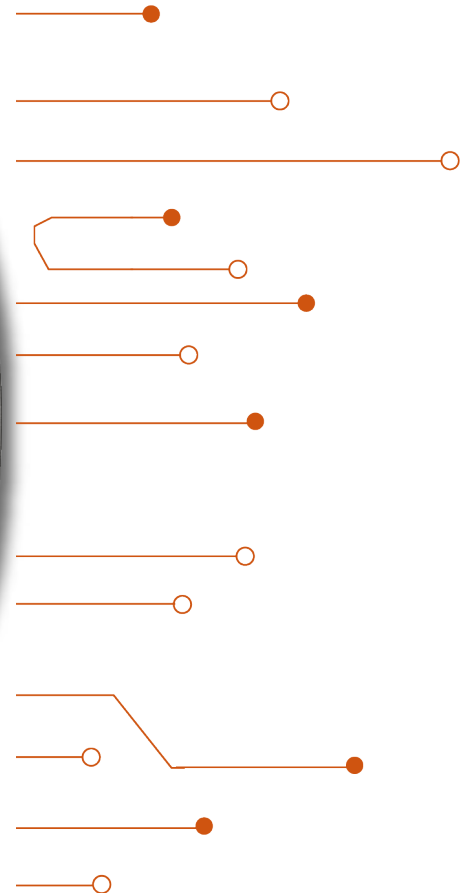


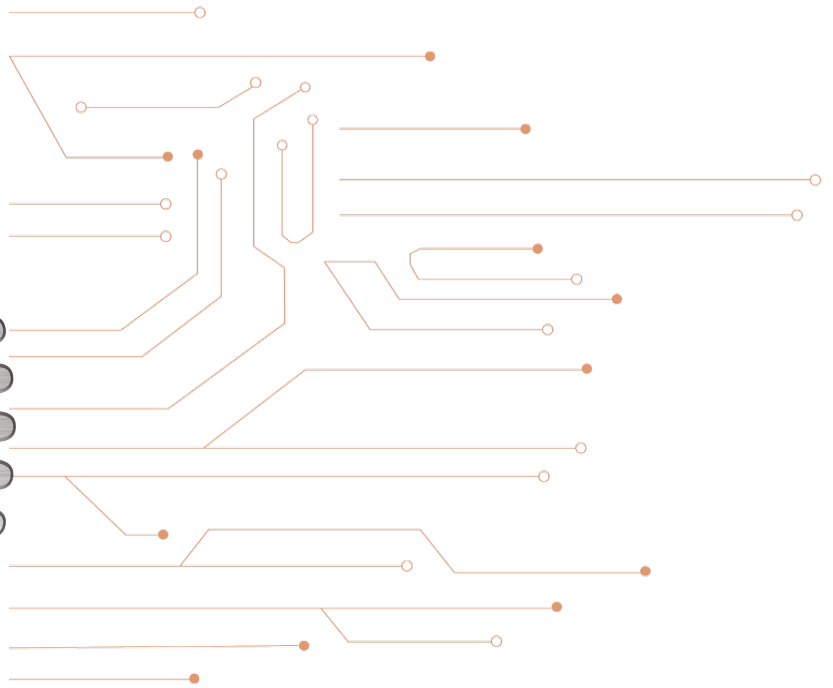


ราชนานี ลีสซิง
Ratchthani Leasing
A Thanachart Group Company



POWER OF SUCCESS

ANNUAL REPORT 2014
RATCHTHANI LEASING PUBLIC COMPANY LIMITED



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Message from Chairman

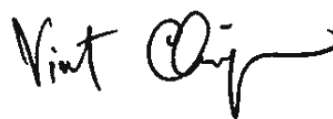
Global Economic in 2014 continued to recovery since previous year. However, the recovery remained fragile and differed in each region. The US economy grew from the better fundamental factors that continuously improved, especially in labor market. Meanwhile, the Euro zone and Japan recovered gradually, which may require long-term structural reforms. The economies of China and Asia have shown slower growth from the effect of economic reforms.

Although, the global economic shown the sign of recovery, Thai economic in 2014 grew at 0.7%, decelerated from the previous year due to the constraints from domestic factors and external factors. In the first half of 2014, the economy did not continually expand because the political situations and high-degree of household Debts negatively affect the confidence in the country. However, in the second half of the year, the economic gradually recovered from higher domestic spending and better travelling sectors after the political situations had been solved, as well as an expanding portfolio of telecommunications and retail to support the growing demand in the future.

However, the business of the Company during the past year, surrounded by the economic downturn in Thailand, the impact of the political situation, and the fragility of the global economic recovery, as a result, various industries and auto industry have a lower growth as well. This was one of the most challenging years. The overall results for the year 2014, the Company had a net profit of 704.09 million baht. It was still considered as a strong performance compared with the previous year as a results of the careful and cautious business strategies, which happened as expected.

For the direction in 2015, Thailand's economy is expected to grow better. The private spending, which is benefited from lower oil prices on the world market and the tourism sector, is the main driving force. It still has to track the economic conditions in the major industrialized countries that will affect the overall economic recovery. Moreover, it has to track the impact of special economic development zone that the government provides support for the participating in the ASEAN Economic Community (AEC), which will cause the expansion of border trade and distribution of resources. As a result, the demand for trucks will increase, which will create key business opportunities for the company. The company still aims to be the leader of truck leasing business in Thailand.

On behalf of the Board of Directors, I would like to thank the management team and all employees for the utmost contribution with full responsibilities to the Company during all major events in previous year and thank customers and all stakeholders for consistent support and trust among the changes and business challenges. The Board of Directors is committed to govern the Company's business operation to grow according to business plan under caution and good corporate governance for the success and sustainable growth in the future.



(Mr. Virat Chinprapinporn)

Chairman of the Board of Directors



Report of Selection and Remuneration Committee

The Board of Directors of Ratchthani Leasing Public Company Limited has appointed the Selection and Remuneration Committee since 2012, is responsible for recruiting persons that is qualified to serve as directors and various committees; the Managing Director, the policies of the Board and President of the Board of Directors or Shareholders to consider.

The Selection and Remuneration Committee of Ratchthani Leasing Public Company Limited comprises three members as follows:

1. Mr.Suvit Arunanonchai (Independent Director) as Chairman of the Committee
2. Mr.Varavudh Varaporn (Independent Director) as Member of the Committee
3. Mr.Anuwat Lueangthaweekul (Non-executive Director) as Member of the Committee

In 2014, the Selection and Remuneration Committee held 2 meetings to consider and acknowledge related issues as follows:

- Select and consider qualified candidates to be the directors, members of sub-committees and managing director and propose to the Board of Directors and in the common shareholder meeting for approval.
- Determine proper remuneration and other benefits of directors, members of sub-committees and managing director in accordance with their duties and responsibilities, by comparing with other company in the similar industry and propose to the Board of Director and in the common shareholder meetings for approval.
- Determine criteria to evaluate performance of Managing Director for considering annual remuneration and propose to the Board of Directors for approval.
- Consider and review policies, schemes and criteria of selection and remuneration determination of directors, members of sub-committees, and managing director including performance evaluation and annual remuneration of managing director for 2014 to propose to the Board of Directors for approval.

In summary, the Selection and Remuneration Committee has performed in accordance with its duties and responsibilities as assigned by the Board of Directors and viewed that in 2014, directors, members of sub-committees and managing director are knowledgeable and capable persons including remuneration and other benefits shown in the Annual Report suited with their duties and responsibilities as well as in line with economic condition and overall performance of the Company.



(Mr. Suvit Arunanonchai)

Chairman of Selection and Remuneration Committee



Report of Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors as the members of the committee are the same members of the Company Executive Board and consists of 4 members as follows:

- | | | | | |
|----|--------------|-------------------|----|---|
| 1. | Mr.Kovit | Rongwattanasophon | as | Chairman of the Risk Management Committee |
| 2. | Mr.Virat | Chinprapinporn | as | Member of the Risk Management Committee |
| 4. | Mr.Wuttichai | Suraratchai | as | Member of the Risk Management Committee |
| 3. | Mr.Praphan | Anupongongarch | as | Member of the Risk Management Committee |

The Risk Management Committee performed duties under the delegation of authority set out by the Board of directors to reviewed, considered and defined the risk management policies in the normal business operation included credit risk, marketing risk, operational risk, strategic risk, liquidity risk and other themes, defined the risk management tools and guidelines to measured and control the risk to an accepted level, reviewed and considered the internal and external risk in the normal business operation to prevented and mitigated risk , including regularly reviewed and defined the risk management policies and risk appetite.

The Risk Management Committee performed the above duties and gave precedence to the risk management for the efficiency in the normal business operation and good corporate governance.

In 2014, There was a clear signal of economic slowdown in the United States, European countries, Asia and Africa as well as the uncertainty of politic in the country that exert pressure on the economic slowdown, which eventually affect the company's operations. The Committee therefore assign tasks above carefully and cover all risks in order to allow companies to operate properly and effectively to achieve goals under such pressures. By doing so the company will be able to conduct business has steadily continue.

(Mr. Kovit Rongwattanasophon)

Chairman of the Risk Management Committee

Report of the Corporate Governance Committee

The Board of Directors gives precedence to the good corporate governance as required by the stock exchange of Thailand. The Board of Directors appointed the Board of Directors to perform as the Corporate Governance Committee and prepare the good corporate governance as the article meeting of the Board of Directors.

In 2014, the agency related to corporate governance intends to promote and support the guidelines for the corporate governance of listed companies to comply with the ASEAN CORPORATE GOVERNANCE SCORECARD and create transparency. This involve a clearness and fairness to all business units. The company has adjusted its business in accordance with these guidelines.

Also in 2014, the company was aware of the corruption, which is an obstacle to social and economic development of the country. The Board of Directors has approved the policies and measures to combat corrupt, declaring an intention in a unified private sector corruption in Thailand. The approach used to conduct business in accordance with the principles of good corporate governance.

Of its intention to conduct business under the corporate governance in the past year resulted the Company gives precedence to the good corporate governance, in 2014 the Institute of Directors has entered into collaboration with the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission has rating the Company in "Very Good" Level which demonstrated the Company operation is in accordance with the code of ethics and business guidelines and create the confident of stakeholders.

As the listed company, the Company must continuous develop its corporate governance in accordance with the international corporate governance practices.



(Mr. Virat Chinrapinporn)

Chairman of Corporate Governance Committee



General Information

Company's Name	:	Ratchthani Leasing Plc.
Type of Business	:	Pre-owned and New car hire-purchase service
Head Office:		77/35-36 Sinsathorn Tower, 11 UP Floor Krung Thon Buri Road, Khlong Ton Sai Sub-district, Khlong San District, Bangkok 10600
ISIN No.	:	BorMorJor No. 0107545000209
Homepage	:	http://www.ratchthani.com
Tel. No.	:	0-2440-0844
Fax. No.	:	0-2440-0848
Registered Capital	:	Bt. 2,013,524,496
Paid-up Capital	:	Bt. 2,013,522,778
Type of Share	:	Ordinary share

References

Share Registrar

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building
Ratchadaphisek Road, Khlong Toei Sub-district, Khlong Toei District, Bangkok 10110
Tel. No. : 0-2229-2866
Fax No. : 0-2359-1262-3

Auditor

Miss Somjai Khunapasut
CPA Registration No. 4499
EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Tel. No. : 0-2264-0777
Fax No. : 0-2264-0789-90

Company Secretary

Mr.Ponlaphe Sakkayapapwichanon
Ratchthani Leasing Plc.
77/35-36 Sinsathorn Tower, 11 UP Floor Krung Thon Buri Road, Khlong Ton Sai Sub-district
Khlong San District, Bangkok 10600
Tel. No. : 0-2440-0844 Ext 1666
Fax. No. : 0-2862-2010

Financial Summary

(Unit: thousand baht)

Balance Sheets	2014		2013		2012	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
<u>Current assets</u>						
Cash and bank deposit	204,241.27	0.73	182,822.47	0.67	177,821.08	0.93
Hire-purchase account receivable due within 1 year, Net	10,562,738.09	37.91	9,363,836.53	34.31	6,357,841.06	33.09
Financial lease- account receivable due within 1 year, Net	98,036.40	0.35	76,517.98	0.28	57,768.84	0.30
Other debtors	48,009.15	0.17	38,482.96	0.14	20,426.82	0.11
Foreclosed assets	83,335.53	0.30	29,796.84	0.11	24,975.23	0.13
Other current assets	8,564.19	0.03	79,288.45	0.29	41,215.60	0.21
<u>Non-current assets</u>						
Restricted bank deposits	300.00	0.00	300.00	0.00	300.00	0.00
Hire-purchase account receivable due more than 1 year, Net	16,462,811.76	59.08	17,227,918.26	63.12	12,300,687.86	64.02
Financial lease- account receivable on due	180,596.15	0.65	165,122.81	0.61	149,661.15	0.78
Long-term investment, Net	183.13	0.00	197.20	0.00	240.38	0.00
Properties for investment	19,326.50	0.07	19,326.50	0.07	19,326.50	0.10
Property, plant and equipment, Net	54,104.04	0.19	53,010.89	0.19	47,074.27	0.24
Intangible assets	15,707.39	0.06	17,617.81	0.06	6,046.50	0.03
Deferred tax asset - net	124,204.17	0.45	36,959.45	0.14	5,199.64	0.03
Other non-current assets	2,110.55	0.01	1,954.79	0.01	5,911.01	0.03
Total assets	27,864,268.32	100.00	27,293,152.94	100.00	19,214,495.94	100.00
Liabilities						
<u>Current liabilities</u>						
Overdraft	0.00	0.00	0.00	0.00	0.00	0.00
Short-term loan	6,019,133.07	21.60	6,655,328.70	24.38	6,006,605.50	31.26
Long-term loan due within 1 year	1,036,404.65	3.72	350,323.04	1.28	156,800.00	0.82
Current portion of debentures Unrelated parties	1,499,558.61	5.38	1,999,146.41	7.32	0.00	0.00
Other creditors	326,405.39	1.17	420,080.98	1.54	328,087.87	1.71
Hire-purchase creditor due within 1 year	4,648.74	0.02	5,009.74	0.02	3,853.09	0.02
Accrued corporate income tax	137,709.45	0.49	142,655.74	0.52	75,120.40	0.39
Other current liabilities	134,541.64	0.48	78,360.74	0.29	38,942.84	0.20
<u>Non-current liabilities</u>						
Hire-purchase creditor	9,379.32	0.04	9,512.37	0.03	8,550.02	0.04
Long-term loan	624,787.92	2.24	1,661,192.58	6.09	1,097,200.00	5.71
Debenture	14,180,210.94	50.89	12,737,012.09	46.67	8,980,822.76	46.74
Forecasted liabilities- reserve for long-term staff benefit	12,443.09	0.05	11,249.60	0.04	9,201.85	0.05
Total liabilities	23,985,222.82	86.08	24,069,871.99	88.19	16,705,184.33	86.94

Shareholders' equity						
Issued and paid-up capital	2,013,522.78	7.23	1,610,819.60	5.91	1,342,349.71	6.99
Capital surplus	319,888.16	1.15	319,888.16	1.17	319,888.16	1.66
Appropriated retained earnings						
Legal reserve	145,500.00	0.52	110,117.81	0.40	70,117.81	0.36
Retained earnings for treasury stocks	0.00	0.00	0.00	0.00	0.00	0.00
Unappropriated retained earnings (deficit)	1,400,134.56	5.02	1,182,455.37	4.33	776,955.92	4.04
Less Treasury stocks	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholders' equity	3,879,045.50	13.92	3,223,280.95	11.81	2,509,311.60	13.06
Total liabilities & shareholders' equity	27,864,268.32	100.00	27,293,152.94	100.00	19,214,495.94	100.00

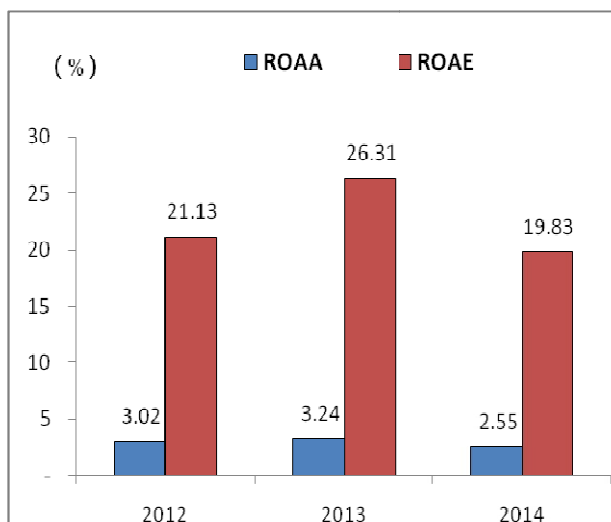
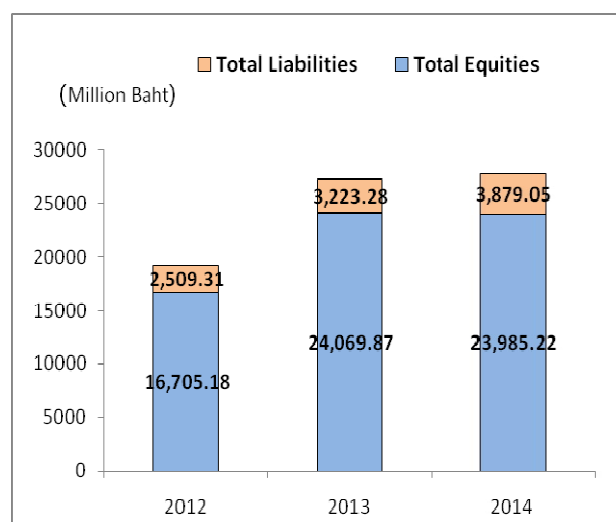
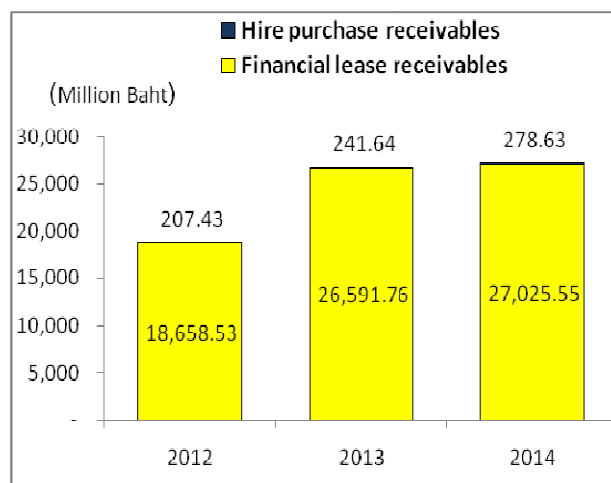
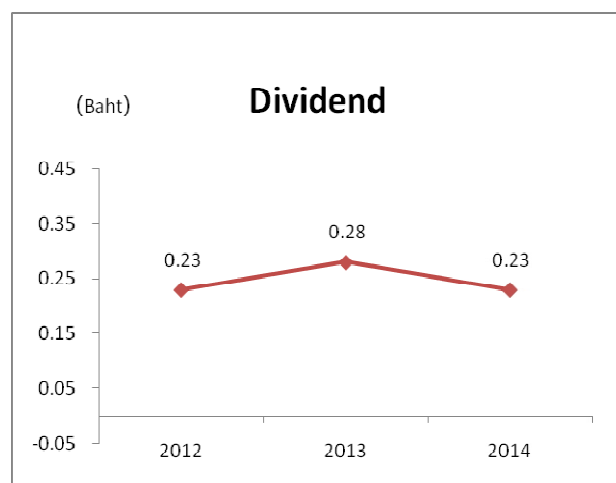
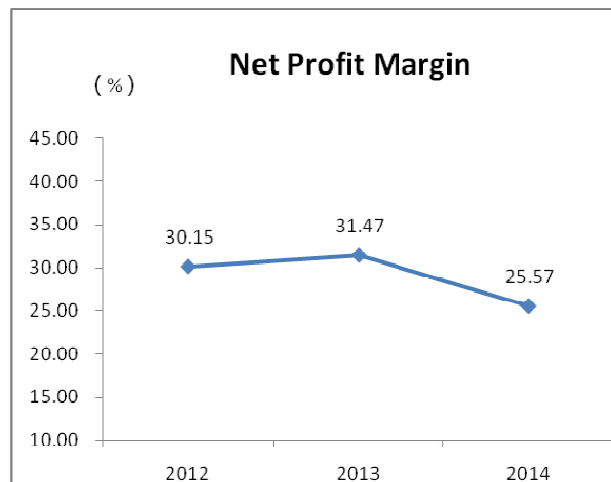
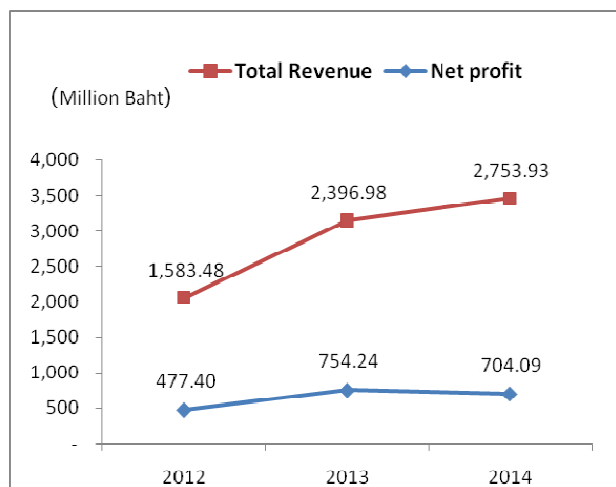
(Unit: thousand baht)

Income Statement	2014		2013		2012	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Income and expenses						
Interest income from hire purchase	2,377,960.53	86.35	2,094,492.59	87.38	1,364,514.96	86.17
Interest income from financial lease	19,328.14	0.70	16,639.38	0.69	12,273.84	0.78
Income from fee and services	197,117.47	7.16	181,209.37	7.56	125,412.56	7.92
Other incomes	159,523.21	5.79	104,642.04	4.37	81,279.79	5.13
Total incomes	2,753,929.35	100.00	2,396,983.38	100.00	1,583,481.15	100.00
Financial cost	1,071,901.12	38.92	917,225.24	38.27	672,666.57	42.48
Selling and administrative expense	352,579.22	12.80	255,412.50	10.66	211,274.33	13.34
Bad debt	99,833.98	3.63	34,603.05	1.44	32,852.30	2.08
Doubtful account	332,505.63	12.07	234,495.24	9.78	48,384.61	3.06
Corporate income tax	193,020.39	7.01	201,007.47	8.39	140,898.64	8.89
Total expenses	2,049,840.34	74.43	1,642,743.50	68.54	1,106,076.45	69.85
Net profit	704,089.01	25.57	754,239.88	31.46	477,404.70	30.15

Major Financial Ratio Reflecting Financial Status and Operating Performance of the Company

Ratio	2014	2013	2012
<u>Profitability Ratio</u>			
Net profit margin (%)	25.57	31.47	30.15
Net profit to net interest (%)	53.12	63.17	67.80
Interest rate received (%)	8.71	8.97	8.92
Interest rate paid (%)	4.52	4.52	5.20
Interest rate gap (%)	4.19	4.45	3.72
Return on equity (%)	19.83	26.31	20.62
<u>Efficiency Ratio</u>			
Return on assets (%)	2.55	3.24	3.02
Total assets turnover (time)	0.09	0.09	0.09
<u>Financial Ratio</u>			
Debt to equity ratio (time)	6.18	7.47	6.66
Lending to loan ratio (time)	1.32	1.15	1.16
Dividend payout ratio (%)	65.77	59.80	63.09
<u>Share Information</u>			
Book value per share (Baht)	1.93	2.00	1.87
Basic earnings per share (Baht)	0.35	0.47	0.36

Financial Information Highlight



Corporate Social Responsibilities: CSR

Overview Policy and Guideline

Ratchthani Leasing Public Company Limited realized the importance of balanced development of economic, society and environment in order to head the organization for sustainable growth with business philosophies specified in the Company's social mission that

"The Company is committed to operate business with integrity according to the principles of discipline, laws, and related rules and regulations to give back to society and develop the national economy"

Efficient use of resources with consciousness, readiness and capability to build wealth based on organization fundamental with regard to the supervision and development of human resources, good corporate governance of business operation, thoughtfulness and realization of expectation and benefits of all stakeholders, the balance of these factors will be major parts to develop the Company's business with sustainability and stability growth in the future.

