.06)
Decrease (Increase) in operating assets			
Short-term investments	(500.00)	-	-
Loan receivables	(1,586.74)	(1,013.30)	(815.49)
Other receivables - related parties	2.86	(3.89)	-
Short-term loans	(4.66)	(0.05)	(10.28)
Other current assets	(2.10)	3.19	(28.00)
Other non-current assets	(12.98)	(1.02)	(12.87)
Increase (decrease) in operating liabilities			
Trade payables and other payables	6.27	(27.78)	51.10
Cash paid for employee benefits due	-	(3.68)	-
Other current liabilities	3.94	3.89	8.46
Cash received from (used in) operating activities	(2,678.54)	(1,510.94)	(1,178.14)
Cash received from interest	1,533.12	1,252.50	1,043.04
Cash paid for income tax	(117.19)	(147.48)	(49.45)
Net cash flows received from (used in) operating activities	(1,262.61)	(405.92)	(184.56)
Cash flows from investing activities			
Cash paid for acquisition of land, building and equipment	(53.07)	(291.38)	(53.92)
Proceeds from disposals of equipment	1.66	3.77	3.11
Dividend received	4.40	-	-
Net cash flows received from (used in) investing activities	(47.01)	(287.61)	(50.81)



(unit : million baht)

Statements of cash flow	Year 2014	Year 2013	Year 2012
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	271.55	(300.92)	(239.09)
Cash received from long-term loans	3,727.50	3,516.40	2,600.00
Repayment of long-term loans	(4,429.02)	(2,227.22)	(1,800.00)
Cash received from long-term loans from a related party	–	22.00	272.56
Repayment of long-term loans from a related party	–	(69.00)	(446.74)
Increase in liabilities under hire purchase and financial lease payable	0.49	9.57	3.01
Proceed from share capital issuance	2,924.84	315.00	160.00
Cash paid on interest	(268.16)	(218.08)	(161.77)
Cash paid on dividends	(300.00)	(314.00)	(135.00)
Net cash flows received from (used in) financing activities	1,927.20	733.75	252.97
Net increase (decrease) in cash and cash equivalents	617.58	40.22	17.60
Cash and cash equivalents at beginning of year	87.73	47.51	29.91
Cash and cash equivalents at end of year	705.31	87.73	47.51

Table depicting consolidated financial statements of the Company and its subsidiary

Statements of financial position	Year 2014		Year 2013		Year 2012	
	Million baht	%	Million baht	%	Million baht	%
Assets						
Current assets						
Cash and cash equivalents	705.87	8.04	93.82	1.56	49.84	1.04
Short-term investments	501.00	5.71	1.00	0.02	1.00	0.02
Current portion of loan receivables	5,763.11	65.66	4,666.13	77.56	3,911.11	81.67
Short-term loans	15.68	0.18	11.02	0.18	10.97	0.23
Other current assets	24.03	0.28	21.02	0.35	28.21	0.59
Total current assets	7,009.69	79.87	4,793.00	79.67	4,001.13	83.55
Non-current assets						
Pledged bank deposits	3.00	0.03	2.00	0.03	2.00	0.04
Loan receivables – net of current portion	1,359.64	15.49	847.17	14.08	695.17	14.52
Land, buildings and equipment	362.39	4.13	335.04	5.57	67.88	1.42
Deferred tax assets	15.64	0.18	25.18	0.42	9.62	0.20
Other non-current assets	26.45	0.30	13.70	0.23	12.86	0.27
Total non-current assets	1,767.12	20.13	1,223.09	20.33	787.53	16.45
Total assets	8,776.81	100.00	6,016.09	100.00	4,788.66	100.00

Statements of financial position (continued)	Year 2014		Year 2013		Year 2012	
	Million baht	%	Million baht	%	Million baht	%
Liabilities and shareholders' equity						
<u>Current liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	500.09	5.70	230.34	3.83	530.26	11.07
Trade payables and other payables	105.27	1.20	94.52	1.57	121.71	2.54
Current portion of long-term loans from financial institutions	2,610.22	29.74	3,055.22	50.78	905.60	18.91
Current portion of long-term loans from connected person	–	–	–	–	47.00	0.98
Current portion of liabilities under hire purchase and financial lease payable	7.13	0.08	6.05	0.10	3.82	0.08
Income tax payable	54.86	0.63	46.74	0.78	90.83	1.90
Other current liabilities	9.17	0.10	7.20	0.12	5.09	0.11
Total current liabilities	3,286.74	37.45	3,440.07	57.18	1,704.31	35.59
<u>Non-current liabilities</u>						
Long-term loans – net of current portion	356.65	4.06	613.40	10.20	1,480.00	30.91
Liabilities under hire purchase and financial lease payable – net of current portion	10.98	0.13	11.58	0.19	4.22	0.09
Provision for long-term employee benefits	16.38	0.19	13.94	0.23	15.48	0.32
Total non-current liabilities	384.01	4.38	638.92	10.62	1,499.70	31.32
Total liabilities	3,670.75	41.83	4,078.99	67.80	3,204.01	66.91
<u>Shareholders' equity</u>						
Share capital						
Registered capital	2,120.00		1,575.00		1,260.00	
Issued and paid-up capital	2,120.00	24.15	1,575.00	26.18	1,260.00	26.31
Share premium	2,379.84	27.12	–	–	–	–
Retained earnings						
Appropriated – statutory reserve	68.40	0.78	24.40	0.41	8.20	0.17
Unappropriated	537.82	6.12	337.69	5.61	316.45	6.61
Total shareholders' equity	5,106.06	58.17	1,937.09	32.20	1,584.65	33.09
Total liabilities and shareholders' equity	8,776.81	100.00	6,016.09	100.00	4,788.66	100.00



Statements of comprehensive income	Year 2014		Year 2013		Year 2012	
	Million baht	%	Million baht	%	Million baht	%
Revenues						
Interest income from loan receivables – vehicle title loan	1,562.30	84.17	1,299.42	83.93	1,057.81	84.63
Interest income from loan receivables – personal loan	5.12	0.28	1.64	0.11	1.60	0.13
Fee and service income	279.32	15.05	238.19	15.38	178.61	14.29
Profit on disposals of assets foreclosed	–	–	–	–	4.29	0.34
Other income	9.34	0.50	8.99	0.58	7.64	0.61
Total revenues	1,856.08	100.00	1,548.25	100.00	1,249.94	100.00
Cost and expenses						
Selling and administrative expenses	882.56	47.55	723.22	46.71	573.10	45.85
Loss on disposals of assets foreclosed	13.49	0.73	15.05	0.97	–	–
Bad debts and doubtful accounts	14.20	0.76	156.02	10.08	127.98	10.24
Total expenses	910.25	49.04	894.29	57.76	701.08	56.09
Profit (loss) before financial cost and income tax expenses	945.83	50.96	653.96	42.24	548.86	43.91
Financial cost	265.98	14.33	213.66	13.80	148.17	11.85
Profit before income tax expenses	679.85	36.63	440.30	28.44	400.68	32.06
Income tax expenses	135.73	7.31	88.86	5.74	92.27	7.38
Net profit (loss)	544.12	29.32	351.44	22.70	308.42	24.67

(unit : million baht)

Statements of cash flow	Year 2014	Year 2013	Year 2012
Cash flows from operating activities			
Profit before income tax	679.85	440.30	400.68
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:			
Depreciation	28.71	23.52	18.42
Bad debts and doubtful accounts	14.20	156.02	127.98
Impairment loss on assets foreclosed (reversal)	(0.80)	4.00	–
Loss (gain) on disposals of equipment	(0.62)	(3.25)	(2.99)
Provision for long-term employee benefits	2.44	2.15	2.04
Dividend income	(1,567.42)	(1,301.06)	(1,059.40)
Interest income from loan receivables	(2.68)	(1.28)	(1.16)
Other interest income	265.98	213.66	148.17
Loss (gain) from operating activities before changes in operating assets and liabilities	(580.34)	(465.95)	(366.26)
Decrease (Increase) in operating assets			
Short-term investments	(500.00)	–	(1.00)
Loan receivables	(1,586.74)	(1,013.30)	(815.49)
Short-term loans	(4.66)	(0.05)	(10.28)
Other current assets	(2.20)	3.19	(27.84)
Other non-current assets	(12.98)	(1.02)	(12.87)

(unit : million baht)

Statements of cash flow	Year 2014	Year 2013	Year 2012
Increase (decrease) in operating liabilities			
Trade payables and other payables	7.17	(27.55)	52.45
Cash paid for employee benefits due	-	(3.68)	-
Other current liabilities	1.96	2.11	5.09
Cash received from (used in) operating activities	(2,677.79)	(1,506.25)	(1,176.20)
Cash received from interest	1,533.20	1,252.60	1,043.08
Cash paid for income tax	(118.08)	(148.51)	(49.91)
Net cash flows received from (used in) operating activities	(1,262.67)	(402.16)	(183.02)
Cash flows from investing activities			
Decrease in pledged bank deposit	(1)	-	-
Cash paid for acquisition of land, building and equipment	(53.14)	(291.38)	(53.92)
Proceeds from disposals of equipment	1.66	3.77	3.11
Net cash flows received from (used in) investing activities	(52.48)	(287.61)	(50.81)
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	271.55	(300.92)	(239.09)
Cash received from long-term loans	3,727.50	3,516.40	2,600.00
Repayment of long-term loans	(4,429.02)	(2,227.22)	(1,800.00)
Cash received from long-term loans from a related party	-	22.00	272.56
Repayment of long-term loans from a related party	-	(69.00)	(446.74)
Increase in liabilities under hire purchase and financial lease payable	0.50	9.57	3.01
Proceed from share capital issuance	2,924.84	315.00	160.00
Cash paid on interest	(268.16)	(218.08)	(161.77)
Cash paid on dividends	(300.00)	(314.00)	(135.00)
Net cash flows received from (used in) financing activities	1,927.21	733.75	252.97
Net increase (decrease) in cash and cash equivalents	612.06	43.98	19.13
Cash and cash equivalents at beginning of year	93.82	49.84	30.71
Cash and cash equivalents at end of year	705.88	93.82	49.84



20.3 Important Financial Ratio

Item	Year 2014	Year 2013	Year 2012
Profitability Ratio			
Interest Income Ratio ⁽¹⁾ (%)	24.81%	25.71%	24.90%
Interest Expense Ratio (%)	5.98% ⁽²⁾	6.23%	5.34%
Interest Spread (%)	18.83%	19.49%	19.57%
Net Profit Margin (%)	29.32%	22.70%	24.67%
Return on Average Shareholders' Equity (%)	15.45%	19.96%	21.75%
Efficiency Ratio			
Net Interest Income to Total Assets (%)	17.60%	20.13%	20.82%
Return on Average Assets (%)	7.36%	6.51%	7.05%
Total Asset Turnover (times)	0.25	0.29	0.29
Financial Ratio			
Debt to Equity Ratio (times)	0.72	2.11	2.02
Total Loans to Total Borrowing (times)	2.05	1.41	1.55
Dividend Payout Ratio (%)	50.65%	90.48%	90.46%
Asset Quality Ratio			
Allowance for Doubtful Account to Total Loans (%)	4.36%	5.52%	3.56%
Bad Debt and Doubtful Account to Total Loans (%)	0.15%	0.07%	0.02%
Non-accrued Loans to Total Loans (%)	1.50%	2.14%	0.99%

Remark : ¹⁾ Interest Income Ratio calculated from total of interest income and penalty fee of loan settlement before the contract ends divided by average loan receivables.