The Company has determined social and environment responsibilities to be one of its sustainable growth strategies which covered supervision and development of human resources, fairness treatment to all stakeholders and adhered to corporate social responsibilities prepared by **the Stock Exchange of Thailand** which at present has set the following principles (8 principles)

1. Business operation with fairness
2. Anti-corruption
3. Respect for human rights
4. Labor treatment with fairness
5. Customer responsibility
6. Environment preservation
7. Community and society development
8. Owning innovation and publicizing innovation generated from the operation conducted with responsibilities of society, environment and stakeholders.

Due to the various groups of stakeholders of its operation, the Company has strategies to oversee, improve the operation as well as properly and constantly respond to expectation of all stakeholders which enable the Company to grow sustainably based on fundamental of participation and good corporate governance of business operation.

Stakeholder	Strategy and guideline
Shareholder	Transparently operate business with good corporate governance for sustainable growth
Customer	Develop precise and fast service for the excellence to respond to requirements of target customers for different kinds of automobiles for utmost satisfaction

Trade Partner	Build confidence and good relationship for long term business cooperation
Employee	Support development and training including equally treat and provide proper remuneration and welfare
Creditor	Treat creditor with fairness and transparency in accordance with conditions and agreement
Competitor	Treat competitor with fairness under business ethics framework and honest completion
Society, Community and Environment	Operate business with fairness and support events to develop quality of life
Government officer	Operate with government officer whom may related transaction under good corporate governance

Operation and Report Preparation

1. Report Preparation Procedure Ratchthani Leasing Public Company Limited is committed to be responsible organization for society and environment. The report is prepared in accordance with guideline of report preparation for sustainability of **the Stock Exchange of Thailand and Corporate Social Responsibility Institute (CSRI)**.

2. Operation in accordance with policy Ratchthani Leasing Public Company Limited is committed to operate business with good corporate governance and realized the importance of business ethics to be the performance framework to reflect value of organization and in accordance with social responsibility principles as follows:

❖ Business operation with fairness

Main issue	Focus issue	Guideline
Support fair competition, no monopoly power	-Business ethics -Corporate governance policy	- The Company has prepared corporate governance policy and business ethics and morals handbook, including Policy against corruption, which covered giving and taking gift, conflict of interest including no violation of human rights and intellectual property as well as determined its policy which publicized on the Company's website (www.ratchthani.com).
No violation of intellectual property		
Anti-corruption	- Anti Corruption Policy	

❖ Anti-corruption

Main issue	Focus issue	Guideline
Determination of anti-corruption policy	- Anti-Money Laundering policy	-The Company has determined instruction, regulation and operation handbook which comply with Anti-Money Laundering and

Knowledge training		Combating the Financing of Terrorism (AML/CFT) policy in accordance with guideline specified by Anti-Money Laundering Office.
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In 2014, the Company encouraged staff representatives from credit analysis department, IT department and legal department to join “Guideline according to Anti-Money Laundering Act and Notifications (new issues) for Hire Purchase and Leasing” arranged by Thai Hire Purchase Association.

❖ Customer Responsibility

Main issue	Focus issue	Guideline
Protection of Customer's rights	- Keeping Customer's Confidentiality Policy	- The Company has policy to keep customer's confidentiality by arranging training to employees to understand the customer's privacy.

❖ Environment Preservation

Main issue	Focus issue	Guideline
Sustainable utilization of resources	- Reduction, recycling and recycling of resources	- The Company has set resources conservation and energy saving project by using recycle paper or envelope, using office equipment with worthiness, water and electric saving which turning off every time after use in order to save energy of the Company as well as energy of the country.

❖ Labor treatment with fairness

Main issue	Focus issue	Guideline
Human resources development and encouragement	- Possess guideline for skill and training development for the progress of employees equality	- The Company has encouraged employees to join the training for not less than 50% of all employees each year and submitted training report in accordance with regulations of Department of Skill Development.
Health and Safety	- Realize the importance of health system and working safety of employees	- The Company has working safety policy and plan to protect and reduce accident and danger as well as constantly evaluated, monitored and improved.
Welfare	- Oversee and realize the importance of personal life	- The Company realizes the importance of all employees of the Company with regard to

	of employees and work-life balance	their values and be major parts to operate business by providing equally supervision and proper remuneration and welfare including building good working environment.
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In 2014, the Company arranged internal training and encouraged 237 staff to join external training which accounted for 80.57% of total staff and on average 44.50 hours per year.

The Company has appointed the Committee of Occupational Safety, Health and Environment of the Workplace. The representative of employer at executive level is the Chairman and representative of employer at manager level is member of committee. The objective is to consider policy and plan of workplace safety. Besides, The Committee was registered by Department of Labour Protection and Welfare to show that the Committee passed the training course of the Committee of Occupational Safety, Health and Environment of the Workplace arranged by Workplace Safety Training Institution of Pinthong Group Management and Consultant Company Limited

Safety and Healthcare Management

The Company encourages all employees to be considerate on employee's safety within or outside the organization. The Company's head office is located at Sinsathon Tower and the Company collaborates with the building juristic entity to participate for both theory and practical demonstration of evacuation rehearsal, fire alarm signal testing which the Company will select new staff to join the demonstration to learn building pathway to be prepared in case of fire accident.

The Company has realized the importance of occupational safety for both health and environment at workplace, therefore, the Company has provided training to both new and existing staff to have better understanding with regard to working procedure and practice in order to prevent danger from occupational injury or illness such as avoiding working in the insufficient lighting area, avoiding working in the unsafe environment, using face mask to prevent contacting with dust in order to reduce long term health problem.

Welfare Management

The Company is aware of the employee's welfare and the importance of all employees, therefore, it provides welfare and benefits as follows:

- **Group Life Insurance**

The Company has realized the importance of employees and cared for their healths and lives, therefore, the Company has set up welfare of "**Group Life Insurance of Ratchthani**" for all employees in order to build morale and be working guarantee for all employees as well as lessen their expenses as there is no charges.

- **Annual Health Checkup**

The Company is aware of the importance of employees. In addition to group life insurance, the Company also provides annual health checkup. The checkup covers all necessary items for employees to

know about their health and illness risk. The Company also arranges for doctor meeting to provide recommendation after receiving health checkup result so that the employees will be aware of their health in order to lessen their health problems. Besides, the Company provides employees' families to have discount for annual checkup. The Company cares for all employees to be healthy.

- **Provident Fund**

The Company established provident fund named **"Ratchthani Retirement Fund to Increase Value"** to promote money saving and to be security of all employees in case of their retirement. The Company views that employee who work with the Company until retirement should have money to use after retirement with happiness. Therefore, the Company has set up the retirement fund which the employee has to contribute 5% of his salary since the first day of employment and the Company will contribute another 5%.

- **Funeral Allowance**

The Company has set welfare named **"Ratchthani cares for all lives, provides funeral allowance to assist employees"**. The objective is to help employee in the event of death of employee or his family member. The Company will support the expenses of the funeral ceremony according to specified regulations and conditions.

- **Savings cooperatives**

The company has joined the "Savings Cooperative Thanachart Bank Ltd." The cooperative members are employees of affiliated companies in the Thanachart Group. Employees who participate will have right to hold shares by schedule and have access to membership benefits such as group-life insurance, family-life insurance, special interest rates for deposits. and for loans and so on.

Activities for benefits of social and environment (after process)

In 2014, Ratchthani Leasing Public Company Limited arranged social activities to assist society and for charity. The Company supervised social activities, approved and supported budget for such events. Besides, the employees of the Company also participated in such social activities as well. The major samples of social activities which the Company has constantly arranged are as follows:

- **Project "Scholarship awarded for Children"**

The Company has realized the importance of the development of Thai youth who will be important drivers of the country in the future and will develop country together with preserve good environment. At Border Patrol Police School RangWanIntra Gandhi (Chiang Mai province) and Baan Nam Ree Pattana School (Nan province), Ratchthani Leasing Public Company Limited and Association of Forest Guardian Bangkok have given scholarship, donation of stationary, clothes, and equipments for education purposes.

At Border Patrol Police School RangWanIntra Gandhi (Chiang Mai province)



At Baan Nam Ree Pattana School (Nan province)



- **Project “Ratchthani supporting Thai Students for the Future”**

Foundation for Slum Child Under the support of Her Royal Highness Princess Galyani Vadhana

The company has realized the importance of the future of children. **Mr.Kovit Rongwattanasophon**, Managing Director of Ratchthani Leasing Public Company limited, has donated funds to improve playground and environments for the Foundation and then submitted the project to Assoc. Prof. Dr. Khunying Wongjun Pinaipitisart, (Chairman of the Foundation).





- **Baan Huai Auun School**

The Company has realized that good environment is an important factor that impacts the development of students to be physically and mentally healthy. **Mr. Virat Chinprapinporn**, Chairman of Ratchthani Leasing Public Company Limited., has donated Baht 53,750 for a project to improve environments and buildings of Baan Huai Auun School (Lampang province) for better environment and securities in the schools.

- **Royal Kathin at Nimmanoradee Temple**

The Company recognizes the importance of Buddhism by **Mr. Kovit Rongwattanasophon**, Managing Director of Ratchthani Leasing Public Company Limited, has donated to offer Royal Kathin in the amount of 22,420 Baht offerings to the monks of the temple at Nimmanoradee Temple.

- **Kuvanant Foundation**

The Company recognizes the importance of developing and maintaining sustainable relationships with suppliers to create an effective partnership in the long run. **Mr. Khomson Boonyoiyad**, Deputy Managing Director of Ratchthani Leasing Public Company Limited, donated to Kuwanun Foundation for the amount of 20,000 Baht to deliver to good-performance and diligent students who are in shortage of funds and to elder persons at Kow Yoo Ha Isuzu Sales Company Limited.

- **Banbung Hospital**

The company realizes the importance of treating patients who live far from hospitals, so it will be difficult to travel. **Mr. Khomson Boonyoiyad**, Deputy Managing Director of Ratchthani Leasing Public Company Limited, donated 25,000 Baht contributions to be used in the procurement of medical equipments to be sufficient for serving patients with Dialysis Unit at Banbung Hospital.

Anti Corruption Policy

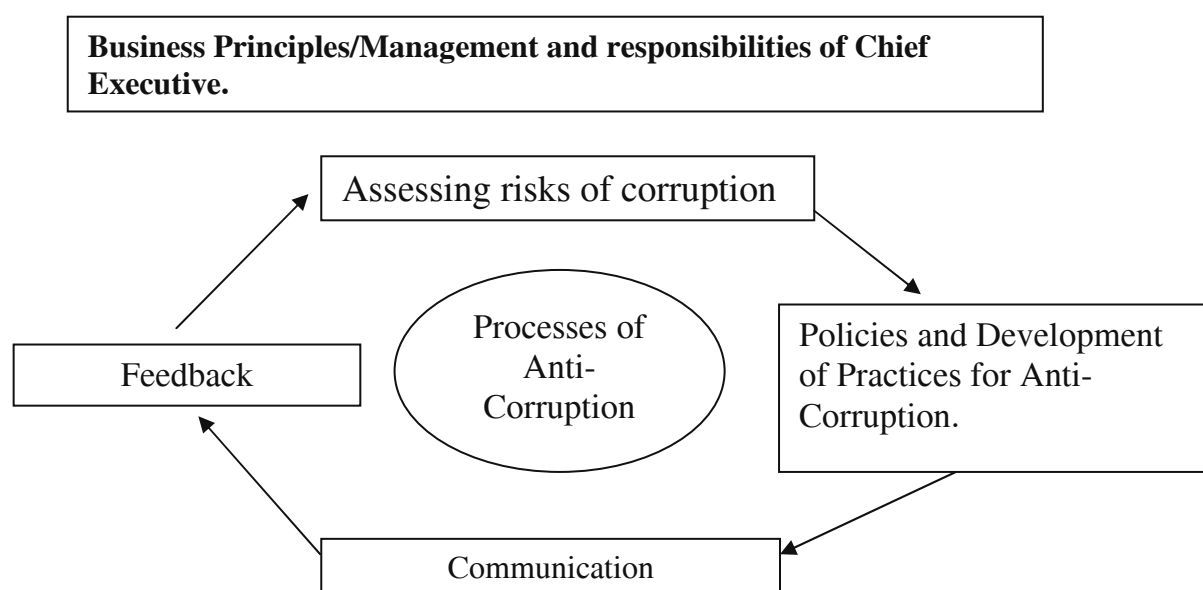
Anti corruption

Ratchthani Leasing Public Company Limited recognizes that a corruption harm and hinder social and economic development of the country. Importantly such actions are wrong and create an unfair business environment. Eventually, the corruption adversely will affect the reputation of the company and destroy ethics in business environment. The corruption is not acceptable internationally. Moreover, shareholders, investors and all interested parties will end up losing confidence in the organization. The company, as a key principle in the business, should not support the party or parties who are involved with the exploitation unpleasant receive of benefits whether directly or indirectly from the use of authorized persons. The company is ready to cooperate with the government; civil society Media and international organizations in order to show our commitment to the fight against corruption of all forms.

Director also has approved policies and measures against corruption in the company. To comply with the policies and measures against the corruption of the Thanachart Group, the directors, executive officers and other employees of the company must comply strictly by publishing the rule and regulation on the company's website. (www.ratchthani.com)

The process of assessing risk corruption

Ratchthani Leasing Public Company Limited has prepared procedures to assess the risk of corruption practices to be consistent with the policy against the corruption. The objective is to strengthen ethics practical measures in opposition to the corruption and implemented across the organization as a cultural organization.



Guidelines on governance and oversight to monitor and prevent the risk of corruption

Ratchthani Leasing Public Company Limited has prepared procedures to assess risks corrupt. Comprehensive risk management processes to corruption. Since the risk is determined by processes that are vulnerable to corruption. Risk Assessment Risk control Monitoring and review of risks. The risks of corruption cover four types of corruptions, such as gifts, hospitality or graft charges, costs and other political support and donate to charity/fund.

Guidelines for the monitoring and evaluation of policies and measures to against corruption

1. Board of Directors have a duty and responsibility to determine and approve policies and measures to against corruption. Monitor the systems that support the fight against corruption effective to ensure that management is aware of the importance and has practiced as a corporate culture.

2. The Audit Committee has a duty and responsibility to ensure that the Company has adequate internal controls and review of compliance with the relevant policies and measures to against corruption effectively.

3. The management's duty and responsibility to promote, support and supervision to ensure that employee and other stakeholders, compliance with policies and measures to against corruption and to review the regulations and standards to comply with the change of regulations and legal requirements.

4. The independent audit has a duty and responsibility to monitor and review the work that is to correctly match the policies, practices and procedures. And related laws to ensure that internal controls are appropriate and adequate risk corrupt potential. And report directly to the Audit Committee.

5. Member of the executive management team and employees are responsible for compliance with policies and measures to against corruption. Must not get involved in corruption, whether directly or indirectly.

6. Subsidiary companies (if any) or the company's business. The Company has the power must agree to abide by the policies and measures to against corruption company.

Training campaign against corrupt company

In 2014 the company promotes the training to all employees and all levels in the company. Have a better understanding and practice is required by applicable policies of the project "Anti-corruption" below:

1. The Board of Directors and senior management attend training courses Anti Corruption for Executives with the Board and senior management of the companies in the Group. The guest of honor is Dr. Bandit Nijtarvon, Director of Thai Institute of Directors (IOD) of the speakers.

2. Managers attend training courses, "Anti Corruption for Managers."

3. All the operational level employees educate the subject of anti corruption through the handbook of the company about Anti-corruption.

Channel violations Complaints of corruption and corrupt

Ratchthani Leasing Public Company Limited recognizes the act with integrity, transparency and fairness in accordance with the Code of Conduct and Business Ethics. Policy Governance supports anti corruption policy. The company has established a regulation of the Yemeni Raising concerns Complaints about corruption and corrupts (Whistleblower) to grant all employees and stakeholders, who witness incidents to submit information openly or anonymously, together with the facts of committed fraud or corrupt. When witness incidents identify sufficient evidence and show that there are reasonable grounds to believe the action is an act of corruption. Witness incidents can demonstrate through any of the following:

1. Website: www.ratchthani.com about anti-corruption (under topic corruption and corruption).
2. Inform directly to Managing director
3. Inform directly to Chief Executive Officer of the Company's internal auditors.
4. Notify the supervisor or regulator in the event associated with the executive directors or to report the matter directly to the Chairman of the Audit Committee.

Whistleblower protection and rejection of corruption and corrupt.

The company has set up a mechanism to provide protection to those who cooperate with the company. In the fight against corruption the company will ensure that there will be no damage to anyone who inform about corruption .To achieve a good faith belief that anyone inform about corruption will not suffer or face any damages as follows.

1. The agency has been notified and considers the initial data or information. If the information deserves to be examined in detailed facts, the chief executive of the agency is subject to the approval. Then refer the matter to the relevant authorities to carry out the procedure according to the corporate governance of the Company and regulations regarding the operation of the company respectively.

The Company will investigate the complaint on the basis of facts that are reliable. Find more facts (Not to mention the network card information), not including the complaint or dispute between the parties.

2. We will protect those who cooperate with the company to submit information or rejection of corruption and corrupt associated with the company and will not to have suffered any harm, or do receive a fair due to cooperation in the fight against corruption and corrupt it.
3. We will not reduce the penalty or negative effect for employees or executives who reject corruption and corrupt, although this action will cause the loss of business opportunities.
4. If the whistleblower/complaint is found to be unsafe or may be harmed. The person may request the company to determine the appropriate protective measures.
5. In order to protect the rights of the complainant and providing information in good faith, we will protect the whistleblower or provide information and keep such information confidential. The company will limit the number of people who is responsible for the investigation in an attempt to find out the truth if the violation founds a break of discipline.

6. In the case that employee or manager treat others in ways that are unfair or causing damage to another person due to the fact of the person that has to report/ complaint about corruption is consider a breach of discipline

The "coalition of private practice in Thailand against corruption"

According to Ratchthani Leasing Public Company Limited has signed with a commitment of a unified private practice, Thailand on anti-corruption, on April 18, 2014, and conduct a self-evaluation on measures against the corruption to proceed and obtain certification as a member of the Alliance. On October 3, 2014 the Board of Directors Recruits private practice in Thailand anti-corruption resolved to endorse the company acquired Limited (PLC) is a member of the Front private practice, Thailand on anti-corruption (Collective Action Against Corruption or CAC) with Thanachart Capital Public Company Limited (PLC) and related companies of total 10 companies of Thanachart



Mr. Kovit Rongwattanasophon, Managing Director of Ratchthani Leasing Public Company, is awarded certificates of membership alignment private practice, Thailand on anti-corruption (Collective Action Against Corruption or CAC) from Mr. Parmon Sutiwong, director of Thailand anti-corruption at the national conference on building a unified private practice in Thailand against corruption (Thailand's 5th National Conference on Collective Action Against Corruption).

With representatives of companies in the Group, Certified Company, totally 10 companies on October 16, 2014 at the Crystal Hall Royal Meridien Plaza Athenee, organized by Thai Institute of Directors (IOD) Thai Chamber of Commerce, The Thai Bankers' Association, International Chamber of Commerce, Thai Listed Companies Association, The Federation of Thai Capital Market Organizations (FETCO), The Federation of Thai and Tourism Council of Thailand



Mr. Virat Chinprapinporn(Chairman) and Asst. Naengnoi Chai-onnom (Independent Director and Audit Committee). Take a photo with Mr. Kovit Rongwattanasophon (Managing Director).



To obtain such a certificate demonstrating the collective strength of the private sector in Thailand Anti-corruption policies and corruption practices on the environment of the Group. The company received a certificate.

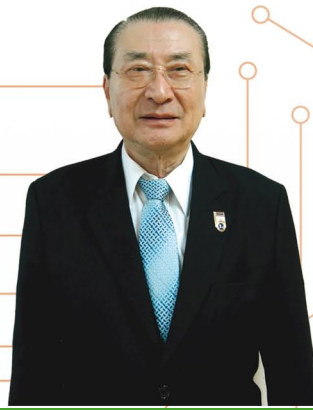
1. Thanachart Capital Public Company Limited
2. Thanachart Bank Public Company Limited
3. Thanachart Securities Public Company Limited
4. Thanachart Fund Management Company Limited
5. Thanachart Insurance Public Company Limited
6. Siam City Assurance Public Company Limited

7. MAX Asset Management Company Limited
8. NFS Asset Management Company Limited
9. Asset Management Company Limited
10. Ratchthani Leasing Public Company Limited

Board of Director



Mr. Virat Chinprapinporn
Chairman, Executive Director
Authorized Director



Mr. Charoensook Kititti
Director
Authorized Director



Mr. Kovit Rongwattanasophon
Director & Managing Director
Chairman of Executive Director
Authorized Director



Mr. Anuwat Luengtaweekul
Director
Member of the Nomination and Remuneration Committee
Authorized Director



Mr. Wuttichai Suraratchai
Director / Executive Director
Authorized Director



Mr. Praphan Anupongongarch
Director / Executive Director
Authorized Director

POWER OF



Mr. Suvit Arunanonchai

Independent Director Audit Committee (Director)
The Nomination and Remuneration Committee (Chairman)



Thakol Nunthirapakorn, Ph.D.

Independent Director
Audit Committee (Chairman)



Mr. Anuchart Deeprasert

Director
Authorized Director



Mr. Surapon Satimanont

Independent Director
Audit Committee (Director)



Mr. Varavudh Varaporn

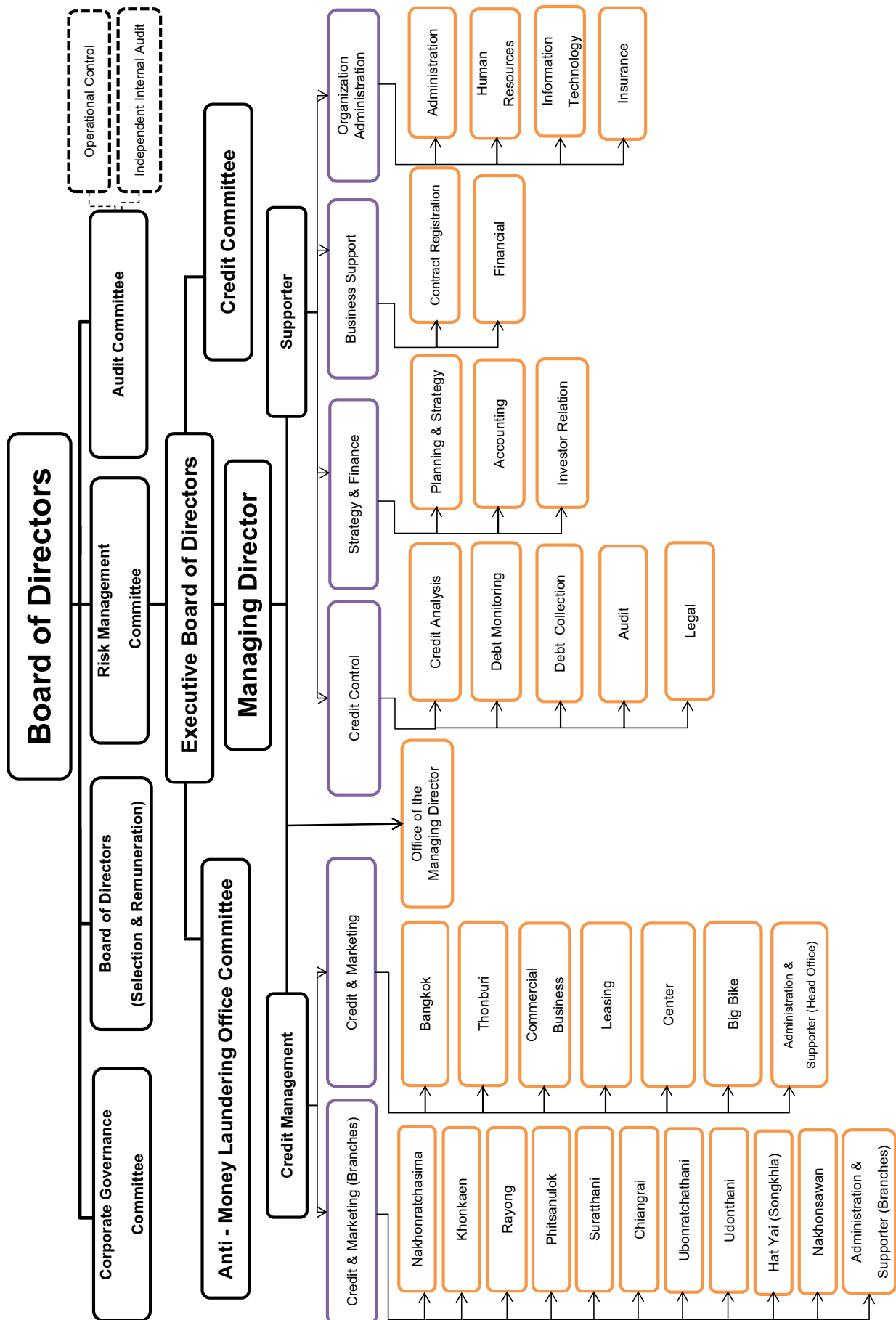
Independent Director
Audit Committee (Director)
The Nomination and Remuneration Committee (Director)



Asst.Prof. Naengnoi Chai-Onnom

Independent Director
Audit Committee (Director)

SUCCESS



Policy and Overall business Operations

For 2014, Ratchthani Leasing Plc., continued loan growth by focus on trucks (both new and used trucks) which are the major auto loan also the Company was expert on the market segment. Currently auto loans proportion consist of trucks about 74 percent of overall and others auto loans as private car, pickup truck, taxi, big bike are nearly 26 percent of total loans. However, the Company's policy emphasizes on rate of return of hire purchase lending by selection on high yield auto loan types.

Background and Key Development

Background

Ratchthani Leasing Plc. ("the Company") was incorporated on 2 June 1988 under the original name "Ratchthani Leasing Co., Ltd.", with an initial capital of Baht 6 million to provide pre-owned car hire-purchase services. Since its inception, the Company had increased its capital as its business expands. Its capital was raised to Baht 36 million in the year of business started up and then to Baht 56 million and Baht 168 million in 1992 and 1995, respectively.

In the initial business operation, the Company rendered pre-owned car hire-purchase financing both to retail customers through used car dealers and a floor plan credit for their purchase of used car for sales. The two credit types in the past were in about the same proportion. The Company has stopped the floor plan credit since 1995 and accentuated merely on financing to the retail customers since then. However, in 2004 and in 2005, the Company conducted the feasibility study with an aim to reactivate "floor plan" credit offered to 2 used-car dealers and 4 used-car dealers, respectively for their purchase of used car for sales, a limit of not more than Baht 7 million per transaction with 3-6 months tenures. Car registration cards are collaterals against such credit lines. The purposes of reactivate "floor plan" credit were to maintain market shares and expand to new markets. However, the Company has stopped the floor plan credit since 2006 because "floor plan" credit was not aim to be major business.

In 2000, the Company joint as the member of the Hire-Purchase Association of Thailand to obtain information of pre-owned cars to benefit its operation. At present, the Department of Credit Analysis & Inspection and the Department of Marketing comprise 218 experienced employees to search new customers. They can build good relationships with dealers and station at the dealer's offices who are the Company's business partners. The Company selects and authorizes the dealers according to the Company's careful partner selection and examination procedures.

Important Development

Business Operation

- | | |
|------|---|
| 2002 | The Company was transformed from a limited company to public company limited and renames Ratchthani Leasing Plc. in August 2002. In 19 December 2002, the Company was being a listed company in the Stock Exchange of Thailand. |
| 2003 | The Company had a plan to develop the data information system. Customers access to the Company's website and get important basic information and news e.g. a used car's |



	fair value price. Barcode was applied for payment of installment fees and service fees. New payment channel was added such as ATM to be a convenience choice of payment.
2004	In January, the Company became the member of Thai Credit Bureau to be able to access customers' credit information for credit analysis and to protect out performance customers.
2006	
March	On 22 March, the Company started a new branch, which located on outer ring Kanjanapisek Bangkok. The Company had planed to expand others 1 branches in the year to cover 3 corners of Bangkok to support services to individual customers requiring loans and re-hire purchase car loans.
August	Siam City Bank Plc. became the major shareholder holding 39.76% of the total paid capital. It appointed 4 representatives to be the Company's directors according to the share proportion.
2007	The Company had policy to develop Management Information System to support the market expansion to regional offices across the country.
2008	Company had opened 5 branches, i.e. Khon Kaen, Nakhon Ratchasima, Phitsanulok, Rayong and Ratchaburi (Ratchaburi branch was later closed.)
October	The Company began to operate financial lease and operating lease for used cars which has value more than 1 million Baht to juristic person customers.
2010	The Company opened another branch at Surat Thani Province in the southern of Thailand to cover all areas across the country.
2011	The Company had opened another branch at Chiang Rai Province in the northern of Thailand to cover all areas across the country.
2013	The Company had opened another branch at Ubon Ratchathani Province in the north-eastern of Thailand to cover all areas across the country.
2014	
April	The Company had opened 1 more branch at Udon Thani Province in the north-eastern of Thailand to cover all areas across the country.
August	The Company had opened 1 more branch at Hat Yai, Songkhla Province in the southern of Thailand to cover all areas across the country.
December	The Company had opened 1 more branch at Nakhorn Sawan Province in the northern of Thailand to cover all areas across the country.

Funding

2002	The Company mobilized additional fund for business expansion by increasing the capital from Baht 168 million to Baht 208 million. The Company issued and offered new ordinary shares valuing Baht 40 million to the existing shareholders. By a resolution passed by the Extraordinary General Meeting No. 3/2002 of the Company's shareholders on 28 July 2002, the Company was transformed to "the Public Company
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- Limited". The name was changed to "Ratchthani Leasing Public Company Limited". The registered capital was increased from Baht 208 million to Baht 300 million through the issuance of 18,400,000 new shares with par value of Baht 5 each. The new shares of 16,800,000 shares were allocated to offering to the general public at Baht 8.00 each the remaining 1,600,000 shares were allocated to the Company's employees at 6.40 each.
- 2003 The Company issued fixed-interest-rate debentures to institutions on 20 August 2003 named " Guarantee Debenture type period pay out principle of Ratchthani Leasing Plc. No.2/2003 Redemption in 2007". The Debenture Bond had the amount of Baht 1,000 billion, par value of Baht 1,000 each, fixed interest rate of 3.2% per annum and 4-years periods of payment.
- The Company issued five-year warrants of 200 million units to shareholders whose names appeared in the shareholder's registration book on 10 July 2003, at ratio of three new shares for two units of warrants (all three series). The two units of warrants comprise one unit of warrant 1, 0.6 unit of warrant 2, and 0.4 unit of warrant 3. All the warrants are callable. The warrants were issued free of charge. The warrants have an exercise price of Baht 1.00 at the rate of one warrant per one ordinary share. The Company therefore increased its registered capital from Baht 300 million to Baht 500 million.
- 2005
- April On 12 April 2005, the major shareholder structure was changed to Pongjatura holding 20.61% of the issued and fully-paid up capital of 401,098,495 Baht. However, the management team and business operation remained unchanged.
- April-May At the end of 31 December 2005, The Company had treasury shares of 1.3 million shares, costing Baht 1.84 million. Such treasury shares were purchased during the period of 26 April 2005 to 3 May 2005. The share repurchase's objective was for financial management purpose. The holding repurchase periods shall be not less than 6 months but not longer than 3 years. The Company appropriated its retained earnings as a reserve equal to the amount paid for the repurchase shares in line with Section 66/1 (2) of the 1992 Public Company Act B.E. 2535 (1992).
- October The Extraordinary General Meeting No. 1/2005 on 15 October 2005 passed the solution to increase the registered capital from Baht 500 million to Baht 986 million. New shares of 486 million shares with par value of Baht 1 each were issued to the following: 1) the existing shareholders whose names appeared in the shareholders' registration book in the amount of 125 million shares at par value (at the ratio 1:1 and 2) the private placement or institutions in the amount of 150 million shares (warrants of 75 million units). Otherwise the Company appropriated 11 million newly issued shares for warrant exercises (No.1 Series 2 and Series 3).



2006

- January On 25 January, the Board of Directors passed resolution to offer new ordinary shares in the amount of 150 million share, and warrants in the amount of 75 million units to Siam City Bank Plc.
- February On 27 February, the Board of Directors signed in MOU with Siam City Bank Plc. to sell and offer new ordinary shares in the amount of 150 million shares at Baht 1.15 per share, the total amount in Baht 172.5 million; and offer the warrants in the amount of 75 million units, to Siam City Bank Plc. The deal was subject to the permission from Bank of Thailand or concern departments and the Company's asset examination results.
- April On 3 April, the Company sold treasuries stocks of 1.3 million shares through the Stock Exchange of Thailand. The Company followed the fair price method which was not less than 85% of an average 5-day closing price.
- August In the Extraordinary Shareholders' Meeting No. 1/2006 on 11 August 2006, the Meeting agreed to follow the capital increase resolution of the Extraordinary Shareholders' Meeting No. 1/2005 on 15 October 2005. The registered capital was increased from Baht 500 million to Baht 986 million. The new shares of 486 million shares with par value of Baht 1 each were issued. The Meeting also approved to correct the details of allocation and offering the ordinary shares as follows:
- 1) Offering the ordinary shares in the amount of 265 million shares to Siam City Bank Plc.
 - 2) Allocating the ordinary shares in the amount of 132.5 million shares to support the exercises of warrants offered to Siam City Bank Plc.
 - 3) Offering the ordinary shares in the amount of 80.5 million shares to support the exercises of warrants of existing shareholders upon the right issue.
 - 4) Offering the ordinary shares in the amount of 8 million shares to support the exercises of warrants of the Company No.1 Series 2 and Series 3.
- September On 5 September 2006, Siam City Bank Plc. paid cash in the amount of Baht 304.75 million for ordinary shares in the amount of 265 million shares in the price of 1.15 per shares. Then, Siam City Bank Plc. became a major shareholder holding shares of 48.32%. The Company registered the additional share capital to the Ministry of Commerce, a total amount of Baht 666,524,480 from Baht 401,524,480 (par value 1 Baht each).
- 2008 Warrants Series 2 and 3 were exercised to 166 shares of common stocks with the exercise price at Baht 1 per share and The Company has been registered at the Ministry of Commerce, the paid-in capital of Baht 666,524,646.

2009

September	Warrants Series 4 were exercised in an amount of 266,666 shares with the exercise price at Baht 1 per share. The Company registered the exercise at the Ministry of Commerce, the paid-in capital of Baht 666,791,312.
November	Warrants Series 4 were exercised in an amount of 155,802,594 shares with the exercise price at Baht 1 per share. The Company registered the exercise at the Ministry of Commerce, the paid-in capital of Baht 822,593,906.
2010	
March	Thanachart Bank Plc., acquired ordinary shares in Siam City Bank Plc., from the Financial Institutions Development Fund. Thanachart Bank Plc. then became the major shareholder of the Company. In this year, Thanachart Bank Plc. had a tender offer to buy 215,000 shares so, at the end of 2010, Thanachart Bank Plc. held 48.35% of the total paid-up registered capital of the Company.
2011	
April	The Company registered the capital increase at the Ministry of Commerce to support share dividend to the existing shareholders. The registered capital was increased from Baht 822,593,906 to Baht 904,853,296.
November	The Company increased capital and registered the capital increase at the Ministry of Commerce. The registered capital increase from Baht 904,853,296 to the new ones of 1,342,349,708. The capital increase was offered to the existing shareholders. As a result, Thanachart Bank Plc. became the major shareholder holding 874,973,000 shares, representing 65.18% of its paid-in capital.
2012	
April	The Company issued and offered 3 series of named and unsubordinated bonds without collateral to the public, a total value of Baht 6,000 MB. The offers comprised 2-year bonds, 3-year bonds and 4-year bonds, with interest rates of 4.90%, 5.20% and 5.50%, respectively. The bonds will be due in April 2014, 2015 and 2016, respectively.
November	The Company issued and offered 4-year named and unsubordinated bonds without collateral to the public, a total value of Baht 3,000 MB. The interest rate was at 5.00% and the bond will be due in November 2016.
2013	
April	By resolution of the General Meeting of Shareholders No. 1/2013 held on April 2, 2013 was approved to increase capital from Baht 1,342,349,708 to Baht 1,610,819,649 to support stock dividend. The stock dividend payment was pay to the existing shareholders with the ratio of 5 exciting common stock per 1 new common stock for the fractional share pay by cash. Then the total stock dividend payment was 268,469,941 shares and the Company paid-in capital was Baht 1,610,819,897 (at par value of Baht 1.00 per share)
June	The company has issued and offered the debenture to the general public. Named and Unsubordinated, unsecured, interest rate of 4.70 percent, 4 year maturing in June 2017 of 2,000 million baht.
August	The company has issued and offered the debenture to private placement. Named and



	Unsubordinated, unsecured, interest rate of 4.759 percent, 4 year maturing in April 2017 of 760 million baht.
October	The company has issued and offered the debenture to the general public. Named and Unsubordinated, unsecured, interest rate of 4.80 percent, 4 year maturing in October 2017 of 3,000 million baht.
2014	
April	By resolution of the Annual General Meeting of Shareholders No. 1/2557 held on April 2, 2557, approved a capital increase from authorized capital previously. The registered capital of Baht 1,610,819,597 to Baht 2,013,524,496 by issuing new shares increased by 402,704,899 shares with par value of Baht 1.00 per share dividend for the ordinary shares of the Company. Representing a dividend of Baht 0.25 per share to existing shareholders in the ratio of 4-to-1 stock dividend shares if the shares of Common dividends calculated as a fraction of a share. The company will pay the fraction of a share dividend is paid to shareholders. To be paid at the time. The company has a paid-up capital. Baht 2,013,522,778 (2,013,522,778 ordinary shares with par value of Baht 1.00 per share). The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 3 years and 9 days, the interest rate of 4.25 percent, maturing in May 2560, value 200 million baht. The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated Representatives and unsecured bondholders 2 years 11 months 28 days. interest rate of 4.25 percent, maturing in April 2560 value 80 million baht.
May	The company has issued bonds offered for sale to the public in general. Debenture holders are unsubordinated and unsecured bondholders are representative of 4 years, 4.75 percent interest rate maturing in May 2018 of 2,000 million baht. The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the 3-year 18-day interest rate of 4.25 percent due in June of 2017, value 210 million baht.
July	The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the 3-year and 7-day interest rate of 4.22 due in July of 2017, value 150 million baht.
September	The company has issued bonds in a private placement offering. To investors is not more than 10 Debenture holders. Unsubordinated and unsecured bondholders, the age of 2 years and 10 months 4.10 percent interest rate maturing in July 2017, value 300 million baht.

Nature of Business Operation

Services

The company has operated business on hire-purchase and hire-purchase financing loans. The company has emphasized on some market segments which we have expertise such as new and used commercial cars (pickup vehicle, taxi, trailer, etc.), and used personal cars. As of 31 December 2014, hire-purchase loans to used-cars were at 55% of the total portfolio. In addition, the company focused on truck hire-purchase, both new and used ones. Truck hire-purchase covered 74% while other vehicle hire-purchase was at 26%. Ownerships were transferred after all installments were fully paid.

Risk of used-car hire-purchase is fairly high, compared to that for new cars. The company therefore considers several factors such as car physical conditions, market price, registration examination, etc. The company has experienced teams to inspect used-car conditions and prices.

In addition to the aforementioned hire-purchase services, the company has several after-sales services such as registration renewal, insurance renewal, car inspection before annual tax payment. These services not only serve customers but also are other sources of our revenue, protect customer assets and avoid the company's damage.

Income Structure

The income structure of the Company according to the financial statements for the fiscal year ended December 31, 2012, 2013 and 2014 is shown as follows.

Income	2014		2013		2012	
	Baht million	%	Baht million	%	Baht million	%
1. Income from hire-purchase agreements						
- personal cars	439.92	15.97	379.13	15.82	286.37	18.08
- commercial vehicles	1,938.04	70.38	1,715.36	71.56	1,078.14	68.09
Total income from hire-purchase agreements	2,377.96	86.35	2,094.49	87.38	1,364.51	86.17
2. Income from financial lease accounts	19.33	0.70	16.64	0.69	12.27	0.78
3. Other income						
- Fee and service charge	122.53	4.45	76.22	3.18	26.89	1.70
- Loan default penalty	75.15	2.73	60.07	2.51	54.72	3.45
- Bad debts recovered	5.34	0.19	5.07	0.21	4.01	0.25
- Commission on insurance premium	74.59	2.71	104.99	4.38	68.50	4.33
- Other income*	79.03	2.87	39.51	1.65	52.58	3.32
Total other income	356.64	12.95	285.86	11.93	206.70	13.05
Total income	2,753.93	100.00	2,396.99	100.00	1,583.48	100.00

Note (*) Most of other income came from legal compensation, miscellaneous income, interest receivable from banks and dividend.

Markets and Competition

In 2014, hire-purchase and leasing industry had a slight growth, compared to the past years but competition remained severe. Major players, namely, financial institutions, commercial banks, leasing companies of manufacturers and dealers focused on hire-purchase, both new and used-cars. Some enterprises adjusted strategies and moved to used-car markets. However, they were not direct competitors of the company because our key market was commercial cars, both new and used ones, provided that the competition of this segment was not high.

The company's key target groups included individual persons and juristic persons who were recommended by used-car sellers. In 2014, the hire-purchase portfolio of individual persons was at approximately 80% of the total portfolio. The company was committed to efficient, fast, convenient and friendly services for customers and car sellers. After-sales services also were improved and developed consistently. As a result, the company successfully maintained existing customers and had new customers by recommendations of existing customers and sellers. From the part experiences, if existing customers repaying all or partial loans wished to buy new cars, they would use the company's services again. The company's competitive strategies are summarized as follows.

1. Emphasize on fast services, both pre and post sales, as well as service capabilities. The company has staff working at used-car shops. Car registration staff is ready to coordinate with credit staff to facilitate loan approval. Payment to sellers was done fast and on time.
2. Emphasize on niche markets which the company has skill and expertise i.e. used-cars, and new and used trucks. The company has conducted this business for more than 25 years. Our staff has market knowledge and understanding, including price appraisal expertise so this is one of our advantages over new coming competitors.
3. Give priority to a full range of services such as registration renewal and insurance renewal to provide convenience to customers and it is another source of revenue.
4. Create good relationships with customers and used-car sellers by quality, fast and convenient services. Good returns and consistent services are offered to sellers. Credit lines are sufficiently and consistently offered to customers. This is to ensure confidence and trust of sellers and expand business opportunities of the company in the future.
5. Emphasize on loans for quality used-car sellers selling good cars with reasonable prices, correct car registration and/ or guaranty. This is to reduce risks on collateral (car quality). Accordingly, the company has recognized risks of used-car hire-purchase i.e. debtor quality and car quality while risks of new car hire-purchase is debtor quality only.
6. Give priority to the company's existing personnel and recruit new staff with used-car market expertise and experience to join credit teams. Develop and educate staff and motivate them in terms of returns and other benefits.

However, in the next 3 – 5 years, the company has planned to retain commercial car hire-purchase ratio at 75 – 80% of the total portfolio. This segment has been growing consistently and resulting in higher profitability with low risks compared to personal car segment. (Normally, after seizing collaterals and auctions, the company would sell them at prices closed to debt amounts.) With this strategy, the company will not compete with large financial institutions having lower operating costs, and will have more competitive advantages.

In addition, with long experience and business expertise, the company is able to create competitive advantage, long-term relationship and generate good return to used-car sellers. The company will provide fast services to keep marketing shares and strengthen relationships with used-car sellers to increase business opportunities and channels.

Products and Services

The company's Marketing Division has long experience on used-car markets and is responsible for customer acquisition. Good relationships with used-car sellers have been created. Used-car sellers which are the company's trade partners should be approved and examined. Accordingly, the company has not made any agreement with sellers.

Presently, the company has more than 1,000 partners, provided that all are car sellers located in Bangkok Metropolis, its surroundings and major provinces. About 500 sellers are regular partners. The company will not lend to customers through any seller more than 30% of the total portfolio. Ordinarily, car sellers deal with service hire-purchase enterprises. Their recommendations to customers on hire-purchase selection depend on the following factors.

- Relationships between car sellers and the company
- Quality and fast services
- Fast and on-time payment to car sellers
- Consistent and sufficient credit lines
- Collaboration and support to sales promotion occasionally held by car sellers

However, with business experience and long-term relationships with car sellers, the company is a sole hire-purchase provider of some large car sellers.

Source and Use of Funds

Sources of funding comprised not only the capital but also loans from financial institutions. As of 31 December 2012, 2013 and 2014, the company's sources of funding were summarized as follows.

Items	As of 31 December					
	2014		2013		2012	
	Amount	%	Amount	%	Amount	%
Shareholders' equity	3,879.05	14.23	3,223.28	12.09	2,504.11	13.36
Loans						
Shore-term loans*	7,055.53	25.88	7,007.20	26.29	6,163.40	32.88
Long-term bonds***	15,700.00	57.59	14,760.00	55.38	9,000.00	47.91
Long-term loans	624.79	2.29	1,662.00	6.24	1,097.20	5.85
Total loans**	23,380.32	85.77	23,429.20	87.91	16,260.60	86.58
Total	27,259.37	100.00	26,652.48	100.00	18,764.71	100.00

Note : (*) Classify short-term loans, overdraft, long-term loans to be paid within 1 year.

(**) Other current liabilities are not counted as liabilities from normal business such as transfer amount to be written off, creditor – Revenue Department, petty cash, creditor – insurance and others.

(***) Long-term bonds are the amount before expenses on bond issue to be written off as of 31 December 2014, of 23,380.32 million Baht. The payment schedule is determined as follows.