²⁾ Calculated by adjusting impacts from loan repayment during November to December 2014.

21. Management Discussion and Analysis

21.1 Overview of Operating Performance in the past

The Company started its business by providing hire purchase loan for new and used motorcycle of all brands through the channel of motorcycle distributors in Phitsanulok and other provinces in the lower northern region. Target customers were fixed income employee (daily and monthly paid), farmer and other self-employed individuals. Later, the Company has increased its product lines by offering vehicle title loans (loan against vehicle registration) to existing customers who had paid up their first loan and expanding the type of vehicles from motorcycle to car and other farm vehicles, which enabled the Company to service larger groups of customer. In 2001, the Company stopped offering hire purchase product because many motorcycle manufacturers and dealers started to provide hire purchase service for their customers. The increase of service providers resulted in more competitions in the industry. In 2006, the Company envisioned an opportunity to expand by entering the personal loan industry under the supervision of Bank of Thailand so it had submitted the application to operate the business. After the license was granted by the Ministry of Finance on 31 August 2006, the Company has been able to expand drastically by offering consumer loans through our own branches.

In 2011, The Company invested in Muangthai Leasing Insurance Broker Company, the insurance broker, buying 99.99% of its total paid-up capital with the objective to provide additional services to the Company's loan customers.

The Company emphasized on providing service excellence to its customers with the Company's slogan of **"Intimate services like closed family members"**. As a result the Company has well gained customer trust and received repeated business continually.

21.2 Analysis of Operating Performance

21.2.1 Income

The Company and its subsidiary had total income of 1,249.94 million baht in 2012 and 1,548.25 million baht in 2013, equaling to 23.87 growth rate. In 2014, the Company and its subsidiary had total income of 1,856.08 million bath, increased by 307.63 million baht (19.88% YoY). Total income of the Company and its subsidiary consisted of interest income on loans, fee & service income, and other income as details shown below:

Income	Year 2012		Year 2013		Year 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Interest income – vehicle title loans	1,057.81	84.63	1,299.42	83.93	1,562.30	84.17
Interest income – personal loans	1.59	0.13	1.64	0.11	5.12	0.28
Total interest income on loans	1,059.40	84.76	1,301.06	84.04	1,567.42	84.45
Fee & service income	164.88	13.19	223.67	14.44	262.02	14.12
Brokerage income*	13.73	1.10	14.52	0.94	17.30	0.93
Profit on disposals of assets foreclosed	4.29	0.34	–	–	–	–
Other income	7.64	0.61	8.99	0.58	9.34	0.50
Total income	1,249.94	100.00	1,548.25	100.00	1,856.08	100.00

Remark: Brokerage income was income from the business of its subsidiary, MTLI



Interest Income on Loans

Interest income on loans was the main income of the Company and its subsidiary, 84–85% of the total income. In 2012, the Company had interest income on loan for 1,059.40 million baht and 1,301.06 million baht in 2013 followed by 1,567.42 million baht in 2014, equaling to growth rate of 22.81% and 20.47% respectively. The Company's interest income on loans consisted of

- (1) Interest income on vehicle title loans. This was the main loan service that the Company provided for its customers. In 2012, the Company had income of 1,057.81 million baht and 1,299.42 million baht in 2013, and 1,562.30 million baht in 2014. The growth rate was 22.84% and 20.23% respectively.
- (2) Interest income on personal loan. The Company provided personal loan to customer who was using vehicle title loan with the Company and had good payment history. As the principle of the first loan gradually decreased, the customer shall apply for personal loan for the surplus of his/her granted credit limit. As a result of this business practice, during 2012–2014, the Company had interest income on personal loan for only 1.59 million baht, 1.64 million baht and 5.12 million baht respectively.

Vehicle Title Loan				
	Yr 2012	Yr 2013	Yr 2014	Growth rate (%) Yr 2013–2014
Interest income from loan receivables – vehicle title loan (million baht)	1,057.81	1,299.42	1,562.30	20.23
Total loan – vehicle title loan (million baht)	8,244.38	9,823.84	12,412.42	26.35
Total loan receivables – vehicle title loan (million baht)	4,771.32	5,825.83	7,413.41	27.25
Number of loan contracts	656,894	713,678	834,994	17.00

Personal Loan				
	Yr 2012	Yr 2013	Yr 2014	Growth rate (%) Yr 2013–2014
Interest income from loan receivables – personal loan (million baht)	1.59	1.64	5.12	212.20
Total loan – personal loan (million baht)	10.84	16.61	58.57	252.62
Total loan receivables – personal loan (million baht)	5.10	9.60	34.32	257.50
Number of loan contracts	2,751	4,112	13,864	237.16

The main reason of the continuously growing interest income was the expansion of the Company's branch network, from 387 branches in 2012 to 506 branches in 2014. Loan to customers increased consistently; vehicle title loan grew from 8,244.38 million baht in 2012 to 9,823.84 million baht in 2013 and 12,412.42 million baht in 2014, equaling to growth rate of 19.16% and 26.35% respectively. In term of contracts, the number grew from 656,894 contracts in 2012 to 713,678 contracts in 2013 and 834,994 contracts in 2014. For personal loan, during 2012–2014, the amount of loan to customer grew from 10.84 million baht in 2012, to 16.61 million baht in 2013 and 58.57 million baht in 2014. The number of contracts increased from 2,751 contracts in 2012 to 4,112 in 2013 and 13,864 in 2014.

Fee & Service Income

The Company and its subsidiary had fee & service income of 178.61 million baht in 2012, 238.19 million baht in 2013 and 279.32 million baht in 2014, which were YoY 14.29%, 15.38% and 15.05% respectively. The fee & service income included the Company's fee and service income as well as fee and service income from MTLI, its subsidiary.

During 2012–2014, the Company had fee & service income of 164.88 million baht, 223.67 million baht and 262.02 million baht, equaling to 35.66% YoY and 17.14% respectively. The income comprised penalty and collection fee which the Company charged to customers who failed to pay their installment due, at the rate of 3%–9% of the outstanding depended on the type of collaterals and the credit limit. Collection fee of personal loan which was charged per call, was increased in the same direction with the personal loan's interest income growth.

For MTLI's fee & service income, as non-life insurance broker, MTLI had income from the selling of insurance policies which were 13.73 million baht in 2012, 14.52 million baht in 2013 and 17.30 million baht in 2014. MTLI's insurance selling was only to the Company's customers who contacted its branches and its service center. Thus, the growth of brokerage income was aligned with the growth of the Company's total loans.

2.1.2.2 Operating Expenses

Operating Expenses	Year 2012		Year 2013		Year 2014	
	Million baht	%	Million baht	%	Million baht	%
Selling and administrative expenses	573.10	67.48	723.22	65.28	882.56	75.03
Loss on disposals of assets foreclosed	–	–	15.05	1.36	13.49	1.15
Bad debts and doubtful accounts	127.98	15.07	156.02	14.08	14.20	1.21
Financial cost	148.17	17.45	213.66	19.28	265.98	22.61
Total expenses	849.25	100.00	1,107.95	100.00	1,176.23	100.00
Percentage to Total income		67.94		71.56		63.37

The Company and its subsidiary had total expenses of 849.25 million baht in 2012, 1,107.95 million baht in 2013 and 1,176.23 million baht in 2014, equaling to 67.94%, 71.56%, and 63.37% of its total income each year. Total expenses included selling and administrative expenses, loss on disposal of assets foreclosed, bad debts and doubtful accounts and financial cost, with the following details.

Selling and administrative expenses

Selling and administrative expenses were the major expenses for the Company's business operations with the ratio of 65%–75% of the total expenses. During 2012–2014, the Company and its subsidiary had selling and administrative expenses of 573.10 million baht, 723.22 million baht and 882.56 million baht, equaling to YoY of 45.85%, 46.71% and 47.55% respectively.

Key selling and administrative expenses included employee expenses such as salary, position allowance, bonus, commission and other benefits, representing 56%–58% of the total selling and administrative expenses. The Company and its subsidiary had employee expenses



of 321.16 million baht in 2012, 412.61 million baht in 2013 and 514.13 million baht in 2014. The consistently increasing selling administrative expenses resulted from the Company's policy to expand its branch network to cover more service area nationwide. The number of its employee increased from 1,178 persons in 2012 to 1,393 persons in 2013 and 1,715 persons in 2014.

The second major expense in this category was rental and rental right, which was 10%–11% of total selling and administrative expenses. The amount increased from 64.51 million baht in 2012 to 79.15 million baht in 2013 and 97.12 million baht in 2014. This was also resulted from the above mentioned Company's policy to expand continuously. Generally, the Company had rental contracts with external person or related person of 3 years rental right and the right to extend the rent for other 3 years. Apart from the two major expenses, the expenses included in this category were travel expense, depreciation, utilities, communication expense and promotion and sales campaign, etc.

Loss on disposals of assets foreclosed

In June 2013, the Company decided to tighten up its loan approval criteria which resulted in increasing number of cars foreclosed, from 4,501 cars in 2012 to 8,519 cars in 2013. In 2014, the number of foreclosed cars was 12,883 cars, which was higher than the number of the same period in the previous year for 4,364 cars. The highly increasing number of foreclosed cars in each auction event impacted the auction prices due to over supply at the time each auction took place. As a result, the Company had loss on disposal of foreclosed assets from 15.05 million baht and 13.49 million baht in 2014 or 1.36% and 1.15% of total expenses each year. In 2013 the Company's average loss on the disposal of foreclosed car was at 1,767 baht per car while, in 2014, the loss decreased to 1,085 baht per car. This reflected that the Company had improved its process to dispose the foreclosed vehicles. The Company opened two more auction centers, Chonburi Auction Center and Khonkaen Auction Center in February and March 2014 respectively. Also there were campaigns to publicize and encourage more agents to join the Company's auctions. Today the number of agents joining the auctions increased from 200 agents to 496 agents.

Bad debt and Doubtful accounts

The Company had bad debts and doubtful accounts of 127.98 million baht in 2012, 156.02 million baht in 2013 and 14.20 million baht in 2014. The reason that the Company had significant number of bad debt and doubtful accounts in 2012 and 2013 was due to the fact that the Company had changed the method of accounting estimates regarding the allowance of doubtful accounts. Not only this change made the Company's accounting standard met the Bank of Thailand requirement but it also helped to the Company to adjust with business situations back then, especially when considering the ability to pay back the debt, past experiences and the actual losses in the past. The Company set the rate of doubtful accounts allowance for the undue account receivable and overdue accounts less than 30 days at 1% and 2% for overdue account receivables 31–90 days. In the past the Company did not set doubtful accounts allowance for these two groups. Following is table shown details of the Company's doubtful account allowance ratio.

Account Receivables Aging	Percentage of doubtful accounts allowance Since 1 January 2012 onwards
Undue account receivables and overdue less than 30 days	1%
Overdue account receivables 31–90 days	2%
Overdue account receivables over 90 days	100%
Account receivables transferred to legal department	100%

Moreover, the Company used conservative approach in our business operation, so it decided to set aside additional loan loss reserve, by assessing the information of loss in the past, to ensure that it would cover the future loss. As a result, in 2012 the company set loan loss reserve for aging customers at 100.14 million baht and reserve for potentially uncollectible loan at 70 million baht while in 2013 the Company set aside 179.52 million baht for loan loss reserve for aging customers and 142.60 million baht for loan loss reserve for potentially uncollectible loan. These reserves helped strengthen the financial position of the Company. In 2012 and 2013, the ratio of loan loss reserve to non performance loan was 358.71% and 258.14% respectively.

In 2014, the Company had bad debt and doubtful account allowance at 14.20 million baht, which is 141.82 million baht decrease from the previous year. This was resulted from the Company's loan management was more effective; the aging of account receivables after deducting unearned financial income notably improved. Total account receivables with aging undue and overdue less than 30 days in 2014 increased from 87.05% in 2013 to 89.57% while total account receivables overdue 31–90 days decreased from 10.96% in 2013 to 9.06% in 2014. For account receivable overdue over 90 days, the portion was decreased from 1.99% in 2013 to 1.37% in 2014. Also the Company did not set aside more loan loss reserve during this period.

During 2012–2014, the Company's write-off totaled 1.07 million baht, 4.03 million baht and 11.34 million baht respectively, equaling to 0.02%, 0.07% and 0.15% of account receivables less unearned financial income each year.

Financial Cost

The Company and its subsidiary had financial cost, during 2012–2014, of 148.17 million baht, 213.66 million baht and 265.98 million baht, which equaled to 44.20% YoY and 24.49% YoY. The increase of financial cost resulted from the increase of the Company's loan which grew from 2,970.90 million baht in 2012 to 3,916.59 million baht in 2013 and to 3,485.08 in 2014 in order to support the expansion of its customers' lending portfolio. The major expenses of financial cost was interest paid to financial institution, which were 128.91 million baht in 2012, 188.97 million baht in 2013 and 236.88 million baht in 2014, equaling to 87%–89% of total financial cost.

In 2014, the Company and its subsidiary's financial cost increased from the previous year for 52.32 million baht or 24.49% YoY, which was resulted from the Company expanded its loan service continuously and needed to use more fund from financial institution.



2.1.2.3 Profitability

Interest Spread

		Yr 2012	Yr 2013	Yr 2014
Interest income rate*	(percent)	24.90	25.71	24.81
Interest expense rate	(percent)	5.34	6.23	5.98**
Interest spread	(percent)	19.57	19.49	18.83

* Interest Income Ratio calculated from total of interest income and penalty fee of loan settlement before the contract ends divided by average loan receivables.

** Calculated by adjusting impacts from loan repayment during November to December 2014.

In year 2012–2014, interest income rate (Interest and fee) of the Company were 24.90%, 25.71% and 24.81% respectively. There were no significant changes in the interest income rate because the Company still charged the same rate to its customers. However as the interest expense rate increased from 5.34% in 2012 to 6.23% in 2013 and 5.98% in 2014, the Company's interest spread decreased from 19.57% in 2012 to 19.49% in 2013 and 18.83% in 2014.

Net Profit

Resulting from the above mentioned business operating, the Company and its subsidiary has net profit on 308.42 million baht in 2012 and 351.44 million baht in 2013, which were 24.67% and 22.70% respectively. In 2014, the Company and its subsidiary's profit was 544.12 million baht which was the highest of 29.32%. Since the Company applied the general reserve policy and set aside more reserve for loan loss according to the customer's loan aging since 2012. However, in 2014, the Company had sufficient reserve so no need to set aside more and the result was the increasing net profit this year.

The fact that the Company and its subsidiary emphasized on the adequacy of loan loss reserve which reflected the quality of its customer's loan portfolio and the possible future damage, total of 142.60 million baht was gradually set aside, during 2012–2014, as loan loss reserve for potentially uncollectible loan. All the above was a reason why the growth of the Company and its subsidiary's net profit was not lower than the income growth.

2.1.3 Financial Position

2.1.3.1 Assets

At the end of year 2012–2014, the Company and its subsidiary's total assets values 4,788.66 million baht, 6,016.09 million baht and 8,776.81 million baht respectively. The core assets of the Company was loan receivables which totaled up to 4,606.28 million baht, 5,513.30 million baht and 7,122.75 million baht respectively. The amount equaled to 96.19%, 91.64% and 81.15% of total assets respectively.

The Company and its subsidiary had current assets of 4,001.13 million baht, 4,793.00 million baht and 7,009.69 million baht at the end of year 2012–2014 respectively. The core current assets was current portion of loan receivables (loans with period to pay off less than one

year) of 3,911.11 million baht, 4,666.13 million baht and 5,763.11 million baht at the end of year 2012–2014 respectively, equaling to 97.75%, 97.35% and 82.22% of current assets each year.

For the non-current assets, the Company and its subsidiary has non-current assets of 787.53 million baht, 1,223.09 million baht and 1,767.12 million baht at the end of 2012–2014 respectively. The core non-current assets was loan receivables – net of current portion which totaled up to 695.17 million baht, 847.17 million baht and 1,359.64 million baht at the end of 2012–2014 respectively, equaling to 88.27%, 69.26% and 76.94% of total non-current assets respectively. The second largest portion was land, building and equipment – net, which was 67.88 million baht, 335.04 million baht and 362.39 million baht or 8.62%, 27.39% and 20.51% of total non-current assets respectively.

Loan Receivables

At the end of year 2012–2014, the Company has loan receivables at 4,606.28 million baht, 5,513.31 million baht and 7,122.75 million baht respectively, which consisted of current portion of loan receivables (loans with period to pay off less than one year) of 3,911.11 million baht, 4,666.13 million baht and 5,763.11 million baht, equaling to 84.91%, 84.63% and 80.91% of total loan receivables, and Loan receivables – net of current portion of 695.17 million baht, 847.17 million baht and 1,359.64 million baht, equaling to 15.09%, 15.37% and 19.09% of total loan receivables.

	Year 2012		Year 2013		Year 2014	
	Million baht	%	Million baht	%	Million baht	%
Current portion of loan receivables	3,911.11	84.91	4,666.13	84.63	5,763.10	80.91
Loan receivables – net of current portion	695.17	15.09	847.17	15.37	1,359.64	19.09
Loan receivables – Total	4,606.28	100.00	5,513.30	100.00	7,122.74	100.00

Debt Structure classified by type of collateral

Type of collateral	Year 2012		Year 2013		Year 2014	
	Million baht	%	Million baht	%	Million baht	%
Motorcycle	4,360.92	91.30	5,082.73	87.10	5,902.89	79.26
Car	338.33	7.08	609.04	10.44	1,310.22	17.59
Farm vehicles	72.08	1.51	134.05	2.30	200.30	2.69
Personal loan	5.10	0.11	9.60	0.16	34.32	0.46
Total	4,776.42	100.00	5,835.43	100.00	7,447.73	100.00

* Numbers shown in the above table are loan receivables less unearned financial income (before less allowance for doubtful account)



It was notable that the large portion of the Company's loan receivables was current portion of loan receivables (loan with period to pay off less than one year), representing 80%–85% of total account receivables. On average, the installment periods of the Company's loan were between 7–20 months. For the motorcycle title loan, which was the Company's core product, representing 79%–91% of total loan receivables after deducting unearned financial income, the average installment period was 13 months. The second large portion was car title loan which represented 7%–17% of total loan receivables and had average installment period of 20–21 months. The farm vehicles title loan, which was 1%–2% of total loan receivables, had average installment period of 8 months. Whereas loan receivable of personal loan represented only 0.10%–0.40% of total loan receivables and had average installment period of 12 months.

Debt Classification

Account receivable less unearned financial income	Year 2012		Year 2013		Year 2014	
	Million baht	%	Million baht	%	Million baht	%
Undue	3,521.23	73.72	4,146.82	71.06	5,559.82	74.65
Overdue 1–30 days	761.89	15.95	932.95	15.99	1,110.88	14.92
Overdue 31–90 days	444.89	9.31	639.73	10.96	674.85	9.06
Overdue 91–180 days	17.50	0.37	41.31	0.71	22.44	0.30
Overdue 181–365 days	9.14	0.19	38.13	0.65	22.56	0.30
Overdue over 365 days	2.77	0.06	7.56	0.13	18.83	0.25
transferred to legal department	19.00	0.40	28.93	0.50	38.35	0.52
Total	4,776.42	100.00	5,835.43	100.00	7,447.73	100.00
Less: Allowance for doubtful accounts	(170.14)	(3.56)	(322.12)	(5.52)	(324.99)	(4.36)
Loan receivables – Total	4,606.28	96.44	5,513.31	94.48	7,122.74	95.64

When considering account receivables by aging, it is observable that the large portion of the Company's account receivables included undue accounts or overdue less than 30 days, representing 89.67% in 2012, 87.05% in 2013 and 89.57% in 2014. The overdue 31–90 days group represented 9.31%, 10.96% and 9.06% respectively while the account receivable with aging over 90 days were only 1.02%, 1.99% and 1.37% respectively. These numbers reflected that the Company's account receivables had high quality with undue accounts and accounts overdue less than 30 days at 87%–89% of total loan receivables less unearned financial income. Main reason was the Company's policy to assess and evaluate its credit officers with comprehensive criteria, which enabled the strictly controlled loan approval and highly efficient loan monitoring and collection.

If considering the adequacy of loan loss reserve, it is remarkable that at the end of 2013, the Company had reserved 322.12 million baht or 5.52% of total loan receivables before deducting allowance for doubtful accounts, which increased from year 2012 when the Company reserved 170.14 million baht or 3.56% of total loan receivables before deducting allowance for doubtful accounts. Meanwhile, the Company had written off only 1.07 million

baht in 2012 and 4.03 million baht in 2013 which were 0.02% and 0.07% of total loan receivables before deducting allowance for doubtful accounts. In 2014, the Company reserved 324.99 million baht for loan loss reserve which was 4.36% of total loan receivables before deducting allowance for doubtful accounts. This resulted from the improvement of aging of loan receivables before deducting unearned financial income as details shown under topic Bad debt and Doubtful accounts

Land, Building and Equipment

The Company and its subsidiary had land, building and equipment – net of 67.88 million baht at the end of 2012, 335.04 million baht in 2013 and 362.39 million baht in 2014, equaling to 1.42%, 5.57% and 4.13% of total assets respectively. The Company and its subsidiary had low portion of fixed assets because it mostly used rented buildings for its branches. So most of fixed assets were office equipment, computer and company car. However, in 2013 the Company had invested 250 million baht in buying a piece of land for building new head office. The existing office became too small to fit the Company business expansion. This was a reason for significant increase of land, building and equipment in 2013.

2.1.3.2 Liquidity

Cash Flow

(Unit : million baht)	Yr 2012	Yr 2013	Yr 2014
Net cash flows received from (used in) operating activities	(183.02)	(402.16)	(1,262.67)
Net cash flows received from (used in) investing activities	(50.81)	(287.61)	(52.48)
Net cash flows received from (used in) financial activities	252.97	733.75	1,927.21
Net cash and cash equivalent increase (decrease)	19.13	43.98	612.06

In 2012, the Company's account receivables increased for 815.49 million baht with cash received from interest of 1,043.08 million baht, resulting in net cash flows used in operating activities of 183.02 million baht. Besides, the Company and its subsidiary also has net cash flow used in investing activities of 50.81 million baht, which were mostly used for buying vehicles and equipments. In the same year, the Company received 252.97 million baht from its financial activities. It received cash of 2,600 million baht from long-term loan and 272.56 million baht from long-term loan from related person. Additionally, it received 160 million baht from the capital increase. Then, the Company had paid off 1,800 million baht long-term loan from financial institute, 446.74 million baht long-term loan from related person and paid dividend of 135 million baht. As a result, in year 2012, the Company and its subsidiary has net cash and cash equivalent increase of 19.13 million baht.