As of 31 December 2014, the loans were at 23,380.32 million Baht with the following repayment schedule.

Payment Schedule	million Baht
Within 1 year	8,555.53
1 – up to 2 years	6,124.79
2 – up to 3 years	6,700.00
More than 3 years	<u>2,000.00</u>
Total	<u>23,380.32</u>

Regarding the hire-purchase debtors excluding debtors with more than 4-month accrued balances and debtors under prosecution process, the company has the debtor balances as follows.

Debtor Payment	Hire-purchase	Financial Lease Agreement	Total
Within 1 years	11,564.51	95.00	11,659.51
1 – up to 2 years	9,297.44	68.51	9,365.95
2 – up to 3 years	6,002.62	57.19	6,059.81
More than 3 years	<u>3,197.54</u>	<u>54.15</u>	<u>3,251.69</u>
Total	<u>30,062.11</u>	<u>274.85</u>	<u>30,336.96</u>

As of 31 December 2014, the company had the loans to be paid within 1 year (including overdraft and short-term loans) of 8,555.53 million Baht and the long-term loans to be paid within 1 – up

to 2 years of 6,124.79 million Baht. The debtors to be paid within 1 year of 11,659.51 million Baht and the debtors to be paid within 1 – up to 2 years of 9,365.95 million Baht proved that the company had sufficient sources of funding to repay the loans to be paid within 1 year. The loans to be paid within 1 year composed overdraft, promissory note of financial institutions and external persons, and long-term loans to be paid within 1 year.

Importance of liquidity has been recognized. The company has new sources of funding i.e. long-term loans with fixed interest to be consistent with debtor repayment. This reduces interest rate risk and mismatch fund risk, provided that the company has closely monitored such risks.

Company's Goals and Business Plans in Next 5 Years

For the last-year operation, the Company closely monitored impact of several domestic and international factors. The Company has collaborated with the management of Thanachart Bank Plc., our major shareholder. We have created competitive advantages and set credit strategies. The target groups of the Bank and the Company have been clearly determined. In addition, by our skills and expertise, the Company continues to expand leasing ports in the future. The business plans for the next 5 years are summarized as follows.

1. To expand new branches to support hire purchase and to cover broader areas. This is to ensure fast and correct loan origination process to maximize customer satisfaction.
2. To expand credits to commercial vehicles such as cranes, forklifts and big bike across the country, via the Company's branches.
3. To expand credits to specific-purposed vehicles such as cranes, forklifts, motorcycles, excavators, dozers and others which requires high expertise on price appraisal.
4. To revamp financial structures more properly to reduce business costs and enhance the Company's competitive advantage.
5. To retain existing customers and add fast and convenient services to maximize customer satisfaction.
6. To maintain valuable personnel; develop and create credit officers with skills and expertise to support business expansion in the future.



Risk Factors

Risk from Interest Rate Fluctuation

The Company has main source of income from interests earned on financing at fixed rates while some parts of funding costs are from financial institutions at floating rates which vary with the prevailing market rate. The fluctuation of the market interest rate can cause a mismatched fund that affects the Company's Interest margin. If the fluctuation continues and loan rates increase, the interest spread may reduce. However, the Company manages risks through expanding commercial vehicle financing which have higher returns refinancing loans from financial institutions with lower interest loans. This aims to maintain the interest spread constantly.

Risk from Mismatch Lending and Borrowing Periods, and Financial Liquidity

Most of leasing companies, including the Company, have mismatch risks due to the difference of lending periods and borrowing periods, including financial liquidity. Previously, the credit periods granted to customers are normally 1- 5 years while the Company's main long-term loans from financial institutions and others debt installment are about 1-4 years. It is a duration gap and may cause mismatch funds which results in lack of operational liquidity. The Company acknowledges this problem and manages the risks. To manage funds more efficiently, the Company has reclassified leasing customers into long-term and short-term ports. The Company also adjusts lending periods in consistent to borrowing periods. The proportion of new sources of funds with proper borrowing period increases. It can reduce the mismatch and the Company is able to manage costs of fund more efficiently and has lower liquidity risks.

Market and Competitive Risk

The automobile industry and car sales have been growing consistently and have attracted several new players to start their auto leasing and hire-purchase business. Many of them are businesses owned by financial institutions or commercial banks after the Bank of Thailand announced the Financial Sector Master Plan, allowing the commercial banks to freely conduct automobile financing business in Thailand. Automobile manufacturers and dealers, with a large amount of foreign fund and low financial costs are able to conduct hire-purchase and leasing business, resulting in severe completion in leasing and hire-purchase business.

In 2014, the Company maintains term of installment of hire-purchase and leasing for commercial vehicles within 65-70% of the total leasing port. The Company expected that this segment will continue to grow; and have higher profit margin with lower risk than the private car segment. (Normally, if the Company repossessed this kind of vehicles, selling prices are closed to debt amounts.) Therefore, the Company can avoid direct competition with large financial institutions, which have lower operation costs, and increase our competitive opportunity.

Operation Risk from Non-performing Loans (NPLs)

The operational risk from NPLs of the leasing business is unavoidable since customers may not be able to repay loans due to their own problems, e.g., payment for healthcare and cost of maintenance of cars that are in paying, and external factors such as economic problems, higher oil prices, discharge and natural disasters. These factors cause customers unable to repay on time and generate NPLs. Hence, the Company has focused and emphasized on credit quality, debt monitoring, good internal control system and stringent credit lending policy in order to minimize NPLs. The operational risk is controlled and reduced NPLs at a certain level not affecting the overall operation.

The Company has in place the risk management process to control NPLs as the follows.

- The Company uses the risk management system to control the credit quality by checking the payment customer behaviors with National Credit Bureau Co., Ltd. in order to screen out customers who are incapable of repayment. The scoring system is applied to assess the customer's quality as well.
- The Company controls the efficiency of the debt collection based on the number of deferred customers; and the strict debt collection policies to ensure the fastest recovery of overdue debts, which can be described as follows. Upon missing the first payment schedule, the borrower will receive the first warning notice from the Company, and will also be contacted by a credit control officer. The Company then immediately starts the calculation of penalty, based on the guidelines from the Office of the Consumer Protection Board (OCPB). OCPB sets the penalty rate equal to MRR interest rate of the Krungthai Bank PCL plus 10% annually. Following the second and the third delayed payments, the credit control officer will send out further notices and contact the debtor and guarantor, and will then issue a report detailing the results of the primary follow-up, as well as his recommendations. If the borrower fails to make 3 payments, the credit control officer will submit a report to the Collection Department in order to revoke the hire-purchase contract within 30 days. If the customer does not contact the Company within this period, the Company will proceed with repossession of the contracted vehicle. If the Company is unable to repossess the car, or if the repossessed car can only be auctioned at the lower price than the outstanding debt amount, the Company will subsequently take legal action on the customer and his guarantor in order to minimize the loss as much as possible. Furthermore, the Company will put this debtor on the Black List for future reference.

Furthermore, the Company has a reporting system for the current status of the credit quality as well as a credit monitoring process to prevent deferred payment. In the event of a customer delaying his payment, the Company will closely monitor the customer's behavior since the first delayed installment and collect all related information to use as guidelines for risk management on that customer.



Risk from Financing Second-hand Vehicles

The Company's primary business is the second-hand vehicle leasing and it may have a certain level of operational risks from vehicle inspection and pricing. The risk extends to the cases where the Company has to repossess the contracted vehicles and sell at a price below the outstanding as the Company has to auction that vehicle in its present condition, which greatly depends on mileage, condition and popularity of the repossessed vehicles. As of 31 December 2014, the proportion of second-hand car credits was at approximately 44% of the total hire-purchase and financial leasing port.

The Company implements a measure to minimize such risks by using qualitative car inspection and experienced staffs and expertise to evaluate the vehicle together with the tightly credit improvement. Also, the Company selects second-hand car dealers who meet the standard, offer good quality cars at a reasonable price and provide quality assurance for the car after sold. The Company also analyzes payment behaviors of the customers who the dealer submits in for the financing application.

Risk from Sales of Repossessed Vehicles

After repossessing vehicles, the Company will sell them through auctions. In case the auction price is lower than an outstanding value, the Company can demand the remaining value from the customer or the guarantor. However, if the Company cannot claim the outstanding, then the Company will have to bear the loss. The auctioned price depends primarily on the condition, mileage and the popularity of the repossessed vehicle model, as well as the general market demand for cars at the time.

For the year 2013, The value of second hand car was highly drop down means that there was loss incurred from the sales of repossessed second-hand cars in all company which in the same industry. The Company expected the value of second hand car will be normal situation in 2014. However, the Company manages the risk from the sales of the reprocesses vehicles by monitoring the credit continuously and closely in order to prevent the outstanding installment leading to the repossession. Besides, the Company may bright the customers and guarantors to the lawsuits for the repayment of the loss after the repossession in order to minimize the Company's loss. The Company repossessed 337, 492 and 698 vehicles and has the loss from sales of the repossessed vehicles in the amounts of Baht 20.00 million, Baht 41.98 million, and Baht 66.77 million in 2012, 2013, and 2014, respectively.

Risk from Reliance on Specialists

The Company's business relies on skilled and experienced employees specializing in second-hand vehicle inspection and pricing. This provides the Company with advantages over competitors. Together with staffs who are experts having experience in marketing and customer services, they can build good relationships with dealers and station at the dealer's offices who are the Company's business partners. The Company selects and authorizes the dealers according to the Company's careful partner selection and examination procedures. The Company also maintains good relationship its dealers by assuring that the payments for the contracted vehicles are timely paid.

In addition, the Company's sales team focuses on facilitating customers and dealers as well as providing and continuously improving after sales services, thus the Company can manage to secure the existing customers and expand its customer base, with recommendations from both its existing customers and dealers. Most existing customers, both who have completed their installment payments and who are currently in contract but wish to switch to another car, usually come back to the Company for another service.

Losing such dependable employees will most likely affect the short-term operation. Therefore, the Company sets a policy to keep employees with various long-term incentives for them to continue working with the Company and appropriate training and development programs.

Risk of Potential Debts

In the past 3 years, the Company continued to expand its credit business. As of 31 December 2012, 2013 and 2014, the Company had net leasing and hire-purchase debtors of Baht 18,865.96 million, Baht 26,833.40 million and Baht 27,304.18 million, respectively. It is necessary to increase lending in the future for the business expansion, which may generate risks in potential future debts.

However, to manage such risks, the Company has adequate loans from various sources e.g. capital markets, bond markets, including debt instrument markets, financial institutions and related companies. Hence, the Company has adequate funds for business expansion as planned. To support business operation, the Company has sources of funding with low costs under its financial structures and liquidity, provided that the benefit of the shareholders and stakeholder are significant.



Shareholding Structure and Dividend Payment Policy

Shareholders

The company's top ten major shareholders as of March 5, 2015 are listed below:

No.	List of names	Number of shares held	%
1	Thanachart Bank Plc.	1,312,459,500	65.18
2	Mr. Sompong Cholkadeedamrongkul	139,159,500	6.91
3	Mr. Charoensook Kititti	74,714,432	3.71
4	Phatra Capital Plc.	22,998,375	1.14
5	Mr. Silaprasert Jeerapornprapa	22,656,000	1.13
6	Mrs. Naowanart Chamornmarn	15,500,000	0.77
7	Mrs. Wilawan Rongwattanasophon	12,537,500	0.62
8	Mrs. Warunee Cholkadeedamrongkul	11,000,000	0.55
9	Mrs. Siriwong Rongwattanasophon	10,392,030	0.52
10	Mr. Pongpat Cholkadeedamrongkul	8,420,000	0.42
11	Others	383,685,441	19.06
	Total	2,013,522,778	100.00
Par Value of Baht 1/share			

Dividend Payment Policy

The Company has Dividend Payment policy by paying not less than 50% of net profit.

- Dividend payments to existing shareholders

By the resolution of the Shareholder's General Meeting No. 1/2012 on 10 April 2012, the Company was authorized to pay dividends to its shareholders at Baht 0.08 per share to the shareholders holding 1,342,349,708 shares, a total of Baht 107.39 million.

By the resolution of the Shareholder's General Meeting No. 1/2013 on 2 April 2013, the Company was authorized to pay cash dividends to its shareholders at Baht 0.03 per share and to pay share dividends of 268.47 million (5 existing share to 1 share dividend). The total dividend valued Baht 0.23 per share.

By the resolution of the Shareholder's General Meeting No. 1/2014 on 2 April 2014, the Company was authorized to pay cash dividends to its shareholders at Baht 0.03 per share and to pay share dividends of 402.70 million (4 existing share to 1 share dividend). The total dividend valued Baht 0.28 per share.

Management Structure

The Company's Board of Directors and executives are composed of experts with complete qualifications as prescribed in Section 68 of the Public Company Act B.E. 2535 and the Notification of the Securities and Exchange of Commission No. KorJor. 12/2543 Re: Application for Permission and Permission to Sell Newly Issued Shares dated March 22, 2000.

Board of Directors

As of December 31, 2014, THANI's Board of Directors was composed of twelve members:

	Name	Position
1.	Mr. Virat Chinrapinporn	Chairman of the Board of Directors
2.	Mr. Charoensook Kititti	Director
3.	Mr. Kovit Rongwattanasophon	Director
4.	Mr. Wuttichai Suraratchchai	Director
5.	Mr. Anuwat Luengtaweekul	Director
6.	Mr. Anuchart Deeprasert	Director
7.	Mr. Praphan Anupongongarch	Director
8.	Ph.D. Thakol Nunthirapakorn	Director
9.	Mr. Surapol Satimanon	Director
10.	Mr. Varavugh Varaporn	Director
11.	Mr. Suvit Arunanonchai	Director
12.	Asst. Prof. Naengnoi Chai-Onnom	Director

Mr. Ponlaphe Sakayapapwicharnon serves as the Board Secretary.

Authorized signatories

Authorized signatories : Any two of the seven directors, namely, Mr. Charoensook Kititti, Mr. Kovit Rongwattanasophon, Mr. Virat Chinrapinporn, Mr. Wuttichai Suraratchchai, Mr. Anuwat Luengtaweekul, Mr. Anuchart Deeprasert and Mr. Praphan Anupongongarch are authorized to jointly sign with the Company's seal affixed.

Authority of the Board of Directors

1. Authorize duties to Committees, managements, executives or any other person, under the Scope of power and duties of the Board of Directors.

2. Approve the amount of credit to customers, who are approved from the credit analysis department, for the credit amount exceeding the authority of the Executive Board of Directors.



3. Business activities of the Company are under the Authority of the Board of Directors. One of Chairman or Managing Director, or at least 2 other directors in which the Board of Directors has assigned have the authority to sign and stamp the logo of the company to act on behalf of the company.

4. Have the power to invite the management and employees to explain, give opinions, meeting or submit documents as relevant or necessary.

Scope of power and duties of the Board of Directors

1. Perform duties in line with the laws, the Company's objectives and articles of association, as well as the legitimate resolutions of the shareholders' meeting.

2. Determine the Company's goal, direction, policy, action plan and budget, and control and ensure that the administration and management of the Executive Committee conform with the assigned policy, except for the following matters which, according to the laws, are subject to prior approval by the shareholders, i.e. the capital increase and decrease, the issuance of debentures, the selling or transfer of the Company to other persons or acceptance of transfer of or merger with other companies, the amendment to the memorandum or articles of association, the payment of gratuity to the directors, etc.

3. Appoint a number of the directors as deemed appropriate to be the Executive Committee which will have duties and responsibilities to administer and manage the Company as assigned by the Board of Directors, with one of the Executive Directors to be appointed Chairman of the Executive Committee.

The Executive Directors are entitled to remuneration and gratuity as determined by the Board of Directors. This, however, shall not exclude the right of such Directors to other remuneration or benefits obtainable in their capacity as the Board members.

4. Ensure the Company has effective internal control and internal audit systems by assigning the department which is responsible for the internal audit and control to perform the duty in coordination with the Audit Committee.

Independent Directors

The Definition and Qualification of Independent Directors

Independent director refers to individuals who are qualified and independent as defined in the corporate governance of the Company's policy and able to establish compliance with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission. The following conditions apply:

1. Not hold up to 0.5 percent of the shares with voting rights of the Company, its parent, subsidiaries, affiliates, shareholders, major or controlling shareholders of the Company, including shares held by any relative of independent director as well.
2. Not be nor have been an executive director, officer, employee, controlling person, management employee or consultant who receives a salary of the Company, its parent, subsidiaries, affiliates, subsidiaries of the same company, the major shareholders, controlling

person of the company, unless the foregoing status ended for not less than two (2) years prior to being appointed as an independent director.

3. Not to be a person related by blood or registration under law as a father, mother, spouse, sibling, child, including spouses of child, executive, major shareholders, controlling shareholders or person who has been nominated as the management or controlling person of the company or its subsidiaries.
4. Not have nor had have a business relationship with the Company, its subsidiaries, affiliates, shareholders or controlling person of the company, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the company, its parent company, its subsidiaries, associates and shareholders, affiliates, shareholders or controlling person who may have a conflict of interest unless the foregoing status ended not less than two years prior to the date of appointment.
5. Neither be nor have been and auditor of the Company, its subsidiaries, affiliates, shareholders or controlling person of the company, nor having been a substantial shareholder or controlling person or partner of an audit firm which employ auditors of the company, its parent company, its subsidiaries, associates and shareholders, affiliates, shareholders or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.
6. Neither be nor have been any kind of professional advisor, including a legal advisor or financial advisor who receives an annual service fees exceeding two million baht from its parent companies, subsidiaries, affiliates, major shareholders or controlling person, and neither nor have been a substantial shareholder, controlling person or partner of professional advisor, unless the foregoing status ended not less than two years prior to the date of appointment.
7. Not be appointed as a representative of a company's directors, the major shareholders or any other shareholders who are related person to the major shareholders.
8. Do not conduct any business which of the same nature as the company's or its subsidiaries' businesses and is in competition with them in any material respect, nor be a substantial partner, shareholder holding more than one percent of the total number of shares with voting rights of the company, director (having management role), employee, officer or adviser (obtain a regular salary) of any company whose business is of the same nature as the company's or its subsidiaries' businesses and is in competition with them in any material respect.
9. Not have any characteristics which make him or her incapable to express independent opinions with regard to the company's business affairs.

Audit Committee

The Board of Directors passed a resolution appointing the Audit Committee consists of:

	Name	Position
1.	Ph.D. Thakol Nunthirapakorn	Chairman of the Audit Committee
2.	Mr. Surapol Satimanon	Audit Committee Member
3.	Mr. Varavugh Varaporn	Audit Committee Member
4.	Mr. Suvit Arunanonchai	Audit Committee Member
5.	Asst. Prof. Naengnoi Chai-Onnom	Audit Committee Member
Mr. Boonchu Wongpakdee serves as the Audit Committee Secretary.		

Scope of power and duties of the Audit Committee

1. Review the Company's financial reports to ensure accurate and adequate disclosure by coordinating with the external auditor and the executives who are responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest that the external auditor review or examine any transaction which is considered necessary and significant during the audit of the Company's accounts.

2. Ensure that the Company has suitable and effective internal control and internal audit systems by making a review jointly with the external auditor and the internal auditor at least twice a year.

3. Review and ensure that the Company's operations comply with the securities and exchange law, regulations of the SET or laws relating to the Company's business.

4. Select and nominate the Company's external auditor and consider and propose the auditor's fee based on the credibility, adequacy of resources, volume of audit assignments of that auditing firm, and the experience of the personnel assigned to audit the Company's accounts, as well as previous year performance and consideration to hire out external auditors.

5. Review connected transactions and/or transactions that may lead to conflicts of interest and ensure accurate and full disclosure of such transactions.

6. Perform any other act as delegated by the Board of Directors and approved by the Audit Committee, such as review the financial management and risk management policy, review the compliance with the code of corporate conducts, to jointly review with the Company's management significant reports which must be disclosed to the public as required by laws, e.g. management's discussion and analysis.

7. Prepare a report on activities of the Audit Committee and disclose it in the annual report of the Company. The report must be signed by the Audit Committee Chairman and should contain the following information:

- Opinions on the accuracy, completeness and reliability of the preparation process and disclosure of information in the Company's financial reports.
- Opinions on the adequacy of the Company's internal control system.
- Justification that the Company's auditor is suitable for re-appointment for another term of service.
- Opinions on the compliance with the securities and exchange law, regulations of the SET or laws relating to the Company's business.
- Any other reports which should be disclosed to the shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.

Executive Board of Directors

As of December 31, 2014, THANI's Executive Board of Directors was composed of four members:

	Name	Position
1.	Mr. Kovit Rongwattanasophon	Chairman of the Executive Board
2.	Mr. Virat Chinrapinporn	Executive Board Member
3.	Mr. Wuttichai Suraratchai	Executive Board Member
4.	Mr. Praphan Anupongongarch	Executive Board Member

Scope of power and duties of the Executive Board of Directors

1. To generally act on behalf and in the interest of the Company
2. To administrate the Company's business under the resolutions/ regulations of the Board of Directors.
3. To consider and have Authority on (Credit Approval), (Non-Policy Expenses Approval) (Non-Buying and Selling of non Policy Approval), and request for approval to the Board of Director for which is beyond the granted authority and/or authorized amount. To consider and have authority on personnel Policy which includes recruiting, transferring, promoting, terminating, compensating, annual salary increase and other related human resource management as granted from the Board of Directors.
4. To appoint one or more directors in the Executive Board of Directors or other persons to perform which is under the any act and they supervision of the Executive Board of Directors as the Executive Board of Directors may deem appropriate and within the period defined by them. However, such appointment may be revoked, altered, changed as the Executive Board of Directors deemed appropriate.
5. To perform any other act delegated by the Board of Directors. In authorizing the Power, Role and Responsibility of the above Executive Board of Directors, such authority shall be under the rules and regulations' of relevant laws, regulations and article of association of the Company. In addition, the members of the Executive Board of Directors or then related persons will not be able to approve the transactions which are not normal course of business of the Company or under generally accepted conditions while they have conflict or participation or interest against the Company or the Company's subsidiary and shall report the transactions to the BOD to comply with the role and regulation of the SET

The Board of Directors appointed the Selection and Remuneration Committee

As of December 31, 2014, THANI's The Board of Directors appointed the Selection and Remuneration Committee was composed of Three members:



Name	Position
1. Mr. Suvit Arunanonchai	Chairman of the Selection and Remuneration
2. Mr. Varavudh Varaporn	Selection and Remuneration member
3. Mr. Anuwat Lueangtaweekul	Selection and Remuneration member
Mr. Boonchu Wongpakdee serves as the Selection and Remuneration Secretary.	

Scope of power and Board of Directors appointed the Selection and Remuneration Committee

The Nominating Committee has functions, responsibilities and accountability to the Board as follows;

At Present, the Broad of Director acts function as The Nominating Committee.

- Nominates qualified candidates for directors, the President and Managing Director.
- Directs procedures and criterions in directors, the President and Managing Director.

The Remuneration Committee has functions, responsibilities and accountability to the Board as follows;

At Present, the Broad of Director acts function as The Remuneration Committee.

- Considers remuneration approaches for directors, the President and Managing Director
- Directs fair and reasonable remuneration procedures and criterions for directors, the President and Managing Director. The Committee shall purpose the procedures and criterions to the board and the shareholders meeting for consideration.

The Corporate Governance Committee

The Board of Directors give precedence to the good corporate governance as required by the stock exchange of Thailand. The Board of Directors meeting No.3/2012 date March 28/2012 appointed the Board of Directors to perform as the Corporate Governance Committee and prepare the good corporate governance as the article meeting of the Board of Directors.

As of December 31, 2014, the committee consisted of 12 members as follows :

Name	Position
1. Mr. Virat Chinrapinorn	Chairman of the Corporate Governance Committee
2. Mr. Charoensook Kititti	Corporate Governance Member
3. Mr. Kovit Rongwattanasophon	Corporate Governance Member
4. Mr. Wuttichai Suraratchchai	Corporate Governance Member
5. Mr. Anuwat Luengtaweekul	Corporate Governance Member
6. Mr. Anuchart Deeprasert	Corporate Governance Member
7. Mr. Praphan Anupongongarch	Corporate Governance Member
8. Ph.D. Thakol Nunthirapakorn	Corporate Governance Member
9. Mr. Surapol Satimanon	Corporate Governance Member
10. Mr. Varavugh Varaporn	Corporate Governance Member
11. Mr. Suvit Arunanonchai	Corporate Governance Member
12. Asst. Prof. Naengnoi Chai-Onnom	Corporate Governance Member

Mr. Ponlaphe Sakkayapapwicharnon serves as the Corporate Governance Committee Secretary.

Scope of Duties and Responsibilities

1. Regulate policies and business guidelines on corporate governance affairs of company.
2. Review and give advice on corporate governance to the Board of Directors as required by the stock exchange of Thailand.
3. Prepare the good corporate governance manual and regularly update and internationalize its contents.
4. Improve and update the company code of ethics and set operation guidelines accordingly.
5. Report business operation results to the Board of Directors.
6. Appoint working teams to support the operation as deemed appropriate.
7. Perform other tasks as assigned by the Board of Directors.

The Risk Management committee

The risk management committee has the duties and responsibilities to perform the risk management of the company operation. The board of directors meeting No. 3/2012 dated March 28, 2012 appointed the executive board to perform as the risk management committee.

As of December 31, 2014, the committee consisted of 4 members as follows:

Name	Position
1.Mr. Kovit Rongwattanasophon	Chairman of the Risk Committee
2.Mr. Virat Chinprapinporn	Risk Management Member
3.Mr. Wuttichai Suraratchai	Risk Management Member
4.Mr. Praphan Anupongongarch	Risk Management Member
Mr.Boonchu Wongpakdee serves as the risk management committee secretary	

Scope of Duties and Responsibilities

- 1.Review and consider the risk management policies and risk appetite and propose to the Board of Directors for approval.
- 2.Review and Access the internal and external risk which related the business operations to revise the risk management procedures to ensure adequate and appropriate the company risk management.
- 3.Prepare the risk management procedures company with the business operations to prevent and mitigate risks to an acceptable level and propose to the board of directors for approval.
- 4.Review and consider the risk management procedures to ensure the procedures are managed sufficiently and suitably
- 5.Review and consider the risk management tools guidelines and risk measurement to ensure adequate and appropriate the company risk management and propose to the Board of Directors for approval.

Management Team

As of December 31, 2014, the Company's management team comprised six members, as below:



Name	Position
1.Mr. Virat Chinrapinporn	Chairman of the Board of Directors
2.Mr. Kovit Rongwattanasophon	Managing Director and Executive Chairman
3.Mr. Komsan Boonyoiyad	Deputy Managing Director, Credit Operation
4.Mr. Boonchu Wongpakdee	Senior Assistant Managing Director, Accounting and Finance
5.Mr.Sootchai Viriyalappa	Assistant Managing Director, Finance
6.Mr.Ponlaphe Sakkayapapwicharnon	Assistant Managing Director, Internal Control&Monitoring

Scope of power and duties of the Executive Chairman

1. Empowered to command, plan and ensure that the Company's operation is in line with the policy determined by the Board of Directors.

2. Empowered to appoint and administer all supporting committees for the benefits and efficiency of a good and transparent management.

3. Empowered to consider and determine the salary, remuneration and bonus for the executives and employees.

4. Formulate an organization and administration structure to cover all such matters as recruitment, training, employment and termination of employment of the employees.

5. Empowered to determine the staff welfare to suit the circumstances and practices and in compliance with the prevailing laws.

6. Closely follow up and assess the operation and performance under the policy set forth by the Board of Directors, as well as consider and recommend to the Board of Directors for the improvement and adjustment to the policy as deemed appropriate.

7. Perform other duties as assigned by the Board of Directors.

However, the above delegation of power to the Executive Chairman shall not include the power that will enable the Executive Chairman to approve any transactions in which he himself or other persons who may have possible conflicts, may have vested interests or other conflicts of interest with the Company, and any connected transactions and acquisition or disposal of the Company's material assets which are subject to prior approval from the shareholders in line with the SET's regulations.

Scope of power and duties of the Managing Director

The Managing Director is empowered to perform the duties that are assigned by the Board of Directors or the Executive Chairman and are under the Company's rules and regulations. The power and duties of the Managing Director can be summarized as follows:

1. To determine the mission, objectives, direction and policy of the Company and to supervise the overall operations.

2. Empowered to employ, appoint, remove, dismiss and determine the salary for all employees.

3. Empowered to issue orders, regulations, announcements and memorandums so that the operation will be in accordance with the policy and benefits of the Company and to maintain the working disciplines within the organization.

4. To perform activities related to the general administration.

The Managing Director, or any person authorized by the Managing Director, is not authorized to conduct any of the following affairs, or related matters, without first proposing to the Audit Committee for its opinion, and proposing to the Board of Directors and / or the Shareholder Meeting for approval: (a) connected transactions; (b) trading transactions of Company's significant assets; and / or (c) transactions that involve parties who have potential conflicts of interest with the Company and its subsidiaries, (if any).

Furthermore, in conducting the connected transactions or trading transactions of Company's and subsidiaries' significant assets, as defined in the regulations of the Stock Exchange of Thailand governing the connected transactions of listed companies and trading transactions of listed company's assets, the Company must abide by such regulations.

Selection of directors and executives

The Company does have a nominating committee. Selection of the directors and executives is based on the following procedure:

- Board of Directors

The Board of Directors consists of at least five members appointed by the shareholders' meeting under the criteria and method that each shareholder shall have a number of votes equaling the number of shares he holds. Each shareholder may exercise all the votes he has to elect one or several persons as director or directors, provided that any of the votes shall not be divisible. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman shall have a casting vote. Activities other than the above-mentioned have to be performed under the Company's articles of association.

Methods in appointing the committee: under 2 cases;

Case 1) The appointment of directors to retire by rotation.

Case 2) The appointment of the agenda due to the vacancy.

- In case 1) must be approved by the shareholders 2) Board of Directors must be approved by the Nomination and Remuneration Committee and be selected and nominated to be elected as representatives.

- Independent directors must comply with the requirements of the Securities Commission as well as the stock exchange or relating regulatory agency.

- Audit Committee

The Board of Directors' meeting shall approve the appointment of the Audit Committee and the appointment of the independent directors as the Audit Committee Members.

To be an important tool in the supervision of the Board of Directors and to generate a standard, accurate and transparent as well as to comply with regulations and to have good internal controls, a reporting system establish reliability and beneficial to all stakeholder and any parties involved, including shareholders

To appoint the Audit Committee

Board of Directors will appoint qualified committee in accordance to the official set of agency regulations. At least 3 audit Committee will serve on the Board of Directors with an authorization by the Board of Directors to work with freedom and reports directly to the Board of Directors.

- The Board of Directors appointed the Selection and Remuneration Committee

The Board of Directors' meeting shall approve the resolution to appoint the Selection and Remuneration Committee. This Committee is responsible for recommending policies, methods and criteria on selection and remuneration of the directors, members of sub-committee, and the Managing Director, Deputy Managing Director, and Assistant Managing Director. This is to ensure that the selection and remuneration are in accordance with the good corporate governances and the company's visions and missions.

Procedures for the appointment of the Nomination and Remuneration Committee

The Board of Directors will consider the appointment of non-executive directors, at least three people to serve as the Nominating Committee and Remuneration Committee and reports directly to the Board of Directors.

Executive Committee

The Board of Directors is appointed by the Executive Committee shall consist of an executive or director of. The major shareholders The Executive Committee shall report its activities to the Board of Directors.

Procedures for the appointment of the Board of Executive Directors

Board of Directors will appoint certain number of directors as deemed appropriate by the Board of Directors and appoint the Managing Director, as Chairman. The Board of Directors has the authority to oversee the affairs of the Company.

Corporate Governance Committee

The Board has emphasized the importance of good corporate governance. The Good governance is achieved by the good practices of listed companies and report on compliance with the principles of good corporate governance. In annual report, the company agreed to appoint the Board

acting of the Corporate Governance Committee. In the event the Board of Directors meeting, corporate governance is an agenda of the meeting.

Risk Management Committee

The Board of Directors shall appoint the Director of Risk Management to establish management policies and demonstrate the risk of the organization to the Board of Directors. The board of director will approve and oversight Management to comply with the policy and report to the Board on a regular basis in order to review and assess the effectiveness of risk management at least annually and every time there is a change in the policy or change in risk level. This includes an emphasis on early warning sign and reporting anomaly.

Company Secretary/Secretary to the Board of Director

The Board of Directors' Meeting No.4/2013 dated November 13, 2013 appointed Mr. Ponlaphe Sakkayapapwicharnon to be the Company's secretary and serves as the Secretary to the Board and Mr. Boonchu Wongpakdee serves as the Audit Committee Secretary and Board of Directors appointed the Selection and Remuneration Committee Secretary whose qualification and experience deemed appropriate for the responsibility in monitoring the Company to comply with the rules and the Company's regulations, and also in line with principles of Good Corporate Governance to allow effective management.

Scope of Duties of Company's Secretary

1. To give initial recommendations to the Directors concerning the issues of legality, regulations, and a number of Company information, and follow through to ensure that all regulations are properly adhere to, including the report concerning changes which is deemed significant.
2. To organize shareholders' meeting and the shareholders' and the Board of Director's meeting in accordance with the law and Company's rule.
3. To record and report the issues in the shareholders' and Board of Directors' meeting, and also keep track to activities that has been decided in the shareholders' and the Board of Directors' meeting.
4. To ensure the openness of information which is in accordance with the Stock Exchange of Thailand, Securities and Exchange Commission, and other supervisory authority.
5. To communicate with the shareholders, investor, supervisory authority, which also includes the dissemination of information the those interested public, and some interest groups.
6. Training and development of knowledge in the legal, accounting or other secretarial duties
7. Performed any other assignments that delegated by the Board or Directors.

Moreover, the Company also realized the importance of good supervision, the Board's secretary also completed training course called. "Corporate Secretary Development Program" Class 20/2006 and "Effect Minute Taking" Class 6/2006 organized by Thai Institute of Directors.



Remuneration for executives

Monetary remuneration

a) Remuneration for directors for the year 2014 as follows :

Name	The Board of Directors	The Audit Committee	The Board of Directors (Selection & Remuneration)	Executive Board of Directors	Total (Baht)
1. Mr. Virat Chinprapinporn	125,000	-	-	-	125,000
2. Mr. Charoensook Kititti	110,000	-	-	-	110,000
3. Mr. Kovit Rongwattanasophon	110,000	-	-	-	110,000
4. Mr. Wuttichai Suraratchai	110,000	-	-	96,000	206,000
5. Mr. Anuwat Luengtaweekul	88,000	-	44,000	-	132,000
6. Mr. Anuchart Deeprasert	110,000	-	-	-	110,000
7. Mr. Praphan Anupongongarch	110,000	-	-	96,000	206,000
8. Ph.D. Thakol Nunthirapakorn	110,000	125,000	-	-	235,000
9. Mr. Surapol Satimanon	110,000	110,000	-	-	220,000
10. Mr. Varavugh Varaporn	110,000	110,000	44,000	-	264,000
11. Mr. Suvit Arunanonchai	110,000	110,000	50,000	-	270,000
12. Asst.Prof. Naengnoi Chai-Onnom	88,000	88,000	-	-	176,000
Total	1,291,000	543,000	138,000	192,000	2,164,000

Note : Mr. Ponlaphe Sakkayapapwicharnon serves as the Secretary to the Board.

Mr. Boonchu Wongpakdee serves as the Audit Committee Secretary and The Board of Directors appointed the Selection and Remuneration Committee Secretary

Remuneration for executives as follows :

(Baht)

Type of remuneration	2014	2013	2012
Salary and bonus	24,825,400	15,434,000	15,048,400
Car petrol and telephone	216,000	237,500	246,000
Total	25,041,400	15,671,500	15,294,400
Number of executives	6	6	7

Other remuneration

- Set-up of a provident fund

To conform to the SET's regulations, the Company has established a provident fund for the employees to participate in. Contribution to the fund is set as follows:

- Employees' contribution at 5% of salary

- Company's contribution at 5% of individual employees' salary, the Company's contribution of executives as follows:

(Baht)

	2014	2013	2012
Provident fund (Baht)	713,560	636,800	451,200

Compensation Paid to all employees

The Company has the policy to equally provide remuneration to all employee who have the same knowledge, ability and responsibility. The remuneration rate shall not be less than other utility companies in industry.

List of Company's Authorized Persons, Directors, Executives and Company Secretary

The followings are the Company's Authorized Persons, Directors, Executives and Company Secretary, as shown :

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
1. Mr. Virat Chinprapinorn Chairman, Executive Director Authorized Director Date appointed as a director 28 July 2002	55	Master of Business Administration (MBA), City University, USA Bachelor of Business Administration (Finance) Seattle University, USA Certificate of Attendance DAP & DCP 40/2004 Thai Institute of Directors (IOD) Certificate, Capital Market Academy Executive Program (CMA) (Class 16), Capital Market Academy (2013).	4,200,000 0.21%	-	2003 - Present 2002 - Present	Executive Director, Chairman Chairman	Ratchthani Leasing Public Co., Ltd. Baan Rock Garden Group Public Co., Ltd.
2. Mr. Charoensook Kititti Director Authorized Director Date appointed as a director 28 July 2002	77	Certificate of Attendance DAP 19/2004 & DCP 53/2005 Thai Institute of Directors (IOD) Diploma of Modern Management Faculty of Commerce & Accountancy Chulalongkorn University Diploma of Executive Development Faculty of Commerce & Accountancy Thammasat University	74,714,432 3.71%	-	2005 - Present 2001 - Present 1993 - Present 1989 - Present 1973 - Present	President President President Director President	City Mansion Bangwah Co., Ltd. Charoensook Puedphol Co., Ltd. Realty & Property Management Co., Ltd. Ratchthani Leasing Public Co., Ltd. Charoensook Hoonthiew Pharmacy Co., Ltd.

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
3. Mr. Kovit Rongwattanasophon Director & Managing Director Chairman of Executive Director Authorized Director Date appointed as a director 28 July 2002	54	Master of Business Administration (MBA), Southeastern University, USA Bachelor of Art (Political Science) Ramkhamhaeng University Certificate of Attendance DAP 19/2004 Thai Institute of Directors (IOD)	7,264,467 0.36%	-	1989 - Present 2002 - Present	Managing Director Chairman of Executive Director	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd.
4. Mr. Wuttichai Suraratchai Director / Executive Director Authorized Director Date appointed as a director 24 July 2006	52	Master of Business Administration (MBA), Thammasat University Bachelor of Accounting (First Class Honour) Thammasat University Bachelor of Economics, Ramkhamhaeng University Certificate of Attendance DAP 60/2006 & DCP 173 Thai Institute of Directors (IOD)	-	-	2011 - Present 2006 - Present 2009 - 2010 2007 - 2008 2004 - 2007	Executive Vice President Credit Risk Management 2. Executive Director First Executive Vice President Credit Management Executive Vice President Credit Management Executive Vice President Medium Corporate	Thanachart Bank Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Siam City Bank Public Co., Ltd. Siam City Bank Public Co., Ltd. Siam City Bank Public Co., Ltd.
5. Mr. Anuwat Luengtaewekul Director Member of the Nomination and Remuneration Committee Authorized Director Date appointed as a director 10 November 2010	51	Master of Business Administration (MBA), Rangsit University Bachelor of Science (Accounting), Kasetsart University Certificate of Attendance DCP 24/2002 , SFE 3/2009 , HMS 4/2014 Thai Institute of Directors (IOD)	-	-	2012 - Present 2010 - Present 2010 2009 - Present 2007 - 2009	Member of the Nomination and Remuneration Committee Director Director Executive Vice President and Chief Financial Officer Member of the Executive Committee and Executive Vice President	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Siam City Bank Public Co., Ltd. Thanachart Bank Public Co., Ltd. Thanachart Capital Public Co., Ltd.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
6. Mr. Anuchart Deeprasert Director Authorized Director Date appointed as a director 10 November 2010	54	Master of Business Administration (MBA), Metropolitan Technology University Bachelor of Economics, Major in Finance, Ramkhamhaeng University Certificate of Attendance DAP 89/2011 Thai Institute of Directors (IOD)	-	-	2013 - Present 2010 - Present 2010 - Present 2000 - 2010 2000 - 2010 2000 - 2010 2000 - 2010	Chairman Director & Executive Director, Senior Executive Director, Hire Purchase Marketing and, Auto Dealer. Director, Director, Director, Director,	Thai Hire-Purchase Association Ratchthani Leasing Public Co., Ltd. Thanachart Bank Public Co., Ltd. National Leasing Co., Ltd. T-Leasing Co., Ltd. Thanachart Group Leasing Co., Ltd. Sinkehakarn Co., Ltd.
						Director & Executive Director, Director Assistant Managing Director Senior Executive Director, Product Development Dept (Banking & Electronics) Assistant Managing Director,	Ratchthani Leasing Public Co., Ltd. Thanachart Insurance Public Co., Ltd. Thanachart Bank Public Co., Ltd. Thanachart Bank Public Co., Ltd. BNP Paribas Peregrine Securities Public Co., Ltd.
						1988 - 2001	
7. Mr. Praphan Anuponggarch Director / Executive Director Authorized Director Date appointed as a director 10 November 2010	51	Master of Science (development economic), National Institute of Development Administration (NIDA) Bachelor of Business Administration, (Marketing) Sukhothaimathiraj University Bachelor of Mathematical Science, King mongkut institute of Technology Thonburi Certificate of Attendance DCP 173/2012 & SFE 22/2014 Thai Institute of Directors (IOD)	-	-	2010 - Present 2010 - Present 2010 - Present 2001 - 2010	Director & Executive Director, Director Assistant Managing Director Senior Executive Director, Product Development Dept (Banking & Electronics) Assistant Managing Director,	Ratchthani Leasing Public Co., Ltd. Thanachart Insurance Public Co., Ltd. Thanachart Bank Public Co., Ltd. Thanachart Bank Public Co., Ltd. BNP Paribas Peregrine Securities Public Co., Ltd.
						1988 - 2001	

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
8. Thakol Nunthirapakorn, Ph.D. Independent Director Audit Committee (Chairman) Date appointed as a director 28 July 2002	68	Ph.D. Degree, MIS University of Arkansas, USA MBA. (Quantitative Analysis) Northeast Louisiana University, USA B.S.(Finance) West Liberty State, USA High Dip. (Finance & Banking) University of the Thai Chamber of Commerce Certificate of Attendance DAP 8/2004 & ACP 8/2005 Thai Institute of Directors (IOD)	309,170 0.02%	-	2014 - Present 2002 - Present Present Present Present	Audit Committee(Chairman) Audit Committee(Chairman) University administration committee. Dean Adjunct Professor	Five Victor Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. The University of Thai Chamber of Commerce The University of Thai Chamber of Commerce Graduate School of Business Administration, NIDA
9. Mr. Surapon Satimanont Independent Director Audit Committee (Director) Date appointed as a director 28 July 2002	53	Master of Laws (LL.M.) Southern Methodist University, USA Master of Comparative - Jurisprudence Howard University, USA M.A. Business Webster University, USA Certificate of Attendance DAP & DCP 40/2004 Thai Institute of Directors (IOD)	6,249,318 0.31%	-	2014 - Present 2014 - Present 2009 - Present 2007 - Present 2002 - Present 1990 - Present 2012 - 2014 2011 - 2014 2011 - 2014 2011 - 2014 2008 - 2011	Director Advisory Commission Legal and Contracts Subcommittee Audit Committee Audit Committee (Director) Audit Committee(Chairman) Director Director Director Director Assistant Managing Director	Erawan Insurance Public Co., Ltd. Ministry of Information and Communication Technology State Railway of Thailand (SRT) 2 S Metal Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Baan Rock Garden Public Co., Ltd. S & Manont Co.,Ltd. N.U.I International Co., Ltd. Transun (Thailand) Co., Ltd. Fah Sai Haad Ngam Co., Ltd. Export - Import Bank of Thailand

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
10. Mr. Varavudh Varaporn Independent Director Audit Committee (Director) Member of the Nomination and Remuneration Committee Date appointed as a director 14 December 2009	66	Master of Public Administration Chulalongkorn University Bachelor of Laws (LL.B.) Thammasat University Certificate of Attendance DAP 82/2010 & RCC 19/2014 Thai Institute of Directors (IOD)	-	-	2012 - Present 2009 - Present 2005 - 2008 2003 - 2004	Member of the Nomination and Remuneration Committee Audit Committee Advisor on Performance Efficiency Deputy Director General	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Department of Lands Department of Lands
11. Mr. Suvit Arunanonchai Independent Director Audit Committee (Director) The Nomination and Remuneration Committee (Chairman) Date appointed as a director 22 February 2011	66	Bachelor of Art, Louisiana Tech University, USA Program for Management Development (PMD 1985) Harvard Business School Harvard University, USA Certificate of Attendance Director Certification Program (DCP) 14/2002 Director Diploma Examination (Fellow Member) Audit Committee Program (ACP) 4/2005 Quality Financial Reporting 2/2006 Role of The Compensation Committee (RCC) 18/2014 Advanced Audit Committee Program (AACP) 15/2014 Thai Institute of Directors (IOD) CMA 8, Capital Market Academy, SET	-	-	2012 - Present 2012 - Present 2011 - Present 1985 - Present	Audit Committee (Director) The Nomination and Remuneration Committee (Chairman) Director Director	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Ratchburi Sugar Co., Ltd.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
12. Asst.Prof. Naengnoi Chai-Onnom Independent Director Audit Committee (Director) Date appointed as a director 8 November 2010	72	MBA (Accounting) University of Detroit, USA Bachelor of Accounting Bachelor of Commerce Thammasat University Certificate of Attendance DAP 73/2008, DCP 121/2009, ACP 34/2011, MIA 10/2011, MFM 5/2011, MIR 11/2011, MFR 15/2012 Thai Institute of Directors (IOD)	-	-	2013 - Present 2012 - Present 2010 - Present 2010 - 2013 2007 - Present 2004 - 2010 2004 - 2010 2002 - 2011	Chairman of the Committee on Professional Ethics Vice president for Administration Independent Directors & Audit Committee Board of Directors Ethics Committee Independent Directors & Audit Committee Member, CPA Qualification Screening Sub-Committee Member, Accounting Education & Technology Committee Dean, School of Accountancy	Federation of Accounting Professions. University of the Thai Chamber of Commerce Ratchthani Leasing Public Co., Ltd. Federation of Accounting Professions. Premier Marketing Public Co., Ltd. Federation of Accounting Professions. Federation of Accounting Professions. University of the Thai Chamber of Commerce
13. Mr. Khomsan Boonyoiyad Deputy Managing Director	50	BBA Industrial Management Siam University Diploma of Executive Development Faculty - Commerce & Accountancy Thammasart University	-	-	2009 - Present 2002 - 2008 1997 - 2002	Deputy Managing Director Assistant Managing Director Chief of Credit Operation Dept.	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd.