In 2013, the Company and its subsidiary had net cash flows used in operating activities of 402.16 million baht, resulting from the increase of account receivables for 1,013.30 million baht and from the Company's purchase of land nearby its head office for 250 million baht.



Additionally, the Company had bought more vehicles and equipments so that the total net cash flow used in investing activities added up to 287.61 million baht. In term of financial activities, the Company received cash from long-term loan from financial institute of 3,516.40 million baht and from the capital increase of 315 million baht. While the Company had paid off 2,227.22 million baht long-term loan from financial institute and paid dividend of 314 million baht, resulting in net cash flows received from financial activities of 733.75 million baht. In year 2013, the Company and its subsidiary has net cash and cash equivalent increase of 43.98 million baht.

In 2014, the Company and its subsidiary had net cash flows used in operating activities of 1,262.67 million baht, resulting from the increase of account receivables for 1,586.74 million baht. The Company had bought more buildings and equipments of 53.14 million baht. So the total net cash flow used in investing activities was 52.48 million baht. In term of financial activities, the Company received cash from selling its shares to public (IPO) of 2,997.50 million baht and cash receive from long-term loan from financial institute of 3,727.50 million baht. While the Company had paid off 4,429.02 million baht long-term loan from financial institute and paid interest of 268.16 million baht, resulting in net cash flows received from financial activities of 1,927.21 million baht. In year 2014, the Company and its subsidiary has net cash and cash equivalent increase of 612.06 million baht.

21.3.3 Sources of Fund

At the end of 2012–2014, the Company and its subsidiary had financial liabilities, shareholders' equity and debt to equity ratio with details as follows.

Sources of fund	31 December 2012		31 December 2013		31 December 2014	
	Million baht	%	Million baht	%	Million baht	%
<u>Loan from commercial bank</u>						
Short-term loan	531.26	11.64	230.34	3.93	501.89	5.84
Long-term loan	2,400.00	52.60	3,689.18	62.99	2,987.66	34.76
Total loan from commercial bank	2,931.26	64.24	3,919.52	66.92	3,489.55	40.60
Loan from related person	47.00	1.03	–	–	–	–
Shareholders' equity	1,584.65	34.73	1,937.09	33.08	5,106.05	59.40
Total sources of fund	4,562.91	100.00	5,856.61	100.00	8,596.10	100.00

The main source of fund of the Company and its subsidiary was loan from commercial bank which represented 40%–67% of total sources of fund. Loans from commercial banks mostly were long-term loan with payment period 15–24 months. The second source was from the major shareholders which was approximately 33%–59% of total sources of fund. Both sources of fund were considered long-term which were align with loans which the Company provided to its customers that had average installment period of 13 months. This reflected that the Company and its subsidiary had appropriate fund structure which was in line with its main business of providing loan services.

Liabilities

At the end of 2012–2014, the Company and its subsidiary had total liabilities of 3,204.01 million baht, 4,078.99 million baht and 3,670.75 million baht respectively. Major portions of their liabilities were long-term loans from financial institution, bank overdrafts and short-term loans from financial institutions. The increases of total liabilities were in line with the expansion of the Company's loan portfolio.

At the end of 2012–2014, the Company and its subsidiary had the ratio of total loans to total borrowing of 1.55 times, 1.41 times and 2.04 times respectively.

Shareholders' Equity

Resulting from the consistently expansion of the Company's business of providing loan service to its customer, the Company had gradually increased its capital which made the Company and its subsidiary's revenue and net profit continuously grew.

At the end of 2012, the Company had increased its capital for 160 million baht, which resulted in the increase of the Company's issued and paid-up capital from 1,100 million baht to 1,260 million baht. Net profit of the Company and its subsidiary was 308.42 million baht and the dividend paid was 135 million baht. Total shareholders' equity was 1,584.65 million baht at the end of 2012.

At the end of 2013, the Company and its subsidiary had total shareholders' equity of 1,937.09 million baht, increasing from 2012 for 352.44 million baht. This was resulted from the increasing of retained earnings and the Company's capital increase of 315 million baht. As a result, the Company's issued and paid-up capital increased from 1,260 million baht to 1,575 million baht. And the Company paid dividend of 314 million baht to its shareholders.

At the end of 2014, the Company and its subsidiary had total shareholders' equity of 5,106.05 million baht, increasing from 2013 for 3,168.96 million baht. This was resulted from the increasing of retained earnings and the Company's capital increase of 545 million baht during 19–21 November 2014. The Company had offered to the public the newly issued shares of 545 million baht shares with the par value of 1 baht and sold at the offered price of 5.50 baht per share, resulting in total of 2,997.50 million baht capital increase. And the Company paid dividend of 300 million baht to its shareholders.

Return on Equity

The Company and its subsidiary provided return on equity at 21.75% in 2012, 19.96% in 2013 and 15.45% in 2014. With the consistent growth in their business operation, during 2012–2014, the Company and its subsidiary had paid the dividend to the shareholders of 279 million baht, 318 million baht and 300 million baht respectively.

Optimal Capital Structure

The Company and its subsidiary had debt to equity ratio of 2.02 times at the end of 2012, 2.11 times in 2013 and 0.72 times in 2014. This reflected the optimal capital structure of the Company and its subsidiary and the ability to support the Company's loan portfolio expansion in the future.



22. Additional Information

Investors may see more detailed information of Muangthai Leasing Public Company Limited from its Disclosure report concerning additional information (Form 56-1).



**Muangthai Leasing
Public Company Limited
and its Subsidiary
Report and Consolidated
Financial Statements
31 December 2014**



Independent Auditor's Report

To the Shareholders of Muangthai Leasing Public Company Limited

I have audited the accompanying consolidated financial statements of Muangthai Leasing Public Company Limited and its subsidiary, which comprise the consolidated statements of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Muangthai Leasing Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Muangthai Leasing Public Company Limited and its subsidiary and of Muangthai Leasing Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Statements of Financial Position

Muangthai Leasing Public Company Limited and its Subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	6	705,878,350	93,824,271	705,309,241	87,730,590
Short-term investments	7	501,000,000	1,000,000	500,000,000	-
Current portion of loan receivables	8	5,763,106,974	4,666,133,635	5,763,106,974	4,666,133,635
Other receivables - related parties		-	-	1,033,012	3,893,718
Short-term loans		15,679,487	11,019,241	15,679,487	11,019,241
Other current assets	10	24,026,347	21,020,206	23,880,992	20,974,780
Total current assets		7,009,691,158	4,792,997,353	7,009,009,706	4,789,751,964
Non-current assets					
Restricted bank deposits	11	3,000,000	2,000,000	-	-
Loan receivables - net of current portion	8	1,359,637,318	847,171,462	1,359,637,318	847,171,462
Investments in subsidiary	12	-	-	2,000,000	2,000,000
Land, buildings and equipment	13	362,391,983	335,039,435	362,325,368	335,030,595
Deferred tax assets	14	15,641,882	25,180,310	15,630,667	25,172,319
Other non-current assets		26,444,945	13,697,492	26,444,945	13,697,492
Total non-current assets		1,767,116,128	1,223,088,699	1,766,038,298	1,223,071,868
Total assets		8,776,807,286	6,016,086,052	8,775,048,004	6,012,823,832

The accompanying notes are an integral part of the financial statements.



Statements of Financial Position (continued)

Muangthai Leasing Public Company Limited and its Subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	15	500,093,595	230,341,593	500,093,595	230,341,593
Other payables	16	105,264,956	94,518,438	102,373,749	92,527,718
Current portion of long-term loans	17	2,610,222,576	3,055,220,663	2,610,222,576	3,055,220,663
Current portion of liabilities under hire					
purchase and financial lease payable	18	7,133,387	6,044,326	7,133,387	6,044,326
Income tax payable		54,858,884	46,743,327	54,647,340	46,522,111
Other current liabilities		9,165,465	7,203,905	16,287,114	12,351,349
Total current liabilities		3,286,738,863	3,440,072,252	3,290,757,761	3,443,007,760
Non-current liabilities					
Long-term loans - net of current portion	17	356,648,746	613,402,802	356,648,746	613,402,802
Liabilities under hire purchase and financial					
lease payable - net of current portion	18	10,984,831	11,577,762	10,984,831	11,577,762
Provision for long-term employee benefits	19	16,379,278	13,939,549	16,323,198	13,899,595
Total non-current liabilities		384,012,855	638,920,113	383,956,775	638,880,159
Total liabilities		3,670,751,718	4,078,992,365	3,674,714,536	4,081,887,919

The accompanying notes are an integral part of the financial statements.

Statements of Financial Position (continued)

Muangthai Leasing Public Company Limited and its Subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
Registered	20				
2,120,000,000 ordinary shares of Baht 1 each (2013: 15,750,000 ordinary shares of Baht 100 each)		2,120,000,000	1,575,000,000	2,120,000,000	1,575,000,000
Issued and fully paid up	20				
2,120,000,000 ordinary shares of Baht 1 each (2013: 15,750,000 ordinary shares of Baht 100 each)		2,120,000,000	1,575,000,000	2,120,000,000	1,575,000,000
Share premium	20	2,379,843,362	-	2,379,843,362	-
Retained earnings					
Appropriated - statutory reserve	21	68,400,000	24,400,000	68,400,000	24,400,000
Unappropriated		537,812,206	337,693,687	532,090,106	331,535,913
Total shareholders' equity		5,106,055,568	1,937,093,687	5,100,333,468	1,930,935,913
Total liabilities and shareholders' equity		8,776,807,286	6,016,086,052	8,775,048,004	6,012,823,832

The accompanying notes are an integral part of the financial statements.



Statements of Comprehensive Income

Muangthai Leasing Public Company Limited and its Subsidiary
For the year ended 31 December 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit or loss:				
Revenues				
	1,567,417,556	1,301,063,964	1,567,417,556	1,301,063,964
	279,322,829	238,194,663	262,021,618	223,669,998
	-	-	4,399,560	-
	9,341,806	8,987,468	20,890,393	18,683,035
	1,856,082,191	1,548,246,095	1,854,729,127	1,543,416,997
Expenses				
	882,560,106	723,217,465	881,643,699	720,814,682
	13,484,342	15,052,875	13,484,342	15,052,875
9	14,203,271	156,016,575	14,203,271	156,016,575
	910,247,719	894,286,915	909,331,312	891,884,132
Profit before finance cost and income tax expenses				
	945,834,472	653,959,180	945,397,815	651,532,865
	(265,982,870)	(213,658,796)	(265,982,870)	(213,658,796)
	679,851,602	440,300,384	679,414,945	437,874,069
14	(135,733,083)	(88,856,739)	(134,860,752)	(88,192,777)
	544,118,519	351,443,645	544,554,193	349,681,292
Other comprehensive income:				
	-	-	-	-
	544,118,519	351,443,645	544,554,193	349,681,292
Earning per share				
24	0.33	0.23	0.33	0.23
	1,630,246,575	1,521,287,671	1,630,246,575	1,521,287,671

The accompanying notes are an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

Muangthai Leasing Public Company Limited and its Subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2013	1,260,000,000	-	8,200,000	316,450,042	1,584,650,042
Increase in share capital issuance (Note 20)	315,000,000	-	-	-	315,000,000
Appropriated to statutory reserve (Note 21)	-	-	16,200,000	(16,200,000)	-
Dividend paid (Note 21)	-	-	-	(314,000,000)	(314,000,000)
Total comprehensive income for the year	-	-	-	351,443,645	351,443,645
Balance as at 31 December 2013	<u>1,575,000,000</u>	<u>-</u>	<u>24,400,000</u>	<u>337,693,687</u>	<u>1,937,093,687</u>
Balance as at 1 January 2014	1,575,000,000	-	24,400,000	337,693,687	1,937,093,687
Increase in share capital issuance (Note 20)	545,000,000	2,379,843,362	-	-	2,924,843,362
Appropriated to statutory reserve (Note 21)	-	-	44,000,000	(44,000,000)	-
Dividend paid (Note 21)	-	-	-	(300,000,000)	(300,000,000)
Total comprehensive income for the year	-	-	-	544,118,519	544,118,519
Balance as at 31 December 2014	<u>2,120,000,000</u>	<u>2,379,843,362</u>	<u>68,400,000</u>	<u>537,812,206</u>	<u>5,106,055,568</u>

The accompanying notes are an integral part of the financial statements.



Statements of Changes in Shareholders' Equity (continued)

Muangthai Leasing Public Company Limited and its Subsidiary
For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2013	1,260,000,000	-	8,200,000	312,054,621	1,580,254,621
Increase in share capital issuance (Note 20)	315,000,000	-	-	-	315,000,000
Appropriated to statutory reserve (Note 21)	-	-	16,200,000	(16,200,000)	-
Dividend paid (Note 21)	-	-	-	(314,000,000)	(314,000,000)
Total comprehensive income for the year	-	-	-	349,681,292	349,681,292
Balance as at 31 December 2013	<u>1,575,000,000</u>	<u>-</u>	<u>24,400,000</u>	<u>331,535,913</u>	<u>1,930,935,913</u>
Balance as at 1 January 2014	1,575,000,000	-	24,400,000	331,535,913	1,930,935,913
Increase in share capital issuance (Note 20)	545,000,000	2,379,843,362	-	-	2,924,843,362
Appropriated to statutory reserve (Note 21)	-	-	44,000,000	(44,000,000)	-
Dividend paid (Note 21)	-	-	-	(300,000,000)	(300,000,000)
Total comprehensive income for the year	-	-	-	544,554,193	544,554,193
Balance as at 31 December 2014	<u>2,120,000,000</u>	<u>2,379,843,362</u>	<u>68,400,000</u>	<u>532,090,106</u>	<u>5,100,333,468</u>

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flow

Muangthai Leasing Public Company Limited and its Subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax	679,851,602	440,300,384	679,414,945	437,874,069
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation	28,711,624	23,523,567	28,701,928	23,520,167
Bad debts and doubtful accounts	14,203,271	156,016,575	14,203,271	156,016,575
Impairment loss on assets foreclosed (reversal)	(800,000)	4,000,000	(800,000)	4,000,000
Gain on disposals of equipment	(627,558)	(3,249,929)	(627,558)	(3,249,929)
Provision for long-term employee benefits	2,439,729	2,146,520	2,423,603	2,128,050
Dividend income	-	-	(4,399,560)	-
Interest income from loan receivables	(1,567,417,556)	(1,301,063,964)	(1,567,417,556)	(1,301,063,964)
Other interest income	(2,688,631)	(1,281,807)	(2,608,779)	(1,185,168)
Finance cost	265,982,870	213,658,796	265,982,870	213,658,796
Loss from operating activities before changes in operating assets and liabilities	(580,344,649)	(465,949,858)	(585,126,836)	(468,301,404)
Decrease (increase) in operating assets				
Short-term investments	(500,000,000)	-	(500,000,000)	-
Loan receivables	(1,586,737,519)	(1,013,295,426)	(1,586,737,519)	(1,013,295,426)
Other receivables - related parties	-	-	2,860,705	(3,893,718)
Short-term loans	(4,660,246)	(52,875)	(4,660,246)	(52,875)
Other current assets	(2,205,788)	3,190,364	(2,106,211)	3,189,904
Other non-current assets	(12,984,902)	(1,016,509)	(12,981,661)	(1,016,509)
Increase (decrease) in operating liabilities				
Other payables	7,175,638	(27,552,604)	6,275,151	(27,779,010)
Employee benefits	-	(3,684,172)	-	(3,684,172)
Other current liabilities	1,961,560	2,109,403	3,935,765	3,891,689
Cash used in operating activities	(2,677,795,906)	(1,506,251,677)	(2,678,540,852)	(1,510,941,521)
Cash received from interest	1,533,200,888	1,252,600,312	1,533,121,388	1,252,501,693
Cash paid for income tax	(118,079,100)	(148,506,918)	(117,193,871)	(147,476,441)
Net cash flows used in operating activities	(1,262,674,118)	(402,158,283)	(1,262,613,335)	(405,916,269)

The accompanying notes are an integral part of the financial statements.



Statements of Cash Flow (continued)

Muangthai Leasing Public Company Limited and its Subsidiary
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease in restricted bank deposits	(1,000,000)	-	-	-
Cash paid for acquisitions of land, building and equipment	(53,136,509)	(291,385,064)	(53,072,280)	(291,385,064)
Proceeds from disposals of equipment	1,656,858	3,771,777	1,656,858	3,771,777
Dividend received	-	-	4,399,560	-
Net cash flows used in investing activities	(52,479,651)	(287,613,287)	(47,015,862)	(287,613,287)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	271,548,407	(300,918,117)	271,548,407	(300,918,117)
Cash receipt from long-term loans	3,727,500,000	3,516,400,000	3,727,500,000	3,516,400,000
Repayment of long-term loans	(4,429,019,866)	(2,227,222,220)	(4,429,019,866)	(2,227,222,220)
Cash receipt from long-term loans from a related party	-	22,000,000	-	22,000,000
Repayment of long-term loans from a related party	-	(69,000,000)	-	(69,000,000)
Increase in liabilities under hire purchase and financial lease payable	496,129	9,575,617	496,129	9,575,617
Proceed from share capital issuance	2,924,843,362	315,000,000	2,924,843,362	315,000,000
Cash paid on interest	(268,160,184)	(218,080,890)	(268,160,184)	(218,080,890)
Cash paid for dividends	(300,000,000)	(314,000,000)	(300,000,000)	(314,000,000)
Net cash flows from financing activities	1,927,207,848	733,754,390	1,927,207,848	733,754,390
Net increase in cash and cash equivalents	612,054,079	43,982,820	617,578,651	40,224,834
Cash and cash equivalents at beginning of year	93,824,271	49,841,451	87,730,590	47,505,756
Cash and cash equivalents at end of year	705,878,350	93,824,271	705,309,241	87,730,590
Supplement cash flow information				
Non-cash items				
Account payable on purchase of assets	4,296,280	576,767	4,296,280	576,767

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

Muangthai Leasing Public Company Limited and its Subsidiary

For the year ended 31 December 2014

1. Corporate information

Muangthai Leasing Public Company Limited (“the Company”) was incorporated as a limited company on 22 May 1992 and registered the change of its status to a public company on 16 May 2014. The Company is domiciled in Thailand. The Company is principally engaged in the process of loans secured against vehicle registrations and personal loans without collateral. Its registered address is 32/1 Chransanitwong Road, Bangor, Bangplad, Bangkok. As at 31 December 2014, the Company has totalled 507 branches and service centers.

2. Basis for the preparation of financial statements

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, 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 for the preparation of the consolidated financial statements

a) The consolidated financial statements include the financial statements of Muangthai Leasing Public Company Limited and Muangthai Leasing Insurance Broker Company Limited (“the subsidiary”), which is domiciled in Thailand and is principally engaged in insurance brokerage. The Company holds 100% of the subsidiary’s shares.

b) Subsidiary is fully consolidated, being the date on which the Company obtains control.

c) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.

d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.



2.3 Separate financial statements

The separate financial statements, which present investments in subsidiary under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

3.1 Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

3.2 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the years in which they are adopted. However, some of these financial reporting standards involve changes to key principles, the following are the standards that directly relevant to the Company.



TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gain and loss immediately in other comprehensive income while the existing standard allows the entity to recognise such gain and loss immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiary immediately recognise actuarial gain and loss in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiary is that when the revised standard is applied in 2015 and the method of recognising those gain and loss is changed to immediately recognise them in other comprehensive income, there will be no significant impact on the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiary believes that this standard will not have any significant impact on the financial statements of the Company and its subsidiary.

4. Significant accounting policies

4.1 Revenue recognition

a) Interest income from loans

The Company recognises interest income on loans on an accrual basis, based on the outstanding principal balance, using the effective interest rate method.

The Company ceases accruing income for receivables which have defaulted on more than three installments from the due date. Interest is then recognised as income on a cash basis.

b) Insurance commission income

Insurance commission income is recognised when provision of services is complete.

c) Fee and service income

Fee and service income are recognised when services have been rendered, while fee income from late payment is recognised when received.

4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Fee and service expenses.

Fee and service expenses are charged to expenses on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Short-term investments

Short-term investments consist of cash at banks and short-term investments with an original maturity of more than three months but not more than 1 year, which are not subject to withdrawal restrictions.

4.5 Loan receivables

Loan receivables are stated at the contract value net of unearned income.

4.6 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for loan receivables based on the estimated loss from debts that may not be collectible, determined by analysis of the current status of the receivables. Allowance for doubtful accounts is provided at percentages of the amount of the outstanding receivables net of unearned income at the following rates:-

	<u>Provisioning rate</u>
Normal loans and not more than 30 days past due	1
31 - 90 days past due	2
More than 90 days past due	100
Litigation receivables	100

In addition, the Company sets aside further provision based on consideration of additional loss that may be incurred in the future.

Bad debt and doubtful accounts are recorded in profit or loss in the statements of comprehensive income. The Company has a policy to write-off receivables when the Company has made appropriate efforts at recovery for which there is clear evidence, and debts remain unsettled.



4.7 Assets foreclosed

Assets foreclosed are stated at the lower of cost or net realisable value.

Gain (loss) on disposal of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in the statements of comprehensive income.

4.8 Investments in a subsidiary

Investments in a subsidiary as stated in the separate financial statements is accounted for using the cost method, net of allowance for impairment (if any). Loss on impairment of investments is recorded as expenses in profit or loss in the statements of comprehensive income.

4.9 Land, buildings and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Building improvements	-	20 years
Furniture, fixtures, office equipment and computers	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land.

Items of land, buildings and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of an asset is recognised in profit or loss when the assets are derecognised.

4.10 Impairment of assets

The Company and its subsidiary assess at each reporting date whether there are any indications that land, buildings and equipment may be impaired. An impairment loss is recognised when the recoverable amount of an asset is less than the carrying amount. An assets recoverable amount is the higher of its fair value less costs to sell and its value in use.

Impairment loss (if any) is recognised in profit or loss.

4.11 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

The Company and its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

Obligations under the defined benefit plan are determined by the Company and its subsidiary's management based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in profit or loss.

4.12 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 Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 Company and its subsidiary review and reduce 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 Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.13 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

They also include companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiary's operations.

4.14 Long-term leases

Leases which transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to profit or loss over the lease period.

Leases which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.15 Provisions

Provisions are recognised when the Company and its subsidiary have 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with Thai financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

5.1 Allowance for doubtful accounts on loan receivables

In determining allowance for doubtful accounts for loan receivables, the management needs to exercise judgment in order to estimate the probable loss on each receivable based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic conditions.

5.2 Land, buildings and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's buildings and equipment and to review estimate useful lives and salvage values when there are any changes.