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
14. Mr. Boonchu Wongpakdee Senior Assistant Managing Director	40	Master of Business Administration (MBA), Accounting for planning & control Kasetsart University Bachelor of Business Administration (Accounting) Kasetsart University	-	-	2011 - Present 2004 - 2011 2003 - 2004 2000 - 2003	Senior Assistant Managing Director Department of Director of Accounting Accounting & Finance Manager Assistant Accounting & Finance Manager	Ratchthani Leasing Public Co., Ltd. Baan Rock Garden Group Public Co., Ltd. Baan Rock Garden Group Public Co., Ltd. Linklaters (Thailand) Co., Ltd.
15. Mr. Ponlaphe Sakayapapwichamon Assistant Managing Director Company Secretary	45	Master of General Management (MGM) College of Management Mahidol University Bachelor of Business Administration (Marketing) Assumption University Certificate of Attendance CSP 20/2006 & EMT 5/2006 Thai Institute of Directors	7,177,607 0.36%	-	2002 - Present 2013 - Present	Assistant Managing Director Company Secretary	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd.
16. Mr. Sootchai Vinyalappa Assistant Managing Director	56	Bachelor of Art (Political Science) Ramkhamhaeng University	-	-	1991 - Present	Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
17. Mrs. Jitree Sribanyaranond Financial Manager	46	Bachelor of Business Administration (Accounting) Ramkhamhaeng University	-	-	1999 - Present	Financial Manager	Ratchthani Leasing Public Co., Ltd.
18. Ms. Unchan Srisom Accounting Manager and Planning & Strategy Manager	38	Bachelor of Business Administration (Accounting) Sukhothai Thammathirat Open University Bachelor of Business Administration (Finance) Rajamangala University of Technology Thanyaburi Certificate of Attendance Micro MBA Chula 58 Chulalongkorn Business Administration	-	-	2014 - Present 2012 - Present 2010 - 2012	Planning & Strategy Manager Accounting Manager Assistant Manager of Accounting	Ratchthani Leasing Public Co., Ltd. Ratchthani Leasing Public Co., Ltd. N.C.C. Image Co., Ltd.

Corporate Governance

Policy on corporate governance

The board has paid highly important to good corporate governance according to the guideline specified by Stock Exchange of Thailand. Therefore, the board of directors is also a Corporate Governance Committee. In the board meeting, good corporate governance shall be one of the agenda in that meeting. Moreover, there are manuals of business ethics for directors, the management and staffs so that everyone could use this guideline when performing their operations and towards stakeholders. This manual has also been posted on the company's website (www.ratchthani.com).

The board has initiated to have the corporate governance in written and approved the corporate governance policy. The good corporate governance is considered to be one of the management guidance and has been well accepted internationally. This shall create value added and trust to all stakeholders. Moreover, it is an important factor for the company to achieve sustainable growth and can be grouped into 5 categories as follows:

1. Rights of the shareholders

The Board of Directors recognizes the ownership rights to control the company through the appointment of directors as shareholder's representatives and the rights for decision making on major changes in the company. Therefore, the Board of Directors encourages the shareholders to use their basic shareholder rights to buy, sell, or transfer shares, share in the profit of the company, obtain relevant and adequate information on the company, obtain information on shareholder meetings participation and criteria, and obtain sufficient information for consideration in each agenda on the shareholder meetings before participation, including opportunity to question the directors at the meetings or submit the questions in advance. Furthermore, the Board of Directors recognizes and emphasizes on the shareholder rights that those rights shall not be violated or diminished.

In preparation of the shareholders meeting, the Board of Directors recognizes the shareholders rights that the meeting shall not be held on long holidays and public holiday and the meeting location shall be in the area with convenient transportation. In 2014 the company held the shareholders meeting at 11th Floor, Sinsathorn Building, Krung Thonburi Road, Klong Ton Sai Sub-district, Klong San District, Bangkok, closed to BTS station and the expressway exit.

The company sent meeting invitation letters including meeting documents to the shareholders 14 days before the meeting day, in accordance with the company's regulations, and disclosed information on the company's website. In 2014, the company announced invitations to the 2014 Annual Shareholders Meeting on 28th February 2014. The objectives and recommendations made by the Board of Directors on each agenda were included. Moreover, the company has set the policy to facilitate and support all investors, including institutional investors to participate in the shareholders' meeting.

In 2013, the company was rewarded "excellent" performance in conducting 2013 Annual Shareholders' Meeting from Thai Investors Association.



In 2014, the company has been rewarded “excellent” performance in conducting 2014 Annual Shareholders’ Meeting from Thai Investors Association for 2 consecutive years.

2. Shareholders Rights and Equitable Treatment

Preparation of the Shareholders Meeting. The company held the 2014 Annual Shareholders Meeting on 2nd April 2014 at 11th Floor, Sinsathorn Building, Krung Thonburi Road, Kwang Klong Ton Sai, Khet Klong San, Bangkok.

Delivery of Invitation to the shareholders meeting. The company recognizes the importance of equitable treatment to all shareholders that the company shall disclose important and correct information in a timely and transparent manner to the shareholders regularly. The company sent the invitation letter to the shareholders meeting including related documents on each agenda to the shareholders 14 days in advance before the meeting day, in accordance with the company regulations, as well as announced the invitation letter in the newspaper and the company’s website. The objective and recommendations made by the Board of Directors on each agenda were included and the meeting minutes was recorded correctly and fully that the shareholders could examine the minutes. In addition, the company has added alternatives for the shareholders that the shareholders could give the power of attorney to the Auditing Committee in case that the shareholders could not attend the meeting.

For the shareholders meeting day, The company specified the meeting location and time by considering the area with convenient transportation, specified the registration area properly and sufficiently that the shareholders could register at least 2 hours before the meeting, and prepared revenue stamps the shareholders who gave or obtained the power of attorney, as well as prepared light meals for the shareholders. In the meeting, the company appointed the Chairman to inform details of quorum, explain the voting method, the vote counting, and vote casting procedure, and disclose the vote counts on each agenda. The meeting gave the shareholders opportunity to ask questions or give opinion adequately and properly. At the 2014 Annual Shareholders Meeting, there were all 12 Directors attending the meeting, consisting of The Chairman of the Board of Directors, The Chairman of the Auditing Committee, Independent Director, and the Auditing Committee as well as the Company’s secretary and the secretary to the Board of Directors, the company’s auditors and independent legal consultants.

After the shareholders meeting. The company informed the meeting resolutions through the media system of the Stock Exchange of Thailand after the meeting on 2nd April 2014 and submitted the report of the Shareholders Meeting and disclosed the report on the company’s website.

Conflict of interests The Board of Directors will take a prudent action when there is any transaction that may create conflicts of interest. The Board has set out a policy and procedure for approval of connected transactions and a policy and measure to ensure that the executives and concerned persons do not use insider information for their own benefits, as detailed below:

- Transactions that may have conflict of interest: After learning of any transactions that have conflict of interest or any connected transactions, the board of directors will consider their appropriateness with prudence and will comply with the SET’s regulations. The price and conditions will be considered on an arm’s length basis. The details of transaction value,

agreement parties, and rationale/necessity will be disclosed in the annual report and Form 56-1.

3. Rights of the stakeholders

The Company has placed importance on the rights of all stakeholder groups, either the internal stakeholders such as the Company's employees and executives or the external stakeholders such as competitors, creditors, government sector, and other concerned agencies. The Company has realized that the supports from these stakeholders help to enhance its competitiveness and profitability which are instrumental in its long-term success. Important actions taken by the Company are as follows:

<i>-Trade partners</i>	<i>THANI has treated and provided services to used car dealers under the trade conditions and has complied with all trade agreements.</i>
<i>-Creditors</i>	<i>THANI has complied with the loan agreement conditions.</i>
<i>-Clients</i>	<i>THANI has treated its clients with care and accountability as well as provided them with quality, standard, fast and on-time services.</i>
<i>-Shareholders</i>	<i>THANI has policies and practices of their responsibilities to the shareholders equally.</i>
<i>-Communities</i>	<i>THANI has been responsible for and taken good care of the environment to ensure there are no harmful impacts on the community environment and the society.</i>

Particularly for the company's employees, the company sets priority to their safety and welfare, for example, the establishment of the provident fund as an incentive for the employees to work with the company, rehearsal of fire evacuation plan, and annual health checkup as well as human resource development to develop their knowledge and ability through internal and external trainings. In 2013, the company has set the comprehensive employee benefits in order to protect the rights and benefits of all employees.

In 2014, the company has joined Thanachart Employees' Savings and Credit Co-operative Limited to promote savings for great rewards to employees as well as other benefits such as medical treatment, better interest rates for deposits and loans and so on.

Moreover, the company has a clear policy not to violate or act in a way that could violate the human right and intellectual property or copyright from the company's operations. Therefore, the company has set the channel for stakeholders to report or complain to the Audit Committee in the case of violation of rights or matters that could cause the damages to company via e-mail or company's website.



4. Disclosure and Transparency

The company recognizes the importance of disclosing correct, full, and reliable information in a timely and constant manner, either information related to the operation or the performance. The information shall be disclosed in the annual report, annual report form, Form 56-1 annual report, and the company's website (www.ratchathani.com).

For the 2014 financial report, the company appointment of the auditors and the auditing fee depended on the approval of the shareholders at the annual shareholders meeting on 2nd April 2014. The auditors were independent and the auditors from the Security Exchange Commission. The auditing company certified the 2014 financial report with no condition.

Moreover, the company added a channel for investor relations on the company's website to disclose the company's information to the shareholders, analysts, and other investors by contacting:

Miss Rungtip Chaipatanapruk, the company's investor relation

Tel: 02-4400844 ext. 2161.

Email: contact@ratchthani.com

Activities on investor relations

1. The company participated in the "Opportunity Day" event held by Stock Exchange of Thailand (SET). This event aimed to provide information of the company's business and its operations to stock analyst, investors and media. SET held this event quarterly after the announcement of financial statement and the company participated regularly. Investors could visit the company's website (www.ratchthani.com) for more information on shareholders.
2. On "Company Visit" day, the company aimed to provide information of the company's business and its operations to stock analyst, institutional investors and shareholders. In 2013, Thai Value Investor (Thailand) had visited the company. This was another way to build good relations between the management of company and participants, build confident and impression of being one of the company's shareholders of. This would expand our shareholders and future investor base.

Throughout the year 2014, the company allowed domestic and foreign investors as well as institutional investors from various Securities companies to arrange a meeting with management or management of the following companies;

- Kasikorn Securities Plc.
- Thanachart Securities Plc.
- Asia Plus Group Holdings Securities Plc.
- MayBank Kim Eng Securities (THAILAND) Plc.
- Krungsri Securities Plc.
- Phatra Capital Plc.
- SCB Securities Co.,Ltd.
- Citicorp Securities (THAILAND) Limited
- Capital Nomura Securities Public Company Limited

5. Balance of executive and non-executive directors

The board of directors is composed of twelve members as follows:

Director status	Executive director	Non-executive director	Audit ccommittee member
Director representing shareholders	2	5	-
Independent director	-	-	5

There are 5 members of the Audit Committee, who are the Company's Independent Directors, which make up 41.66% of the total number of directors, and 10 Non-executive Directors, which make up 83.66% of the total number of directors. The Company set up the Board of Director as a control to ensure that the no individual or group of individuals has the absolute authorization or decision making, resulting in both management's efficiency and a proper check and balance mechanism. In addition, the company decentralizes its authorization power to appropriate levels of each functional area according to the management structure on chart.

The Company employs an Internal Audit Unit, which investigates the Company's operation as to whether it is transparent, appropriate and thorough. The Unit directly reports to the Audit Committee, which comprises 3 Independent Directors. Furthermore, the Shareholder General Meeting, number 1/2007, resolved to allow the Siam City Bank PLC. to purchase the newly issued Company's common shares without having to make tender offer, (or whitewash). The company appointed 5 representatives from Siam City Bank, PCL. (which was now Thanachart Bank, PCL.) to be directors. The Company appointed 4 representatives from the bank, consisting of 2 representatives, who joined as replacements for resigning Directors, making the total of 12 Directors. As a result the proportion of the Independent Directors: representatives from tender offer waiver: other Directors was equal to 33.33% which allowed the balance of authority and proper investigation of the Company's business conduct. The policy on directors' remuneration has been clearly set out with transparency. The remuneration is set at the same rate as that of similar businesses and commensurate with the duties and responsibilities assigned. Moreover, the amount is high enough to attract and retain the directors with required qualifications and has been approved by the shareholders' meeting. The remuneration for the executives is in accordance with the principle and policy set forth by the Board of Directors and in line with the Company's working performance as well as the performance of each executive. Currently, the company had appointed the Remuneration and Nomination Committee and set a process for remuneration. At present, the Company still has no remuneration committee and has adopted a process for considering appropriate remuneration by basing on the remuneration offered by its business peers as well as its own operational performance.

After becoming a public company, THANI will hold the board of directors' meeting at least every three months. Extra meetings can be called as deemed necessary. The meeting agenda will be definitely set in advance and will include a regular item on the operational follow-up. An invitation letter together with the agenda and documents will be prepared and sent seven days in advance of the meeting so that the board members are given sufficient time to study the information before the meeting. Directors attendance record as at December 31, 2014 is detailed as follows:-

Name	The Board of Directors	The Audit Committee	The Board of Directors(Selection & Remuneration)	The Executives Committee	The Risk Management Committee	Corporate Governance Committee
1. Mr. Virat Chinprapinorn	5/5			11/12	11/12	5/5
2. Mr. Charoensook Kititti	5/5					5/5
3. Mr. Kovit Rongwattanasophon	5/5			12/12	12/12	5/5
4. Mr. Wuttichai Suraratchai	5/5			12/12	12/12	5/5
5. Mr. Anuwat Luengtaweekul*	4/5		2/2			4/5
6. Mr. Anuchart Deeprasert*	5/5					5/5
7. Mr. Praphan Anupongongarch	5/5			12/12	12/12	5/5
8. Ph.D. Thakol Nunthirapakorn	5/5	5/5				5/5
9. Mr. Surapol Satimanon	5/5	5/5				5/5
10. Mr. Varavudh Varaporn	5/5	5/5	2/2			5/5
11. Mr. Suvit Arunanonchai	5/5	5/5	2/2			5/5
12. Asst.Prof. Naengnoi Chai-Onnom	4/5	4/5				4/5

Note : The Board of Directors held 5 official meetings in December 31, 2014
The Audit Committee held 5 official meetings in December 31, 2014
The Board of Directors (Selection & Remuneration) held 2 official meetings in December 31, 2014
The Executive Committee held 12 official meetings in December 31, 2014
The Risk Management Committee held 12 official meetings in December 31, 2014
The Corporate Governance Committee held 5 official meetings in December 31, 2014

The internal audit of the company had assigned staff who was a head of audit and compliance of Thanachart Bank which is one of the companies under Thanachart consolidated group to be in charge of the abovementioned work and report to audit committee. The internal audit was responsible for auditing to ensure that the company's operations and significant financial activities were in accordance with the laws and compliance control, including guidance. In order for the internal audit to be able to fully perform its duty with independence, the board had internal audit directly reported to audit committee and shall be evaluated by this committee.

Training Program of the Board of Directors

The Board has the policy encouraging directors to continue developing their knowledge and participating in all trainings set for directors as many as possible. Moreover, the Board encourages all directors to take any courses on corporate governance for executives held by Thai Institute of Directors (IOD).

In 2014 the directors have participated in the courses or seminar as follows;

	Names	Positions	Programs	Organizations
1	Mr. Virat Chinprapinorn	Chairman / Executive Director	- Thailand's Economic Outlook 2014 - Thailand's 5th National Conference on Collective Action Against Corruption	IOD: Thai Institute of Directors

	Names	Positions	Programs	Organizations
2	Mr. Kovit Rongwattanasophon	Director / Managing Director / President	- Thailand's 5th National Conference on Collective Action Against Corruption	IOD: Thai Institute of Directors
3	Mr. Anuwat Luengtaweekul	Director / Nomination and Compensation Committee	- How to Measure the Success of Corporate Strategy (HMS)	IOD: Thai Institute of Directors
4	Mr. Praphan Anupongongarch	Director / Executive Director	- Successful Formulation & Execution the Strategy (SFE)	IOD: Thai Institute of Directors
5	Mr. Wuttichai Suraratchai	Director/Executive Director	- The 3rd National Director Conference 2014 "Improving Corporate Governance: Key to Advancing Thailand" Group C : Anti-Corruption	IOD: Thai Institute of Directors
6	PhD Thakol Nanthirapakorn	Independent Director / Chairman of Audit Committee	"Through the changing trend"	Ernst & Young Corporate Services Limited
7	Mr. Varavudh Varaporn	Independent Director / Audit Committee / Nomination and Compensation Committee	Role of the Compensation Committee (RCC)	IOD: Thai Institute of Directors
8	Asst.Prof.Naengnoi Chai-onnom	Independent Director / Audit Committee	- Thailand's 5th National Conference on Collective Action Against Corruption - "Through the changing trend"	- IOD: Thai Institute of Directors) - Ernst & Young Corporate Services Limited
9	Mr. Suvit Arunanondchai	Independent Director / Chairman of Nomination and Compensation Committee / Audit Committee	- Role of the Compensation Committee (RCC) - Advanced Audit Committee Program (AACP) - Seminar of " Director's Compensation Survey Report 2014" - CG Forum 4/2014 : Report the survey of CGR and Discussion topic of "Evaluation the performance of the Board of Directors and the remuneration of directors"	- IOD: Thai Institute of Directors - IOD: Thai Institute of Directors - IOD: Thai Institute of Directors - Stock Exchange of Thailand

Evaluation for the performance of the board of Directors

The company has provided a self-assessment plan for the Board of Directors and committees at least once per year with the aim to focus on the evaluation that can reflect the efficiency of the operation. According to corporate governance, the evaluation is divided into two types: 1) an evaluation of the performance of the entire Board and 2) an evaluation of its own performance of individual directors for the Board of Directors to jointly review performances and to improve in the future.

The processes for evaluating the performance of the Board and individually as follow:

1. The Board of Directors conducted a self-assessment plan by themselves in compliance to the Institute of Directors of Thailand and the Stock Exchange of Thailand, which are in accordance with Thanachart Group.
2. Board Secretary summarizes the result of the evaluation of the performance of the Board of Directors as group and individuals.
3. Board Secretary reports the result of the evaluation of the performance of the Board of Directors as group and individuals to the Commission and works on to improve operational efficiency even more.

Criteria for evaluating the performance of the Board of Directors as group and individuals as follow:

1. Evaluation of the performance of the Board of Directors as group: The evaluation involves 9 aspects, including the availability of the board, Strategic and business planning, Risk management and internal control, Conflict of interest, Tracking Financial reporting and operations, The Conference Board Commission on company policy, Committee on Training and Development, and the Nomination and Remuneration Committee.

For the year 2014, the evaluation of the performance of the Board as a whole, the group is in a "very good", with an average of 4.50 out of 5.00 which most agree, which most of directors give opinions that there should be plans to improve reporting of problems or obstacles that may cause the company's operations to not meet the target to the Board of Directors. The agenda is ongoing for the committees to be involved in policy matters including the development of training programs for directors and succession planning for senior management of the company to be more comprehensive and complete.

2. Evaluation of its own performance of individual directors: The evaluation includes 4 aspects, including the duty with caution, Duties with integrity, Compliance with laws, regulations and resolutions of the shareholders' meeting, and disclosures to shareholders with correct, completeness and transparency.

For the year 2014 the evaluation of the performance of the individual in a "very good", which the majority of Directors suggested that members have responsibility, carefulness, honesty Compliance with the laws, regulations of the company, resolutions of the shareholders' meeting. As well as provide comments and suggestions that are valuable to the company. Moreover, they attended the meetings of the Board and its committees regularly.

Succession plan for the position of assistant director

The Board of Directors must ensure that the company has a proper nomination process in selecting a person to be in executive positions. The nomination process for executive position shall be in accordance with the company's selection process where candidates can be the person within or outside the company. Moreover, certain trainings for executives shall be hold along with the succession plan.

Decision on acquisition or disposition of connected transaction of the company's asset

Transaction of the listed company and any of its subsidiaries (in which the listed company hold shares in an amount exceeding 50 percent of the subsidiary's paid in capital) make a decision to enter into an acquisition or disposition of connected transaction of fundamentally important company assets have to follow Rules and Procedures of the Stock Exchange of Thailand. The company has decision to enter into any transaction as specified by the Exchange. In the case of connected transaction, Company should be use the approval of shareholders in decision to enter into acquisition or disposition of connected transaction of fundamentally important company's asset. The approval of the shareholders for the decision to enter into the transaction requires a vote of not less than three- fourths of the total votes of the shareholders or their proxies (if any) who are present at the meeting and who have right to vote, excluding the votes of interested shareholders.

Policy on data

The management shall report any changes on their stock holding to the Office of the Securities and Exchange Commission as specified under section 59 of Securities and Exchange Act B.E.2535 and the management or any organization which has received this information shall not disclose to other persons or persons who have no relevant duties. Moreover, there shall be no trading transaction on the company's stocks in a month before the disclosure of financial statement. There is also a policy for the company's management

Auditor's fee

In 2014, the Company paid the following fees to its auditor, EY Office Ltd.:

1. Audit Fee, totaling Baht 1,150,000 per year, includes:
 - 1.1 Fee for the audit of the annual financial statement of Baht 390,000.-
 - 1.2 Fee for the review of interim financial statements of Baht 460,000.- (for the first and third quarter at Baht 230,000 each)
 - 1.3 Fee for the review of the financial statements for the six-month period ending 30 June 2013 of Baht 300,000.-
2. No other fees

In 2013, the Company paid the following fees to its auditor, EY Office Ltd. (its former name was Ernst & Young Office Ltd.):



1. Audit Fee, totaling Baht 1,150,000 per year, includes:

1.1 Fee for the audit of the annual financial statement of Baht 390,000.-

1.2 Fee for the review of interim financial statements of Baht 460,000.- (for the first and third quarter at Baht 230,000 each)

1.3 Fee for the review of the financial statements for the six-month period ending 30 June 2013 of Baht 300,000.-

2. No other fees

In 2012, the Company paid the following fees to its auditor, Ernst & Young Office Ltd.:

1. Annual audit fee of Baht 400,000.

2. Fees associated with the reviews of 3 quarterly financial statements of Baht 200,000 each.

3. No other fees

Internal Control and Risk Management

Ratchthani Leasing Public Company Limited has strategic managements align with Good Corporate Government, Risk Management and Internal Control to achieve business operation properly and efficiently.

The efficiency internal control is an important management tools to the Company goals. The procedures are aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) as follows:

1. Internal Environment

- The Boards of Directors and management stipulate code of conduct and code of conduct for the Boards of Directors, management and staff.
- The Boards of Directors consists of 41.67% independent directors which are more than the regulation minimum requirement which allow independence from management in assessment and decision making for effective internal control.
- The Boards of Directors and management establish the Company Structure, appropriate responsibilities and segregate of duties to achieve effectiveness of the internal control.

2. Risk Assessment

- The Company identifies risks that may affect the business operation and specific risk response in the corporate levels and functional levels including fraudulent or inappropriate conduct.
- The Company specified objective of the operations, Financial and Non-Financial reporting including compliance with all laws and regulations and identified residual risks to the acceptable level.