5.3 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.

5.4 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 judgment 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 profits.



6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	7,196	6,879	7,195	6,874
Bank deposits	698,682	86,945	698,114	80,857
Cash and cash equivalents	705,878	93,824	705,309	87,731

As at 31 December 2014, bank deposits in savings accounts carried interest at rates between 0.50 and 0.63 percent per annum (2013: between 0.50 and 0.63 percent per annum).

7. Short-term investments

As at 31 December 2014, short-term investments are 4 months and 1-year fixed deposits that mature in March and September 2015, respectively, and carry interest at rates between 2.05 and 2.95 percent per annum (2013: 1-year fixed deposit that matured in September 2014 and carried interest at rates between 1.90 and 2.20 percent per annum)

8. Loan receivables

8.1 As at 31 December 2014 and 2013, loan receivables consist of the following:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2014		
	Amounts due		
	within 1 year ⁽¹⁾	over 1 year	Total
Loan receivables	6,962,124	1,570,437	8,532,561
Less: Unearned finance income	(888,648)	(196,180)	(1,084,828)
	6,073,476	1,374,257	7,447,733
Less: Allowance for doubtful accounts ⁽²⁾	(310,369)	(14,620)	(324,989)
Loan receivables, net	5,763,107	1,359,637	7,122,744

(1) The balance of loan receivables due within 1 year includes receivables past due more than 90 days.

(2) The balance of allowance for doubtful accounts due within 1 year includes additional provision for uncollectible receivables.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2013		
	Amounts due		
	within 1 year ⁽¹⁾	over 1 year	Total
Loan receivables	5,655,073	963,044	6,618,117
Less: Unearned finance income	(675,981)	(106,709)	(782,690)
	4,979,092	856,335	5,835,427
Less: Allowance for doubtful accounts ⁽²⁾	(312,958)	(9,164)	(322,122)
Loan receivables, net	4,666,134	847,171	5,513,305

(1) The balance of loan receivables due within 1 year includes receivables past due more than 90 days.

(2) The balance of allowance for doubtful accounts due within 1 year includes additional provision for uncollectible receivables.

8.2 As at 31 December 2014 and 2013, the balances of loan receivables classified by aging and allowance for doubtful accounts are as follows:

(Unit: Thousand Baht)

Aging	Consolidated and separate financial statements					
	Loan receivables - net of unearned financial income		Rate of allowance for doubtful accounts		Allowance for doubtful accounts	
	2014	2013	2014	2013	2014	2013
Not yet due	5,559,820	4,146,821	1%	1%	55,598	41,468
Past due not more than 30 days	1,110,883	932,946	1%	1%	11,109	9,329
Past due 31 - 90 days	674,845	639,730	2%	2%	13,497	12,795
Past due 91 - 180 days	22,436	41,315	100%	100%	22,436	41,315
Past due 181 - 365 days	22,558	38,127	100%	100%	22,558	38,127
Past due over 365 days	18,835	7,562	100%	100%	18,835	7,562
Litigation receivables	38,356	28,926	100%	100%	38,356	28,926
Total	7,447,733	5,835,427			182,389	179,522
Allowance for doubtful accounts - additional provision for uncollectible receivables					142,600	142,600
Total					324,989	322,122

8.3 As at 31 December 2014, the Company had loan receivables (net of deferred finance income) amounting to approximately Baht 112 million, for which revenue recognition has ceased (2013: Baht 125 million).



- 8.4** A notification of the Institute of Certified Accountants and Auditors of Thailand, in concurrent with the Office of the Securities and Exchange Commission, lays down an accounting guideline for the consumer finance business. This requires that full allowance be recorded for doubtful accounts without taking collateral value into account and stop recognition of interest income in case that accounts receivables are overdue by more than three installments, and that general allowance be provided for accounts receivable which are not overdue or overdue by no more than three installments, or using an alternative method where a company believes that this would be more appropriate. The Company therefore estimates allowance for doubtful accounts based on consideration of the current status of receivables, their ability to make payment, and historical loss experience, and believes that the rates currently used to set allowance for doubtful accounts are appropriate.
- 8.5** As at 31 December 2014 and 2013, the Company had transferred certain rights of claim under loan agreements in order to secure credit facilities granted by commercial banks, as discussed in Notes 15 and 17 to the financial statements.

9. Allowance for doubtful accounts

Movements of allowance for doubtful accounts for loan receivables are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2014	2013
Balance at beginning of the year	322,122	170,136
Add: Increase in doubtful accounts during the year	14,203	156,017
Less: Bad debt written-off	(11,336)	(4,031)
Balance at end of the year	<u>324,989</u>	<u>322,122</u>

10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Assets foreclosed	16,898	18,480	16,898	18,480
Prepaid expenses	6,251	4,192	6,251	4,192
Other current assets	4,687	2,348	4,542	2,303
Total	<u>27,836</u>	<u>25,020</u>	<u>27,691</u>	<u>24,975</u>
Less: Allowance for impairment/allowance for doubtful accounts	(3,810)	(4,000)	(3,810)	(4,000)
Other current assets - net	<u>24,026</u>	<u>21,020</u>	<u>23,881</u>	<u>20,975</u>

11. Restricted bank deposits

This represents fixed deposits of the subsidiary pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the subsidiary.

12. Investments in a subsidiary

Investments in a subsidiary in the separate financial statements is an investment in Muangthai Leasing Insurance Broker Company Limited, which is principally engaged in insurance brokerage. The cost of the investment was Baht 2 million, which represented a 100 percent shareholding in the subsidiary.

During 2014, the Company received dividend payment of Baht 220 per share, or a total of Baht 4.40 million, from Muangthai Leasing Insurance Broker Company Limited.

13. Land, buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land	Buildings	Building improvements	Furniture, fixtures, equipment and computers	Motor vehicles	
Cost						
1 January 2013	258	3,494	2,037	83,917	35,810	125,516
Additions	250,000	-	1,188	19,765	20,600	291,553
Disposals/written off	-	-	-	(2,610)	(5,273)	(7,883)
31 December 2013	250,258	3,494	3,225	101,072	51,137	409,186
Additions	-	-	8,157	38,878	9,851	56,886
Disposals/written off	-	-	-	(2,500)	(3,413)	(5,913)
31 December 2014	250,258	3,494	11,382	137,450	57,575	460,159
Accumulated depreciation						
1 January 2013	-	56	550	38,918	18,113	57,637
Depreciation during the year	-	175	122	15,127	7,915	23,339
Depreciation for disposals/written off	-	-	-	(1,865)	(4,964)	(6,829)
31 December 2013	-	231	672	52,180	21,064	74,147
Depreciation during the year	-	175	234	18,238	9,830	28,477
Depreciation for disposals/written off	-	-	-	(1,843)	(3,014)	(4,857)
31 December 2014	-	406	906	68,575	27,880	97,767
Net book value						
31 December 2013	250,258	3,263	2,553	48,892	30,073	335,039
31 December 2014	250,258	3,088	10,476	68,875	29,695	362,392
Depreciation charge for the years						
2013						23,339
2014						28,477



(Unit: Thousand Baht)

Separate financial statements						
	Land	Buildings	Building improvements	Furniture, fixtures, equipment and computers	Motor vehicles	Total
Cost						
1 January 2013	258	3,494	2,037	83,900	35,810	125,499
Additions	250,000	-	1,188	19,765	20,600	291,553
Disposals/written off	-	-	-	(2,610)	(5,273)	(7,883)
31 December 2013	250,258	3,494	3,225	101,055	51,137	409,169
Additions	-	-	8,157	38,810	9,851	56,818
Disposals/written off	-	-	-	(2,500)	(3,413)	(5,913)
31 December 2014	250,258	3,494	11,382	137,365	57,575	460,074
Accumulated depreciation						
1 January 2013	-	56	550	38,913	18,113	57,632
Depreciation during the year	-	175	122	15,124	7,915	23,336
Depreciation for disposals/written off	-	-	-	(1,865)	(4,964)	(6,829)
31 December 2013	-	231	672	52,172	21,064	74,139
Depreciation during the year	-	175	234	18,228	9,830	28,467
Depreciation for disposals/written off	-	-	-	(1,843)	(3,014)	(4,857)
31 December 2014	-	406	906	68,557	27,880	97,749
Net book value						
31 December 2013	250,258	3,263	2,553	48,883	30,073	335,030
31 December 2014	250,258	3,088	10,476	68,808	29,695	362,325
Depreciation charge for the years						
2013						23,336
2014						28,467

As at 31 December 2014, the Company had vehicles under hire purchase and finance lease agreements with net book value amounting to Baht 27 million. The Company had certain equipment and vehicles that have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation amounted to approximately Baht 30 million (2013: Baht 25 million and Baht 21 million, respectively).

The Company had pledged land with a net book value of Baht 250 million as collateral against long-term credit facilities, as mentioned in Note 17 to the financial statements.

14. Deferred tax assets and income tax expenses

14.1 Deferred tax assets/ deferred tax liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	64,998	64,424	64,998	64,424
Allowance for impairment of assets foreclosed	640	800	640	800
Provision for long-term employee benefits	3,276	2,788	3,265	2,780
Others	439	859	439	859
Deferred tax assets	69,353	68,871	69,342	68,863
Deferred tax liabilities				
Differences in income recognition for accounting and tax purposes	49,194	39,580	49,194	39,580
Others	4,517	4,111	4,517	4,111
Deferred tax liabilities	53,711	43,691	53,711	43,691
Deferred tax assets - net	15,642	25,180	15,631	25,172

14.2 Income tax expenses

Income tax expenses for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	108,031	104,417	107,156	103,749
Deferred tax:				
Effects of income tax related to the expenses from share offering (Note 20)	18,164	-	18,164	-
Relating to origination and reversal of temporary differences	9,538	(15,560)	9,541	(15,556)
Income tax expenses reported in the statements of comprehensive income	135,733	88,857	134,861	88,193



Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit before tax	679,852	440,300	679,415	437,874
Applicable tax rates	0-20%	0-20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	136,756	88,060	135,884	87,575
Effects of non-deductible expenses and non-taxable income	(1,023)	797	(1,023)	618
Income tax expenses reported in the statements of comprehensive income	135,733	88,857	134,861	88,193

15. Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2014	2013
a) Bank overdraft	-	9,693
b) Loans from a local bank in the form of promissory notes under facilities amounting to Baht 31 million subject to interest at a fixed rate, payable monthly, with principal repayable within 4 months from the date of loan drawdown	-	31,000
c) Loans from a local bank in the form of promissory notes with principal repayable within 12 months from the date of loan drawdown, and interest charged at MLR less a fixed percentage per annum, payable monthly		
- Facility amounting to Baht 240 million	-	1,740
- Facility amounting to Baht 148.7 million (2013: Baht 240 million)	1,740	128,700
- Facility amounting to Baht 480 million	250,150	-
d) Loans from a local bank in the form of promissory notes under credit facilities amounting to Baht 100 million, with principal repayable within 12 months from the date of loan drawdown, and interest charged at MLR less a fixed percentage per annum, payable monthly	-	59,209

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2014	2013
e) Loans from a local bank in the form of promissory notes under credit facilities amounting to Baht 1,400 million, with principal repayable within 4 months from the date of loan drawdown, and interest charged at a fixed rate, payable monthly	250,000	-
Total	501,890	230,342
Less: Deferred issuing costs	(1,796)	-
Bank overdrafts and short-term loans from financial institutions	500,094	230,342

The above bank overdrafts and short-term loans from financial institutions are variously, depending on the conditions of the relevant agreements, secured by the transfer of rights to withdraw funds from deposit accounts under specified conditions, the mortgage of the Company directors' land and premises thereon, the transfer of rights in bank deposits and ordinary shares of the Company held by directors, and are guaranteed by directors of the Company. There are also requirements for the major shareholders and/or the directors to maintain their proportionate shareholdings in the Company.

As at 31 December 2014, the Company has Baht 1,861 million short-term credit facilities from financial institutions which have not yet been drawn down (2013: Baht 61 million). Part of the credit facilities of Baht 500 million, the Company is required to comply with certain financial covenants, such as to maintain ratios of loan receivables 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 also the portion of the Company's shares held by the major shareholders.

16. Other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Employee accrued expenses	80,032	76,044	80,030	76,043
Accrued special business tax expenses	11,270	8,610	11,270	8,610
Accrued expenses	2,067	2,967	1,857	2,817
Accrued interest expenses	2,382	2,531	2,382	2,531
Other account payables	9,514	4,366	6,835	2,527
Total other payables	105,265	94,518	102,374	92,528



17. Long-term loans

As at 31 December 2014 and 2013, these are loans from financial institutions in Thailand. Details are as follow:

Facility no.	Loan facility /Repayment schedule	(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
		2014	2013
1	Syndicated credit facility amounting to Baht 2,000 million, repayable principal in 15 monthly installments, with interest at the rate of MLR less a fixed percent per annum, payable monthly	-	356,667
2	Syndicated credit facility amounting to Baht 1,400 million, with principal to be repaid within July 2014, and interest charged at the fixed deposit rate plus a fixed percent per annum, payable monthly. In June 2014, the Company requested an extension of the debt repayment term to July 2016.	-	1,400,000
3	Syndicated credit facility amounting to Baht 1,125 million, repayable principal in 18 monthly installments, with interest at the rate of MLR less a fixed percent per annum, payable monthly	53,333	775,000
4	Credit facility amounting to Baht 91.2 million, repayable principal in 72 monthly installments after a grace period of 12 months, with interest at the rate of MLR less a fixed percent per annum, payable monthly	-	91,164
5	Credit facility amounting to Baht 37.2 million, repayable principal in 72 monthly installments after a grace period of 12 months, with interest at the rate of MLR less a fixed percent per annum, payable monthly	31,547	37,236
6	Credit facility amounting to Baht 203 million, repayable principal within September 2015, with interest at the rate of MLR less a fixed percent per annum, payable monthly	-	203,000
7	Syndicated credit facility amounting to Baht 1,700 million, repayable principal in 18 monthly installments, with interest at the rate of MLR less a fixed percent per annum, payable monthly	636,111	826,111
8	Syndicated credit facility amounting to Baht 1,410 million, repayable principal in 18 monthly installments, with interest at the rate of MLR less a fixed percent per annum, payable monthly	991,667	-

(Unit: Thousand Baht)

Facility no.	Loan facility /Repayment schedule	Consolidated and separate financial statements	
		2014	2013
9	Syndicated credit facility amounting to Baht 300 million, repayable principal within March 2015, with interest at the rate of MLR less a fixed percent per annum, payable monthly	300,000	-
10	Syndicated credit facility amounting to Baht 300 million, repayable principal in 18 monthly installments, with interest at the rate of MLR less a fixed percent per annum, payable monthly	266,667	-
11	Syndicated credit facility amounting to Baht 995 million, repayable principal in 18 monthly installments, with interest at the rate of MLR less a fixed percent per annum, payable monthly	708,333	-
Total		2,987,658	3,689,178
Less: Deferred issuing costs		(20,786)	(20,554)
Long-term loans		2,966,872	3,668,624
Less: Current portion due within 1 year		(2,610,223)	(3,055,221)
Long-term loans, net of current portion		356,649	613,403

In December 2014, the Company reached new agreements with the financial institutions with respect to the guarantee and the maintenance of financial ratios. Consequently, as at 31 December 2014, the loans described above are secured by the transfer of rights and the assignment of collection rights over loans secured against motorcycle registrations and/or car registrations, and/or personal loans with specific conditions, and the transfer of rights in bank deposit accounts of the Company under specific conditions. Certain parts of the loans are also secured by the mortgage of the Company's land. Moreover, under the loan agreements, the Company is required to comply with certain terms and conditions as specified in each loan 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 also the portion of the Company's shares held by the major shareholders. (2013: the loans described above were subject to similar conditions regarding the guarantee and financial ratios to those of 2014, and included the pledge and the transfer of rights in bank deposit accounts of the Company's directors, the mortgage of land and premises thereon owned by the directors, the provision of guarantees by the directors, and a requirement for the directors to maintain their shareholdings in the Company.)



As at 31 December 2014, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,745 million (2013: Baht 840 million).

Movements in the long-term loans account during the year ended 31 December 2014 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2014	3,689,178
Add: Drawdown during the year	3,727,500
Less: Repayment during the year	(4,429,020)
Balance as at 31 December 2014	2,987,658

18. Liabilities under hire purchase and finance lease payable

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2014	2013
Liabilities under hire purchase and finance lease payable	19,269	19,199
Less : Deferred interest expenses	(1,151)	(1,577)
Total	18,118	17,622
Less : Portion due within one year	(7,133)	(6,044)
Liabilities under hire purchase and finance lease payable - net of current portion	10,985	11,578

The Company has entered into hire purchase and finance lease agreements with a commercial bank and leasing companies in order to lease motor vehicles for use in its operations, whereby it is committed to pay rental fees on a monthly basis. The terms of the agreements are generally 4 years. The Company's minimum lease payment commitments under the hire purchase and finance lease agreements are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2014		
	Less than 1 year	1 - 5 years	Total
Minimum lease payments	7,809	11,460	19,269
Less: Deferred interest expenses	(676)	(475)	(1,151)
Present value of minimum lease payments	7,133	10,985	18,118

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2013		
	Less than 1 year	1 - 5 years	Total
Minimum lease payments	6,885	12,314	19,199
Less: Deferred interest expenses	(841)	(736)	(1,577)
Present value of minimum lease payments	6,044	11,578	17,622

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is the compensation payable to employees upon retirement, can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	13,940	15,477	13,900	15,456
Amounts of employee benefits recognised in profit or loss				
Current service cost	1,441	1,663	1,424	1,645
Interest cost	572	484	570	483
Benefits paid during the year	-	(3,684)	-	(3,684)
Actuarial loss	426	-	429	-
Defined benefit obligation at end of year	16,379	13,940	16,323	13,900



The principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	31 December 2014	31 December 2013
	(% per annum)	(% per annum)
Discount rate	3.60	4.10
Future salary increase rate	5.00	5.00
Staff turnover rate (depending on age)	2.00 - 20.00	1.0 - 20.00

20. Share capital

On 28 February 2013, the Extraordinary Shareholders' Meeting No. 1/2556 approved a Baht 315 million (3.15 million ordinary shares with a par value of Baht 100 each) increase in the Company's registered share capital from Baht 1,260 million (12.6 million ordinary shares with a par value of Baht 100 each) to Baht 1,575 million (15.75 million ordinary shares with a par value of Baht 100 each) to support the growth of the Company's business. The Company registered the increase of its share capital with the Ministry of Commerce on 1 March 2013.

On 28 April 2014, the Annual General Meeting of Shareholders of the Company passed resolutions to approve the change of the Company's status from a company limited to a public company limited, and approve the change of the par value of the ordinary shares from Baht 100 to Baht 1, resulting in a change in the number of ordinary shares from 15.75 million shares to 1,575 million shares. The meeting also approved an increase in the Company's registered share capital from Baht 1,575 million to Baht 2,120 million, through the issue of 545 million new ordinary shares with a par value of Baht 1, with 502.5 million new ordinary shares allocated to the Initial Public Offering and 42.5 million new ordinary shares allocated to the directors, management and employees of the Company and/or its subsidiary. The Company registered the increase of its share registered capital with the Ministry of Commerce on 16 May 2014.

During 19-21 November 2014, the Company made an initial public offering of 545 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.5 per share, for total proceeds of Baht 2,997.50 million. As a result there is share premium amounting to Baht 2,379.84 million (net of incurred expenses and income tax relating to the share offering of Baht 72.66 million). The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 24 November 2014, and shares of the Company began trading on the Stock Exchange of Thailand on 26 November 2014.

21. Statutory reserve/ dividend

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 income 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.

On 12 February 2013, the Board of Directors Meeting No. 1/2556 of the Company passed a resolution to pay an interim dividend of Baht 24.92 per share to the shareholders of the Company, or a total of Baht 314 million, with Baht 17 million paid from the 2012 brought forward retained earnings, Baht 261 million from the net profit for the year 2012, and Baht 36 million from profit for January 2013. The Meeting also passed a resolution to allocate Baht 16.2 million to the statutory reserve. On 28 February 2013, the Extraordinary Shareholders' Meeting No. 1/2556 acknowledged the resolutions.

On 14 May 2014, the Board of Directors Meeting of the Company passed resolutions to pay an interim dividend of Baht 19.05 per share to the shareholders of the Company, or a total of Baht 300 million, with Baht 18 million to be paid from the 2013 brought forward retained earnings and Baht 282 million from the net profit for the year 2013, and to allocate Baht 16.7 million to the statutory reserve. The Company paid the dividend to the shareholders on 15 May 2014. In addition, on 31 December 2014 the Company allocated a further Baht 27.3 million of the net profit for the year 2014 to the statutory reserve.

22. Capital Management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure and preserves the ability to continue its business as a going concern.

As at 31 December 2014, the Company's debt to equity ratio is 0.72 (2013: 2.11).



23. Expenses by nature

For the years ended 31 December 2014 and 2013, significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salary and wages and other employee benefits	514,136	412,609	513,802	412,277
Rental expenses	97,120	79,150	97,120	79,150
Special business tax	59,133	48,741	59,133	48,741
Travelling expenses	40,748	34,471	40,742	34,246
Depreciation	28,712	23,339	28,702	23,336
Utilities expenses	18,751	15,664	18,751	15,664
Telecommunication expenses	13,246	11,910	13,246	11,910

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares proportionately to the change in the number of shares as a resulting from the change in the par value of the ordinary shares.

On 28 April 2014, the Annual General Meeting of Shareholders of the Company passed a resolution to change the par value of the ordinary shares from Baht 100 per share to Baht 1 per share. In calculating earnings per share, the number of ordinary shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
		(Revised)		(Revised)
Weighted average number of ordinary shares in issue during the year (Thousand shares)	1,630,247	15,213	1,630,247	15,213
Increase in number of ordinary shares due to change of par value from Baht 100 to Baht 1 per share (Thousand shares)	-	1,506,075	-	1,506,075
Total (Thousand shares)	1,630,247	1,521,288	1,630,247	1,521,288
Profit for the year (Thousand Baht)	544,119	351,443	544,554	349,681
Earnings per share (Baht per share)	0.33	0.23	0.33	0.23

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent of basic salary, depending on year of service. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 5.29 million to the fund (2013: Baht 4.21 million).

26. 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 segments and assess their performance. The Chief Executive Officer has been identified as the chief operating decision maker

The Company's principal operations involve a single operating segment in lending business, and its subsidiary is principally engaged in insurance brokerage. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements.

Financial information of the Company and its subsidiary presented by segment for the years ended 31 December 2014 and 2013 are as follows.