3. Control Activities

- The Company has the control activities to mitigate the residual risks to the acceptable level including preventive control, segregate of duties, the level of assessment data and information control, the Level of authorization in business operations and business transactions and physical company assets controls.
- The Company has implemented and maintained Business Continuity Policy including the event of an uncontrollable emergency situation to ensure continuous business operation.

4. Information and Communication

- The Company implements an efficient information system to provide accurate complete and timely information to support business operation and including the preparation of appropriate information for management decisions making.
- The Company has a communication channel to inform and shared information to staff via electronic email and bulletin board.
- The Company has an investor relationship channel in the Company website to communicate to the investors and has a stakeholders communication channel with the audit Committee via auditcom@thani.co.th

5. Monitoring

- The Company has an assessment on the significant issues and continuously followed up on the outcomes. The Board of Directors investigated through the Company's independent auditors.
- The Company assigned the management to declare all the issues from the evolution of the Company's independent auditors and to determine the appropriate and timely solutions.

In 2014, The Board of Directors evaluated and assessed the Company internal control under the guidelines of the Office of the Securities and Exchange Commission and satisfied the Company maintains and appropriate and effective internal control.

The internal audit

The Company has no internal audit department. Since, It has an independent external audit function, they must report directly to the Audit Committee in the performance of audit and report to the President in the administration of the agency.

The Company has appointed officials, the chief internal audit and regulatory compliance of the Bank as the Company's independent auditors and report directly to the Audit Committee, in order to examine and assess the efficiency and effectiveness of the internal control system. Including information systems to ensure that normal business operations and financial activities of the company are conducted according to the guidelines and powerful enough. Including monitoring compliance with laws and regulations relating to the company (Compliance Control) is an addition to the annual internal audit plan, which approved by the Audit Committee. To determine the result of the to determine the result of risk assessment, there are criteria of the risk assessment (Risk Based Audit Approach) and based upon the inspection in accordance with the internal control of the Committee of Sponsoring Organization of the Treadway Commission (COSO).

Related Party Transactions

In 2013, 2014 the Company had related party transactions with persons with a conflict of interest. After consideration, the Audit Committee believed that such transactions were reasonable as normal transactions or they supported the Company's normal business with general trade conditions, except special transactions. The appropriateness of transactions and the committee's opinions are detailed as follows.

<i>Name of Related Parties</i>	<i>Relationship with the Company</i>	<i>Business Type</i>
Thanachart Bank Public Company Limited	Parent company	Commercial bank
Baan Rock Garden Public Company Limited	Have common directors and shareholders	Property development
Citywood Company Limited	Have common directors and shareholders	Furniture manufacturer

Loan and Outstanding from Related Persons or Businesses

	Outstanding as at 31 December 2014	(Unit : Baht) 2013
<u>Cash at Bank deposit</u>		
Thanachart Bank Public Company Limited	178,571,305	143,653,286
<u>Other asset deposit</u>		
Thanachart Bank Public Company Limited	58,980	58,980
<u>Interest receivable</u>		
Thanachart Bank Public Company Limited	11,684	14,228
<u>Short-term loan</u>		
Thanachart Bank Public Company Limited	-	-
Baan Rock Garden Public Company Limited	180,000,000	130,000,000
Citywood Company Limited	-	-
Management, directors and related persons	89,000,000	165,000,000
<u>Long-term loan</u>		
Thanachart Bank Public Company Limited	-	-
	198,442	388,469
<u>Hire purchase liabilities</u>		
Thanachart Bank Public Company Limited (Thailand)		
<u>Long-term bonds</u>	100,000	514,400,000
Thanachart Bank Public Company Limited (Thailand)		
Thanachart Insurance Company Limited (Thailand)	429,400,000	
<u>Overdraft</u>		
<u>Accrued Interest</u>		
Thanachart Bank Public Company Limited	393,839,895	4,600,004
Thanachart Bank Public Company Limited	-	-
<u>Accrued Expense</u>		
Thanachart Bank Public Company Limited	5,300	11,426,840

Related Party Transactions

Related Party Transactions	For Year (Unit : Baht)		Price Setting Policy	Reason/ Appropriateness
	2014	2013		
Thanachart Bank Public Company Limited				
Purchase Software	-	10,517,797	As agreed in contract	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Interest Expense	11,101,323	21,395,173	As agreed in contract	
Bank fee expense	10,072,661	9,133,692	As agreed in contract	
Premises and equipment Expense	296,639	481,415	As agreed in contract	
Service fee expense	5,962,272	1,296,983	As agreed in contract	
Baan Rock Garden Public Company Limited				
Interest paid	5,994,343	5,128,527	As agreed	related party transactionsare in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Citywood Company Limited				
Interest paid	10,333,833	-	As agreed in prospectus	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Management, directors and related persons				
Interest paid	4,848,789	9,012,678	As agreed	related party transactionsare in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit

Necessity and appropriateness

Presently, related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit. The related party transactions are necessary and reasonable. For price setting, market prices or costs plus proper profits are taken into consideration such as rental fee. Such expense is forecasted from marketing rental fee plus proper profit. The Company will revise costs and profits annually. The Company will propose the Audit Committee to consider reasons and appropriateness of prices. Prior approvals of the Board of Directors or shareholders are required.

Measures or procedure on approving related party transactions

For transactions due to a normal business such as bank fee, the Company will determine conditions in line with a normal business i.e. marketing prices applied to other customers, or actual costs plus proper profit. For other related party transactions, the Company will determine conditions in line with a normal business i.e. marketing prices applied to other customers with proper conditions. This aims to maximize the benefit of the Company and shareholders. Prior approvals of the Board of Directors or shareholders are required, as a case may be. The Audit Committee or auditors or experts will consider reasons of transactions and appropriateness of prices. The opinions will be proposed to the Board of Directors or shareholders for consideration, as a case may be.

Accordingly, in term of compliance with information disclosure and acquisition or sales of major assets, the Company will observe laws on securities and exchange, regulations, notifications orders or requirements of the Stock Exchange of Thailand, including accounting standards stipulated by the Federation of Accounting Professions.

Policy on further related party transactions

In the future, related party transactions will comprise transactions due to a normal business i.e. bank fee etc. Such transactions shall benefit the Company and shall be in line with the approval measures or procedures mentioned above.



Management Discussion and Analysis

Financial Statements

(1) The Company's auditor

Year	Independent Auditor Name	Certified Public Accountant's Number	Independent Auditor's Company
2014	Ms. Somjai Khunapasut	4499	EY Office Ltd.
2013	Ms. Somjai Khunapasut	4499	Ernst & Young Office Ltd.
2012	Ms. Somjai Khunapasut	4499	Ernst & Young Office Ltd.

(2) Summary of auditor report

- The auditor report for the financial statements in 2011-2013 expressed an unqualified opinion that the financial statements had been prepared accurately in accordance with the generally accepted accounting standards.

Explanation and Analysis of Company's Financial Status and Performance

● Company's performances

- Overview of the past performance

In 2012, Thai economy recovered after the massive flood crisis in the central region and some areas of Bangkok Metropolis while the world economy continued to slowdown. The Company worked closely with the management team of Thanachart Bank Plc., the major shareholder. The Company was building competitive advantages and developing internal work systems to ensure high efficiency. The Company adhered to the business plans and achieved the business goals. With good support of Thanachart Bank Plc., the Company has the total credit ports of Baht 18,865.96 million, the total income of Baht 1,583.48 million and the net profit of Baht 477.40 million.

In 2013, the company had the net profit of Baht 754.24 million increased by Baht 276.84 million or 57.99% from the prior year. The increase was due to the total incomes in 2013 amount of Baht 2,396.98 million increased by Baht 813.50 million or 51.37% from the local car industry sector was growth in the first half year of 2013 and the Company had to expand the loan portfolio continuously. Meanwhile, the Company had the financial costs amount of Baht 917.23 million increased by Baht 244.56 million or 36.36% from the prior year which due to increased the funding support of the continuous expanding loan portfolio.

For the year 2014, the Company had a net profit of 704.09 million baht, down from the previous year 50.15 million baht or 6.65 percent of total revenue for the year 2014 amounted to 2,753.93 million baht, an increase of Baht 356.95 million baht, representing 14.89 percentage growth in the domestic auto industry in the first half. The credit expansion Leasing of the company's ongoing While the company's financial expenses 1,071.90 million baht, an increase of Baht 154.63 million baht or 16.86 percent, up from financing to support the expansion of credit.

- Incomes

In 2012, the Company continued to expand credit bases due to the recovery of the automobile sector and the growth of the domestic economy. The Company's total income was recorded at Baht 1,583.48 million, an increase of Baht 462.39 million (or 41.24%) from the 2011 figure. *(Hire purchase portfolios increased Baht 6,687.08 million, or 54.91%, from 2011.)*

The main components of income covered income from leasing and financial lease of Baht 1,376.79 million or 86.95% of the total income; service fees and fees of Baht 95.39 million or 6.02%; and other incomes of Baht 111.30 million, or 6.02% and 7.03% respectively.

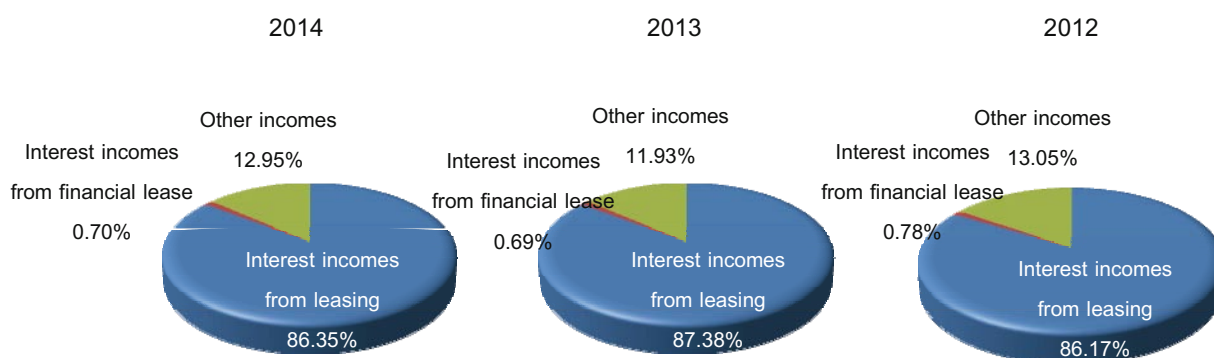
In 2013, the Company had the total income amount of Baht 2,396.98 million increased by Baht 813.50 million or 51.37% from the local car industry sector which effect from the government public policies and the Company had to expand the loan portfolio continuously. The Company loan expansion was continuously target to New and used trucks from the prior. *(Hire purchase portfolios increased Baht 7,967.44 million, or 42.23%, from 2012.)*

The proportions of total income consists of hire purchase and financial lease amount of Baht 2,111.13 million or 88.07%, the fees and service fees amount of Baht 181.21 million and other incomes amount of Baht 104.64 million, or 7.56% and 4.37% respectively.

In the year 2014, the company continues to expand its loan portfolio continued. This resulted in total revenue of 2,753.93 million baht, an increase from 2556 of 356.95 million baht or equal to 14.89 percent from (by hire purchase and receivables from financial year 2013 of 470.79 million baht or 1.75 percent).

The main component of revenue in 2014, the company continued to come from. Interest income from hire purchase and lease of 2,397.29 million baht or equal to 87.05 of total revenues and revenues from fees and services of 197.12 million baht and other income of 159.52 million baht or equal to 7.16 percent and 5.79 percent respectively.

The ratio of interest income from hire purchase and finance lease income (the mean income and service charges. And other income) of the Company for the years 2012 2013 and 2014 are as follows.





- Expenses

In 2012, the Company had the financial expense at Baht 672.66 million and the selling and administrative expense at Baht 211.27 million. Bad debts and doubtful debts were recorded at Baht 81.24 million and corporate income was Baht 140.90 million.

The financial costs in 2012 totaled Baht 672.67 million, an increase of Baht 133.73 million or 24.81%, compared with the 2011 figures. The costs rose at a lower rate than the income expansion due to low financial costs. Hence, the interest gap was maintained to ensure the profitability. The interest gaps then rose to 3.72% in 2012.

The selling and administrative expense was at Baht 211.27 million, increasing by Baht 63.26 million, or 42.74%, due to increase in main expenses. Staff expenses increased by Baht 23.01 million in order to support the Company's growth. Legal expenses rose by approximately Baht 10.60 million and loss from foreclosed assets rose by approximately Baht 13.36 million.

Bad debts and doubtful accounts in 2012 were recorded at Baht 81.24 million, dropped by Baht 44.84 million (55.66%), due to the client recovery from the flood crisis and close monitoring process.

In 2013, the Company had the financial expense amount of Baht 917.23 million and the selling and administrative expense at Baht 255.41 million. Bad debts and doubtful debts were recorded at Baht 269.10 million and corporate income was Baht 201.01 million.

The financial costs in 2013 amount of Baht 917.23 million, increased from the prior year amount of Baht 244.56 million or 36.36%. The financial costs were increased in a lower rate than the income expansion due to the Company financed the low funding costs. Hence, the interest gap was maintained to ensure the profitability. The interest gaps then rose to 4.45% in 2013.

The selling and administrative expense amount of Baht 255.41 million, increased from the prior year amount of Baht 44.19 million or 20.89%. The increase in selling and administrative expense in this year was due to the staff expenses increased by Baht 30.07 million, building and office equipment expenses increased of Baht 5.20 million in order to support the Company's growth.

Bad debts and doubtful accounts in 2013 amount of Baht 269.10 million, increased from the prior year amount of Baht 187.86 million, or 231.24%, due to the recession of local economic in the last quarter of 2013 and addition recorded the general reserved more than the prior year in comply with the expansion of the loan portfolio.

For the year 2014, the Company's financial expenses 1,071.90 million baht in sales and administrative expenses of Baht 352.58 million in bad debt and doubtful accounts of Baht 432.34 million and 193.02 million baht tax number.

Finance costs in 2014 amounted to 1,071.90 million baht, up 154.63 million baht or 16.86 percent compared to the year 2556, which comes from the financing with low financial cost to protect their interest rates to levels. With the ability to profit consistently, the ratio of interest expenses in 2014, similar to last year at the level of 4.52.

The cost of selling and administrative expenses for the year 2014 amounted to 352.58 million baht, an increase from 2013 of 97.17 million baht, representing 38.04 percentage which comes from the

expenditure primarily on its expenses increased approximately 23.42 million baht costs. Tracking seized 32.98 million baht commission Debt collection and legal costs 10.89 million baht.

Bad and doubtful debts for the year 2014 amounted to 432.34 million baht; an increase from 2013 of 163.24 million baht, representing 60.66 percentage as a result of the domestic economy showed signs of slowdown is clearly attributed to the set. Allowance for doubtful accounts in order to reflect the expansion of the company's assets, which have grown exponentially.

- Net profit

	2014	2013	Increase (Decrease)	
	Baht million	Baht million	Amount	%
Net Profit	704.09	754.24	(50.15 MB)	(6.65)
Net Profit Ratio (%)	25.57	31.47	(5.90 MB)	(18.75)
Yield (%)	8.71	8.97	(0.26 MB)	(2.90)
Cost of fund (%)	4.52	4.52	0.00	0.00
Interest Spread (%)	4.19	4.45	(0.26 MB)	(5.84)

In the year 2014, net profit down to 704.49 million baht, from the year 2013 of 50.15 million baht or 6.65 percent, at the same time, the net profit margin locate at 25.57 percentage, down from the previous year by 18.75 percentage. The net profit fell due to the result of the interest rate in 2014 dropped to enhance competitiveness amid the economic downturn, which is at 8.71 percent and 4.52 percent interest rate from the source. As a result of falling, interest rates fall from prior year to 5.84 percent.

- Financial Status

Total Assets	2014	2013	Increase (Decrease)	
	Baht million	Baht million	Baht million	%
Total Assets	27,864.27	27,293.15	571.12	2.09
Hire-Purchase Account Receivable, Net	27,025.55	26,591.75	433.8	1.63
Financial Lease- Account Receivable, Net	278.63	241.64	36.99	15.31
Hire-Purchase Account Receivable to Total Assets (%)	96.99	97.43	(0.44)	(0.45)
Foreclosed Assets	83.34	29.80	53.54	179.66



Hire-purchase account receivable was the main part of the Company's assets. In 2013, the Company had the total assets of Baht 27,293.15 million (net of allowance for doubtful accounts), or 97.43% of the total assets.

In 2014, the total assets were amount of Baht 27,864.27 million, an increase of 2.09% from the prior year. The proportion of hire-purchase accounts receivable (net of allowances for doubtful accounts) was at 97.11% of the total assets, indifferent from the last year, due to the slow down in the overall economic. The Company continued to emphasize on the core business.

Credit Quality and Allowance for Doubtful Accounts

- Hire-Purchase Account Receivable

The hire-purchase accounts receivable, at the end of 2014, 2013 and 2012 were recorded at Baht 27,025.55 million, Baht 26,591.75 million and Baht 18,658.53 million, respectively. The details are summarized as follows:

Unit : Baht	2014	2013	2012
Hire-purchase account receivable	31,728,368,286	31,323,287,836	22,070,594,489
<u>Less</u> Deferred Interest	<u>(3,783,632,533)</u>	<u>(4,144,493,881)</u>	<u>(3,060,049,648)</u>
Total	27,944,735,753	27,178,793,955	19,010,544,841
<u>Less</u> Allowances for doubtful accounts	<u>(919,185,901)</u>	<u>(587,039,167)</u>	<u>(352,015,916)</u>
Net account receivables	<u>27,025,549,852</u>	<u>26,591,754,788</u>	<u>18,658,528,925</u>

The classifications of hire-purchase accounts receivable less deferred interest incomes were shown in the following table.

As of 31 December 2014					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Baht thousand)	(Unit : Baht thousand)	(Unit : Baht thousand)
Normal receivables	31,195	1.00%	18,886,369	1,139,494	11,395
1-month overdue	6,930	1.00%	3,830,242	201,756	2,018
2-3 month overdue	7,138	2.00%	3,752,601	156,852	3,137
4-6 month overdue	1,241	20.00%	782,280	782,280	156,456
7-12 month overdue	475	50.00%	227,706	227,706	113,853
Over 12-month overdue	286	100.00%	124,072	124,072	124,072
Account receivables under negotiation agreement	414	100.00%	222,746	222,746	222,746
Receivables from sales of property foreclosed	569	100.00%	118,720	118,720	118,720

As of 31 December 2014					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
Uncollected surplus allowance for doubtful accounts					166,789
Total	48,248		27,944,736		919,186

As of 31 December 2013					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Baht thousand)	(Unit : Baht thousand)	(Unit : Baht thousand)
Normal receivables	30,782	1.00%	19,245,400	1,587,701	15,877
1-month overdue	6,808	1.00%	3,974,390	311,916	3,119
2-3 month overdue	5,691	2.00%	2,971,990	201,662	4,033
4-6 month overdue	971	20.00%	553,378	553,378	110,676
7-12 month overdue	301	50.00%	146,181	146,181	73,090
Over 12-month overdue	141	100.00%	50,156	50,156	50,156
Account receivables under negotiation agreement	361	100.00%	197,572	197,572	197,572
Receivables from sales of property foreclosed	208	100.00%	39,727	39,727	39,727
Uncollected surplus allowance for doubtful accounts					92,789
Total	45,263		27,178,794	3,088,293	587,039



As of 31 December 2012					
Aging	Number of Customers	Allowances for Doubtful Accounts Rate	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Baht thousand)	(Unit : Baht thousand)	(Unit : Baht thousand)
Normal receivables	25,104	1.00%	14,497,278	1,379,162	13,792
1-month overdue	4,756	1.00%	2,465,905	228,661	2,287
2-3 month overdue	3,575	2.00%	1,609,863	114,705	2,294
4-6 month overdue	365	20.00%	183,945	183,945	36,789
7-12 month overdue	126	50.00%	49,952	49,952	24,976
Over 12-month overdue	341	100.00%	185,847	185,847	185,847
Account receivables under negotiation agreement	49	1-100.00%	17,755	17,755	17,755
Uncollected surplus allowance for doubtful accounts					68,276
Total	34,316		19,010,545	2,160,027	352,016

Note: The allowance for doubtful accounts receivable and payable in 4 installments are not collateral.

In 2013 the company has set aside an allowance for doubtful accounts of 352.19 million baht, an increase of 48.38 million baht, an increase of 93.05 compared to 2012 due to an allowance for doubtful accounts of excess debt may not charged

In 2013 the company has set aside an allowance for doubtful accounts of Baht 587.85 million, an increase of 235.66 million baht, an increase of 66.91 percent compared to the year 2013 from the company's normal provision has continued to grow. And an allowance Excess provision for doubtful debts may not billable.

In 2014 the company has set aside an allowance for doubtful accounts of Baht 920.22 million, an increase of 332.37 million baht, an increase of 56.54 percent compared to the year 2013 from the company's normal provision has continued to grow. And an allowance Excess provision for doubtful debts may not billable.

The Company's policy is amortized loans written off by the Supreme Court is provided on the debtor and the guarantor of payment to the Company and the Company can not deprive the court to comply with the Court. Amortization of loans as bad debt will lead to decrease in the allowance for doubtful accounts and bad debt recovery are recorded in other income for the year 2014, 2013 and 2012 the company written off as 99.97 million Baht 33.44 million and Baht 32.85 million baht respectively

The above table Accounts receivable, net of interest that are not recognized as income in the year 2014, 2013 and 2012, the majority of regular debtors who owe less than 3 periods totaling 26,469.21

THB 26,191.78 million and Baht 18,573.04 million baht, respectively, representing 94.72%, 96.37% and 97.69%, respectively. Which represents the debtors, most of the past still in the usual way.

- Financial lease accounts receivable

(Unit : Baht)

2014					
Financial lease accounts receivable	Account Receivables Less Deferred Financial lease Interest	Account Receivable Ratio	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts (%)	Allowances for Doubtful Accounts
Unscheduled Due	268,207,926	95.90%	16,967,093	1%	169,671
1-month overdue	5,459,377	1.95%	524,860	1%	5,249
2-3-month overdue	2,112,936	0.76%	-	2%	-
3-6 month overdue	3,609,132	1.29%	3,609,132	20%	721,826
7-12 month overdue	279,850	0.10%	279,850	50%	139,925
Total	279,669,221	100.00%	21,380,935	-	1,036,671

(Unit : Baht)

2013					
Financial lease accounts receivable	Account Receivables Less Deferred Financial lease Interest	Account Receivable Ratio	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts (%)	Allowances for Doubtful Accounts
Unscheduled Due	232,606,435	95.94%	13,582,120	1%	135,821
1-month overdue	2,518,946	1.04%	203,661	1%	2,037
2-3-month overdue	2,217,898	0.91%	49,674	2%	993
4-6-month overdue	5,107,571	2.11%	3,356,057	20%	671,211
Total	242,450,850	100.00%	17,191,512		810,062

(Unit : Baht)

2012					
Financial lease accounts receivable	Account Receivables Less Deferred Financial lease Interest	Account Receivable Ratio	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts (%)	Allowances for Doubtful Accounts
Unscheduled Due	192,186,480	92.57%	13,582,120	1%	135,821
1-month overdue	5,041,198	2.43%	203,661	1%	2,037
2-3-month overdue	10,376,706	5.00%	49,674	2%	993
Total	207,604,384	100.00%	16,514,691		174,394

- Adequacy of Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts for the purchase contracts and finance leases based on the estimated losses that may be collection of receivables. Based on the current status of receivables outstanding. Debtors who owes no more than 3 months to an allowance for doubtful accounts of the principal balance net of collateral and for the debtor owes more than 3 months to an allowance for doubtful accounts without collateral and for the debtor under the compromise - the law. An allowance for doubtful accounts without collateral as well

The company also has carefully by an allowance for doubtful debts may charge extra for it. And increase efficiency in the collection to match the size of the loan portfolio by the end of 2014, 2013 and 2012, the Company had loans of non-performing loans (NPL) of 1,479.42 million Baht, 990.37 million and 437.50 million baht. Respectively, and the allowance for doubtful accounts of Baht 920.22 million Baht 587.85 million and 352.02 million baht respectively.