(Unit: Thousand Baht)

	For the year ended 31 December 2014			
	Lending business	Insurance broker	Eliminations	Consolidated
Interest income from loan receivables	1,567,417	-	-	1,567,417
Fee and service income	262,022	17,301	-	279,323
Dividend income	4,399	-	(4,399)	-
Other income	20,891	82	(11,631)	9,342
Total income	1,854,729	17,383	(16,030)	1,856,082
Selling and administrative expenses	881,644	12,547	(11,631)	882,560
Loss from disposals assets foreclosed	13,484	-	-	13,484
Bad debts and doubtful accounts	14,203	-	-	14,203
Profit by segment	945,398	4,836	(4,399)	945,835
Finance cost	(265,983)	-	-	(265,983)
Profit before income tax	679,415	4,836	(4,399)	679,852
Income tax expenses	(134,861)	(872)	-	(135,733)
Profit for the year	544,554	3,964	(4,399)	544,119



(Unit: Thousand Baht)

For the year ended 31 December 2013

	Lending	Insurance	Eliminations	Consolidated
	business	broker		
Interest income from loan receivables	1,301,064	-	-	1,301,064
Fee and service income	223,670	14,525	-	238,195
Other income	18,683	96	(9,792)	8,987
Total income	1,543,417	14,621	(9,792)	1,548,246
Selling and administrative expenses	720,814	12,195	(9,792)	723,217
Loss from disposals assets foreclosed	15,053	-	-	15,053
Bad debts and doubtful accounts	156,017	-	-	156,017
Profit by segment	651,533	2,426	-	653,959
Finance cost	(213,658)	-	-	(213,658)
Profit before income tax	437,875	2,426	-	440,301
Income taxes expenses	(88,193)	(664)	-	(88,857)
Profit for the year	349,682	1,762	-	351,444

(Unit: Thousand Baht)

As at 31 December 2014

	Lending	Insurance	Eliminations	Consolidated
	business	broker		
Cash and cash equivalents and short-term investments	1,205,309	1,569	-	1,206,878
Loan receivables	7,122,744	-	-	7,122,744
Short-term loans	15,680	-	-	15,680
Investments in subsidiary	2,000	-	(2,000)	-
Land, building and equipment	362,325	67	-	362,392
Other assets	66,990	10,308	(8,185)	69,113
Total assets	8,775,048	11,944	(10,185)	8,776,807

(Unit: Thousand Baht)

As at 31 December 2013

	Lending	Insurance	Eliminations	Consolidated
	business	broker		
Cash and cash equivalents and short-term investments	87,731	7,093	-	94,824
Loan receivables	5,513,305	-	-	5,513,305
Short-term loans	11,019	-	-	11,019
Investments in subsidiary	2,000	-	(2,000)	-
Land, building and equipment	335,030	9	-	335,039
Other assets	63,739	7,234	(9,074)	61,899
Total assets	6,012,824	14,336	(11,074)	6,016,086

Major customers

For the years 2014 and 2013, the Company has no major customers with revenues equal to 10 percent or more of their revenues.

Geographic information

The Company and its subsidiary are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

27. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions are in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. A summary of related parties and transactions with those parties is below.

Name of related parties	Relationship with the Company				Transfer Pricing Policy (For the year 2014)
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
Muangthai Leasing Insurance Broker Company Limited					Subsidiary company
	(Unit: Thousand Baht)				
For the year ended 31 December					
<u>Transactions with subsidiary company</u>					
Fee income on support service	-	-	11,245	9,432	As stipulated in agreements
Rental income	-	-	386	360	As stipulated in agreements
Dividend income	-	-	4,400	-	As the subsidiary's announcement payment
<u>Transactions with related parties</u>					
Interest income - management	5	5	5	5	At the rate of 8.0 percent per annum
Rental expense - directors	6,074	6,074	6,074	6,074	As stipulated in agreements
Commission expense - related person	591	555	591	555	Same rate that the Company paid to other agents



As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Subsidiary</u>				
Other receivables	-	-	1,033	3,894
Other current liabilities	-	-	7,152	5,180
<u>Managements</u>				
Short-term loans	223	40	223	40

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiary had the following employee benefit expenses payable to their directors and management.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	26,133	22,132	25,989	21,988
Post-employment benefits	616	522	602	509
Total	26,749	22,654	26,591	22,497

28. Operating lease commitments

The Company has entered into several lease agreements in respect of office building space. The terms of the agreements are generally between 3 and 5 years. As at 31 December 2014, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Thousand Baht)

Payable:	Consolidated and separate financial statements		
	Related	Other parties	Total
Within 1 year	360	111,228	111,588
1 to 5 years	-	120,114	120,114

29. Financial instruments

A financial instrument is any agreement that makes the financial assets of one entity and financial liabilities of another entity increase.

29.1 Credit risk

The Company is exposed to credit risk primarily with respect to loan receivables secured by the pledge of car registrations and unsecured personal loans. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial loss. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying value of loan and receivables less allowance for doubtful debts stated in the statements of financial position.

29.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial positions of the Company and its subsidiary. As the Company and its subsidiary have no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk.

Interest rate risk

Significant financial assets and liabilities as at 31 December 2014 and 2013, classified by type of interest rate, 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						
2014						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest Rate (%)
	Repricing or maturity date					
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	678	28	706	0.50 - 0.63
Short-term investments	501	-	-	-	501	2.05 - 2.95
Loan receivables ⁽¹⁾	3,949	3,397	-	102	7,448	21.00 - 27.80
Short-term loans	16	-	-	-	16	8.00
Restricted bank deposits	3	-	-	-	3	2.05 - 2.20
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	-	-	500	-	500	6.25
Long-term loans	-	-	2,967	-	2,967	6.25
Liabilities under hire purchase						
and financial lease payables	-	18	-	-	18	3.36 - 7.45

(1) The outstanding balances of loan receivables that are non-interest bearing are receivables past due more than 90 days for which revenue recognition has ceased.

(Unit: Million Baht)

Consolidated financial statements						
2013						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest Rate (%)
	Repricing or maturity date					
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	62	32	94	0.50 - 0.63
Short-term investments	1	-	-	-	1	1.90
Loan receivables ⁽¹⁾	3,358	2,361	-	116	5,835	20.50 - 28.65
Short-term loans	11	-	-	-	11	8.00
Restricted bank deposits	2	-	-	-	2	2.00 - 2.20
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	31	-	199	-	230	2.88 - 8.45
Long-term loans	-	-	3,669	-	3,669	3.05 - 6.50
Liabilities under hire purchase						
and financial lease payables	-	18	-	-	18	3.36 - 7.45

(1) The outstanding balances of loan receivables that are non-interest bearing are receivables past due more than 90 days for which revenue recognition has ceased.

(Unit: Million Baht)

Separate financial statements						
2014						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest Rate (%)
	Repricing or maturity date					
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	677	28	705	0.50 - 0.63
Short-term investments	500	-	-	-	500	2.95
Loan receivables ⁽¹⁾	3,949	3,397	-	102	7,448	21.00 - 27.80
Short-term loans	16	-	-	-	16	8.00
Investments in subsidiary	-	-	-	2	2	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions						
	-	-	500	-	500	6.25
Long-term loans						
	-	-	2,967	-	2,967	6.25
Liabilities under hire purchase and financial lease payables						
	-	18	-	-	18	3.36 - 7.45

(1) The outstanding balances of loan receivables that are non-interest bearing are receivables past due more than 90 days for which revenue recognition has ceased.

(Unit: Million Baht)

Separate financial statements						
2013						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest Rate (%)
	Repricing or maturity date					
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	56	32	88	0.50 - 0.63
Loan receivables ⁽¹⁾	3,358	2,361	-	116	5,835	20.50 - 28.65
Short-term loans	11	-	-	-	11	8.00
Investments in subsidiary	-	-	-	2	2	-
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions						
	31	-	199	-	230	2.88 - 8.45
Long-term loans						
	-	-	3,669	-	3,669	3.05 - 6.50
Liabilities under hire purchase and financial lease payables						
	-	18	-	-	18	3.36 - 7.45

(1) The outstanding balances of loan receivables that are non-interest bearing are receivables past due more than 90 days for which revenue recognition has ceased.



29.3 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

Counting from the statements of financial position date, the periods to maturity of financial instruments held as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements				
	2014				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	706	-	-	-	706
Short-term investments	-	501	-	-	501
Loan receivables ⁽¹⁾	-	5,972	1,374	102	7,448
Short-term loans	-	16	-	-	16
Restricted bank deposits	-	-	3	-	3
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	-	500	-	-	500
Long-term loans	-	2,610	357	-	2,967
Liabilities under hire purchase and financial lease payables					
	-	7	11	-	18

(1) The outstanding balances of loan receivables which have no specific maturity dates are receivables past due more than 90 days.

(Unit: Million Baht)

Transactions	Consolidated financial statements				
	2013				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	94	-	-	-	94
Short-term investments	-	1	-	-	1
Loan receivables ⁽¹⁾	-	4,863	856	116	5,835
Short-term loans	-	11	-	-	11
Restricted bank deposits	-	-	2	-	2
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	9	221	-	-	230
Long-term loans	-	3,055	614	-	3,669
Liabilities under hire purchase and financial lease payables					
	-	6	12	-	18

(1) The outstanding balances of loan receivables which have no specific maturity dates are receivables past due more than 90 days.

(Unit: Million Baht)

Transactions	Separate financial statements				
	2014				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	705	-	-	-	705
Loans and receivables ⁽¹⁾	-	500	-	-	500
Short-term loans	-	5,972	1,374	102	7,448
Investments in subsidiary	-	16	-	-	16
Financial liabilities	-	-	-	2	2
Bank overdrafts and short-term loans					
from financial institutions	-	500	-	-	500
Long-term loans	-	2,610	357	-	2,967
Liabilities under hire purchase and financial lease payables	-	7	11	-	18

(1) The outstanding balances of loan receivables which have no specific maturity dates are receivables past due more than 90 days.

(Unit: Million Baht)

Transactions	Separate financial statements				
	2013				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	88	-	-	-	88
Loans and receivables ⁽¹⁾	-	4,863	856	116	5,835
Short-term loans	-	11	-	-	11
Investments in subsidiary	-	-	-	2	2
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	9	221	-	-	230
Long-term loans	-	3,055	614	-	3,669
Liabilities under hire purchase and financial lease payables	-	6	12	-	18

(1) The outstanding balances of loan receivables which have no specific maturity dates are receivables past due more than 90 days.



29.4 Fair value

Fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The method used for determining fair value depends upon the characteristics of the financial assets and financial liabilities. The fair value of most financial assets and financial liabilities are the amounts presented in the statements of financial position, including cash and cash equivalents, short-term investments, bank overdrafts and short-term loans, since they are repayable in the short term or bear interest at rates close to market rates. For most of long-term loans bear interest at floating rates, their fair value are close to their carrying value. For loan receivables and short-term loans bearing interest at fixed rates, the Company's management believes that the fair value are not materially different from the carrying value.

30. Event after the reporting period

On 19 February 2015, a meeting of the Company's Board of Directors passed resolutions to propose to the Annual General Meeting of Shareholders for approving a cash dividend payment of Baht 0.13 per share to the shareholders from the net profit for the year 2014, or a total of Baht 275.60 million, and approving a budget for debt instrument issuances.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2015.

“บริการใกล้ชิด ดุจญาติมิตรที่รู้ใจ”



Muangthai Leasing Public Company Limited
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