In 2014, 2013 and 2012, the Company had an allowance for doubtful accounts of 62.20 percent, 59.36 percent and 80.46 of the loan that does not generate revenue, respectively, which was considered to credit tightened and tracking receivables. Strict The Company believes that the allowance for doubtful accounts is still appropriately adequate and effective under normal operations of the company.

- Total Liabilities

	2014	2013	2012
	Baht million	Baht million	Baht million
Total Liabilities	23,985.22	24,069.87	16,705.18
Short-term Loan and Overdraft	7,055.53	7,007.20	6,163.40
Long-term Loan	624.79	1,662.00	1,097.20
Long-term Bond	15,700.00	14,760.00	9,000.00
Other Liabilities	598.66	640.67	444.58

Total liabilities in 2014, 2013 and 2012 amounted to 23,985.22 million Baht, 24,069.87 million Baht and 16,705.18 million baht, respectively. The total debt in 2014, down 0.35 percent from the year 2013 and the total debt in 2012 increased by 44.09 over the year. In 2012 will see the company's total debt increased. Arising from the provision of loans, both short and long term to support the expansion of the Company's credit.

At the end of 2014, total liabilities of the company will consist of the main Short-term loan of Baht 7,055.53 million long-term loan of Baht 624.79 million and debentures of 15,700 million baht.

Other current liabilities consist of the following, Tax payable, other creditors of the debtor's car insurance premium payable and transfer deferred by the year 2014 amounted to 598.66 million baht. Other current liabilities decreased from the year 2012 of 42.01 million baht or 6.56 percent.

- Shareholders' Equity

On 10 April 2012, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2011 net profit as the legal reserve of Baht 10.26 million. The Meeting also passed the resolution to cancel the new shares unsold, of 467,356,772. The registered capital was reduced from Baht 1,809 million (ordinary shares of 1,809,706,480 shares, a par value of Baht 1) to Baht 1,342 million (ordinary shares of 1,342,349,708 shares, a par value of Baht 1). The Company already registered the capital reduction at the Ministry of Commerce on 20 April 2012. In addition, the Meeting passed the resolution to pay dividend, at Baht 0.08 per share, to the shareholders holding 1,342,349,708 shares. The total dividend was at Baht 107.39 million.

In 2012 overall, the shareholders' equity of the Company was at Baht 2,509.31 million, increasing by approximately Baht 387.16 million or 18.24%. The increase was resulted from the net profit of Baht 477.40 million and the dividend payment of Baht 107.39 million.

In 2013, the Company's shareholders' equity was at Baht 3,223.28 million, increasing by Baht 713.97 million or 28.45% from the 2012 figure. The increase was resulted from the net profit of Baht 754.24 million, cash dividend of Baht 40.27 million and stock dividends of 268.47 million.

For the year 2014, the company has a number of shareholders 3,879.05 million baht, an increase from the year 2013 amounted to about 655.77 million baht or equal to 20.34 percentage in profit for the year amounted to 704.09 million baht, dividend payment in cash of 48.32 million baht and stock dividend of 402.70 million baht.

- Liquidity

Cash flow	2014	2013	2012
	Baht million	Baht million	Baht million
Cash flow from (for) operations	1,195.56	(6,228.07)	(5,356.51)
Cash flow from (for) investment activities	(7.34)	(19.00)	28.89
Cash flow from (for) funding activities	(1,166.79)	6,252.07	5,485.23
Net cash flow increase (decrease)	21.42	5.00	157.61
Cash & cash at bank	204.24	182.82	177.82

In 2012, the Company's net cash flow was at Baht 157.61 million, increasing from Baht 1.65 million in 2011. From the table above, the cash flow for operations was recorded at Baht 5,356.51 million in 2012 due to hire purchase loans. The Company had the cash flow from funding activities of Baht 5,485.23 million to support credit expansion.

In 2013, the Company's net cash flow was at Baht 5.00 million, a slight increasing from the prior year which had the net cash flow amount of Baht 177.82 million.



From the liquidity table above, the Company had cash flow from the operations activities amount of Baht 6,228.07 million and had the cash flow from financing activities amount of Baht 6,252.07 million to support the expansion of the loan portfolio.

In 2014, the Company had net cash flow increased by Baht 21.42 million baht, an increase from 2013, with cash of 182.82 million baht from the above table shows that in 2014 the company had net cash provided by operating activities 1,195.56 million baht and the number of credit loan.

For financing activities in 2014 the company had net cash used to 1,166.79 million baht a number of financing by borrowing to support the expansion of hire purchase.

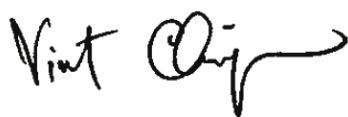
Responsibilities of the Board of Directors for Financial Report

The Board of Directors of Ratchthani Leasing Public Company Limited is responsible for the preparation, disclosure and presentation of the Company's financial statements including financial information shown in Annual Report of 2014. Such financial statements were prepared according to general accepted accounting principles with thorough consideration in using appropriate, adequate and consistent accounting policies and estimation related to the financial statements to ensure that the financial report had no material incorrect information for the benefit of shareholders and general investors.

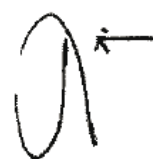
The Board of Directors appointed the Audit Committee comprising independent directors to review accounting policies, supervise the quality of financial statements, review internal control system, internal audit and risk management as well as to consider the disclosure of connected transactions which the opinion of Audit Committee of such issue shown in the Audit Committee Report in the Annual Report.

The Board of Directors has established proper and efficient control system, risk management system including internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent fraud or any material irregular operation.

The Board of Directors viewed that the overall internal control system of the Company was at satisfactory level and was able to rationally assure that the Company's financial statements for the year ended December 31, 2014 was reliable and complied with general accepted accounting principles and related rules and regulations.



(Mr. Virat Chinprapinporn)
Chairman of the Board of Directors



(Mr. Kovit Rongwattanasophon)
Managing Director



Report of Audit Committee

The Audit Committee of Ratchthani Leasing Public Company Limited appointed by the Board of Directors comprises 5 qualified independent directors as follows:

- | | | | | |
|----|------------------------------|----------------|----|-----------------------------|
| 1. | Dr. Thakol | Nunthirapakorn | as | Chairman of Audit Committee |
| 2. | Mr. Surapon | Satimanont | as | Member of Audit Committee |
| 3. | Mr. Varavudh | Varaporn | as | Member of Audit Committee |
| 4. | Assistant Professor Naengnoi | Chai-onnom | as | Member of Audit Committee |
| 5. | Mr. Suvit | Arunanonchai | as | Member of Audit Committee |

All members of Audit Committee are not executives or employees of the Company and possess qualifications as required by regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee has been assigned to oversee and review information of the Company which related to the financial report and disclosure, internal control system and regulatory compliance with related supervision agencies including promoting good corporate governance.

In 2014, the Audit Committee held 5 meetings with the management, executives from relevant departments and external auditor to consider and acknowledge related matters which can be summarized as follows:

- Financial Report

The Audit Committee reviewed the quarterly and annual financial statements of the Company by consulting with auditor and management of finance and accounting department. Besides, the Audit Committee arranged meetings with auditor excluding the management to consult about the independence of auditor in performing its duties and expressing an opinion to ensure the financial statements had been conducted in accordance with General Accepted Accounting Principle, with material correctness and adequate disclosure.

- Auditor

The Audit Committee considered qualification, independence, performance and proper remuneration of auditor and proposed as well as advised to the Board of Directors.

- Internal Control and Internal Audit

The Audit Committee had reviewed the Company's internal control system to ensure the efficiency of its system and performing the internal audit by consulting with independent internal audit in planning and approving the annual audit plan. The Audit Committee had to ensure the adequacy and qualification of internal audit staff including the independency in performing internal audit. Besides, the Audit Committee has monitored the performance as well as corrected based on the internal audit report for material issues constantly in order to achieve good internal control, risk management, corporate governance and include the system of internal controls related to the anti-corrupt.

- Regulatory Compliance

The Audit Committee had considered and monitored the operation of the Company to be in accordance with regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand including laws or related regulations to ensure that the Company had complied with such rules and regulations.

- Connected Transaction or Conflict of Interest Transaction

The Audit Committee had considered the connected transactions or conflict of interest transactions based on reasonableness, transparency, disclosure including conditions of the transactions as be informed by the Company before proposing to the Board of Directors.

With regard to the performance according to the duties and responsibilities mentioned above, the Audit Committee viewed that the Company conducted the financial statements with appropriateness and disclosed adequacy information in accordance with General Accepted Accounting Principle. The internal audit control and internal audit had been performed properly and sufficiently together with the efficient risk management. The Company's operation had operated in accordance with related regulations. The Audit Committee also monitored the performance of auditor to ensure its independence and the connected transaction or conflict of interest transaction had been performed with transparency, reasonableness and sufficient disclosure.



(Thakol Nunthirapakorn, Ph. D.)

Chairman of the Audit Committee



Ratchthani Leasing Public Company Limited
Report and financial statements
31 December 2014

Independent Auditor's Report

To the Shareholders of Ratchthani Leasing Public Company Limited

I have audited the accompanying financial statements of Ratchthani Leasing Public Company Limited, which comprise the statements of financial position as at 31 December 2014, and the related 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.

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 risks 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 Ratchthani 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.

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 16 February 2015

Ratchthani Leasing Public Company Limited

Statements of financial position

As at 31 December 2014

(Unit: Baht)

	Note	2014	2013
Assets			
Current assets			
Cash and cash equivalents	6	204,241,272	182,822,472
Current portion of hire purchase receivables - net	7	10,562,738,087	9,363,836,532
Current portion of financial lease receivables - net	8	98,036,401	76,517,975
Other receivables		48,009,151	38,482,963
Property foreclosed - net	10	83,335,533	29,796,842
Undue input vat		3,490,886	73,116,813
Other current assets		5,073,304	6,171,635
Total current assets		11,004,924,634	9,770,745,232
Non-current assets			
Restricted bank deposits	11	300,000	300,000
Hire purchase receivables - net of current portion	7	16,462,811,764	17,227,918,256
Financial lease receivables - net of current portion	8	180,596,148	165,122,812
Other long-term investment		183,129	197,202
Investment properties	12	19,326,498	19,326,498
Land, building and equipment - net	13	54,104,045	53,010,891
Intangible assets - net	14	15,707,387	17,617,812
Deferred tax assets - net	15.1	124,204,165	36,959,452
Other non-current assets		2,110,552	1,954,786
Total non-current assets		16,859,343,688	17,522,407,709
Total assets		27,864,268,322	27,293,152,941

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



Ratchthani Leasing Public Company Limited

Statements of financial position (continued)

As at 31 December 2014

		(Unit: Baht)	
	Note	2014	2013
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	16	4,972,133,072	5,595,328,704
Short-term loans	17		
Related person and related parties		269,000,000	295,000,000
Unrelated persons and unrelated parties		778,000,000	765,000,000
Other payables	18	199,921,231	294,205,395
Accrued interest		126,484,162	125,875,584
Current portion of hire purchase and financial lease payables			
payables	21	4,648,737	5,009,738
Current portion of long-term loans	19	1,036,404,655	350,323,042
Current portion of debentures - Unrelated parties	20	1,499,558,607	1,999,146,411
Income tax payable		137,709,450	142,655,740
Other current liabilities		134,541,638	78,360,740
Total current liabilities		9,158,401,552	9,650,905,354
Non-current liabilities			
Hire purchase and financial lease payables			
- net of current portion	21	9,379,316	9,512,368
Long-term loans - net of current portion	19	624,787,925	1,661,192,581
Debentures - net of current portion	20		
Related parties		428,799,369	513,263,201
Unrelated parties		13,751,411,573	12,223,748,889
Provision for long-term employee benefits	22	12,443,089	11,249,601
Total non-current liabilities		14,826,821,272	14,418,966,640
Total liabilities		23,985,222,824	24,069,871,994

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

Ratchthani Leasing Public Company Limited

Statements of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	2014	2013
Shareholders' equity			
Share capital			
Registered			
2,013,524,496 ordinary shares of Baht 1 each			
(2013: 1,610,819,649 ordinary shares			
of Baht 1 each)	23	2,013,524,496	1,610,819,649
Issued and fully paid-up			
2,013,522,778 ordinary shares of Baht 1 each			
(2013: 1,610,819,597 ordinary shares			
of Baht 1 each)		2,013,522,778	1,610,819,597
Share premium		319,888,163	319,888,163
Retained earnings			
Appropriated - statutory reserve	24	145,500,000	110,117,814
Unappropriated		1,400,134,557	1,182,455,373
Total shareholders' equity		3,879,045,498	3,223,280,947
Total liabilities and shareholders' equity		27,864,268,322	27,293,152,941

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



Ratchthani Leasing Public Company Limited

Statements of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Profit or loss:			
Revenues			
Hire purchase interest income		2,377,960,531	2,094,492,590
Financial leases interest income		19,328,139	16,639,380
Fees and service income		197,117,473	181,209,374
Other income		159,523,204	104,642,039
Total revenues		2,753,929,347	2,396,983,383
Expenses			
Selling expenses		90,476,693	55,660,802
Administrative expenses		262,102,525	199,751,697
Bad debts and doubtful accounts	9	432,339,612	269,098,289
Total expenses		784,918,830	524,510,788
Profit before finance cost and income tax expenses		1,969,010,517	1,872,472,595
Finance cost		(1,071,901,118)	(917,225,238)
Profit before income tax expenses		897,109,399	955,247,357
Income tax expenses	15.2	(193,020,390)	(201,007,474)
Profit for the year		704,089,009	754,239,883
Other comprehensive income for the year:		-	-
Total comprehensive income for the year		704,089,009	754,239,883
Earnings per share	26		
Basic earnings per share		0.35	0.37

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

Ratchthani Leasing Public Company Limited

Cash flows statements

For the year ended 31 December 2014

	(Unit: Baht)	
	2014	2013
Cash flows from operating activities		
Profit before income tax	897,109,399	955,247,357
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	13,470,760	10,960,561
Bad debts and doubtful accounts	432,339,612	269,098,289
Loss (gain) on sales of land, building and equipment	(327,704)	(2,354,706)
Impairment loss on property foreclosed	18,823,157	5,338,604
Impairment loss on investment	14,073	43,179
Increase in provision for long-term employee benefits	1,736,488	2,154,053
Interest income	(2,397,288,670)	(2,111,131,970)
Interest expenses	1,071,901,118	917,225,238
Profit from operating activities before changes in operating assets and liabilities	37,778,233	46,580,605
Operating assets (increase) decrease		
Hire purchase receivables	(1,100,625,347)	(8,421,164,080)
Financial lease receivables	(37,617,553)	(35,112,305)
Other receivables	(9,526,189)	(18,056,141)
Property foreclosed	(72,361,847)	(10,160,216)
Other current assets	68,925,643	(46,434,557)
Other non-current assets	439,589	3,148,824
Operating liabilities increase (decrease)		
Other payables	(94,827,165)	48,071,416
Other current liabilities	55,951,926	39,417,898
Cash flows used in operating activities	(1,151,862,710)	(8,393,708,556)
Cash received from interest	2,632,405,132	2,330,873,405
Cash paid for income tax	(284,982,421)	(165,231,952)
Net cash flows from (used in) operating activities	1,195,560,001	(6,228,067,103)

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



Ratchthani Leasing Public Company Limited

Cash flows statements (continued)

For the year ended 31 December 2014

	(Unit: Baht)	
	2014	2013
Cash flows from investing activities		
Cash paid for acquisition of land, building and equipment	(5,654,507)	(8,318,818)
Cash paid for acquisition of intangible assets	(2,714,700)	(13,891,513)
Proceeds from sales of land, building and equipment	1,021,272	3,204,861
Net cash used in investing activities	(7,347,935)	(19,005,470)
Cash flows from financing activities		
Increase (decrease) in bank overdrafts and short-term loans		
from financial institutions	(782,707,589)	897,437,713
Increase (decrease) in short-term loans	(13,000,000)	(436,792,241)
Cash received from long-term loans	-	1,000,000,000
Repayment for long-term loans	(351,866,680)	(240,133,340)
Cash received from issuance of debentures	2,933,452,614	5,746,798,436
Repayment for debentures	(2,000,000,000)	-
Repayment for hire purchase and financial lease payables	(5,471,902)	(4,989,326)
Dividend payment	(48,324,458)	(40,270,544)
Cash paid for interest	(898,875,251)	(669,976,736)
Net cash from (used in) financing activities	(1,166,793,266)	6,252,073,962
Net increase in cash and cash equivalents	21,418,800	5,001,389
Cash and cash equivalents at beginning of year	182,822,472	177,821,083
Cash and cash equivalents at end of year	204,241,272	182,822,472

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

Ratchthani Leasing Public Company Limited

Statements of changes in shareholders' equity

For the year ended 31 December 2014

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	(Unit: Baht)
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2013	1,342,349,708	319,888,163	70,117,814	776,955,923	2,509,311,608	
Appropriate statutory reserve	-	-	40,000,000	(40,000,000)	-	
Dividend paid (Note 23)	268,469,889	-	-	(308,740,433)	(40,270,544)	
Total comprehensive income for the year	-	-	-	754,239,883	754,239,883	
Balance as at 31 December 2013	1,610,819,597	319,888,163	110,117,814	1,182,455,373	3,223,280,947	
Balance as at 1 January 2014	1,610,819,597	319,888,163	110,117,814	1,182,455,373	3,223,280,947	
Appropriate statutory reserve	-	-	35,382,186	(35,382,186)	-	
Dividend paid (Note 23)	402,703,181	-	-	(451,027,639)	(48,324,458)	
Total comprehensive income for the year	-	-	-	704,089,009	704,089,009	
Balance as at 31 December 2014	2,013,522,778	319,888,163	145,500,000	1,400,134,557	3,879,045,498	

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



Ratchthani Leasing Public Company Limited

Notes to financial statements

For the year ended 31 December 2014

1. Corporate information

Ratchthani Leasing Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Thanachart Bank Public Company Limited, a public limited company existing under Thai laws. The parent company of the Group is Thanachart Capital Public Company Limited, a public limited company also existing under Thai laws. The Company is principally engaged in the providing financial services specifically hire-purchase and leasing. The Company’s registered address is 77/35-36, 11 UP and 14 Floor, Sinsatorn Tower, Krungdhonburi, Klongtonsai, Klongsarn, Bangkok.

2. Basis of preparation of the 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.

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 immediately recognises actuarial gain and loss in profit or loss in the period in which they occur. The assessment of the management of the Company 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 Company's financial statements.

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 believes that this standard will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

a) Interest income under hire purchase and financial lease

Interest income under hire purchase and financial lease are recognised on an accrual basis, as the following.

- For the contracts originated before 1 January 2008, the Company recognised income by using sum of the digits method.
- For the contracts originated on or after 1 January 2008, the Company recognised income by using effective interest method.



The Company ceases accruing income for receivables which installment payment has been defaulted for more than three installments past the due date. Interest is then recognised as income on a cash basis until settlement of such overdue balance has been received.

Interest income received in advance, represents discounts on interest granted to the debtors by dealers, is recognised as income based on the effective interest method in the same manner as interest income recognised on hire purchase receivable.

b) Fees and service income

Fees and service income are recognised when services have been rendered.

4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Commission and expenses charged on hire purchase/financial leases

For hire purchase/financial lease contracts originating on or after 1 January 2008, initial direct expenses at the inception of a hire purchase/financial lease contract (i.e. commission expenses and stamp duty expenses) are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts. The Company recognised all deferred initial direct expenses as expenses when the receivables are more than three installments overdue.

Unearned income on hire purchase/financial leases is presented net of commission expenses and initial direct costs at the inception of the contracts.

4.3 Cash and cash equivalents

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

4.4 Hire purchase and financial lease receivables

Hire purchase and financial lease receivables are stated at the contract value net of unearned income, which is presented after netting initial direct costs at the inception of the contracts.

4.5 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for hire purchase and financial lease receivables based on the amount of debts that may not be collectible, determined by analysis of the current status of the receivables. Allowance for doubtful accounts is provided based on the loan balances net of collateral value for receivables overdue by no more than 3 installments, and without deducting collateral value for receivables that overdue by more than 3 installments, receivables under debt compositions and legal receivables.

	<u>Provisioning rate (%)</u>
Normal loans and past due not more than 1 installment	1
Past due more than 1 installments	2
Past due more than 3 installments	20
Past due more than 6 installments	50
Past due more than 12 installments	100

Bad debt and doubtful accounts are recognised in profit or loss in the statement of comprehensive income. The Company has a policy to write-off receivables when a court has ordered a debtor to make payment of a debt but the debtor is unable to do so. Amounts written off as bad debts are deducted from allowance for doubtful accounts, and bad debt recovery is recognised as other income.

4.6 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value.

Gain (loss) on disposal of property foreclosed is recognised in part of profit or loss when disposal. Impairment loss of property foreclosed are recognised as expenses in part of profit or loss in operating activities.

4.7 Investments

Investments in non-marketable equity securities, which are classified as other investments, are stated at cost net of allowance for loss on impairment (if any).



4.8 Investment properties

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

4.9 Land, building and equipment and depreciation

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

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

Condominium units	-	20 years
Building improvement	-	5 years
Furniture, fixtures and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and building improvement in process.

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

4.10 Intangible assets

Intangible assets are initially measured at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

The Company amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expenses are recognised as expenses in part of profit or loss.

Intangible assets with finite useful lives have useful lives of approximately 5 - 10 years.

4.11 Related party transactions

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

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

4.12 Long-term leases

Leases that transfer substantially all the risks and rewards of ownership to the Company are classified as financial leases. Financial 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. Assets acquired under finance leases are depreciated over their estimated useful lives.

Long-term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Moreover, payments made under operating leases are recognised as expenses in part of profit or loss over the term of the leases on the straight-line basis.

4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the land, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

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

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.15 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 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 recognises 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 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts for hire purchase/financial lease receivables

In determining an allowance for doubtful accounts for hire purchase and financial lease receivables, the management needs to make judgement and estimates the probable loss based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.



Land, building and equipment and depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the building and equipment and to review estimate useful lives and residual values when there are any changes.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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.

6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2014	2013
Cash	6,858	627
Bank deposits	197,383	182,195
Total	204,241	182,822

As at 31 December 2014, bank deposits in saving and fixed accounts are carried interests between 0.37 and 2.00 percent per annum (2013: between 0.50 and 2.00 percent per annum).

7. Hire purchase receivables

7.1 As at 31 December 2014 and 2013, hire purchase receivables generally have terms 24 - 60 months and are payable in equal installments payment, with interest charged at fixed rates throughout the contracts. The balances of hire purchase receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)

	2014			
	Amounts due under the agreement			
	Due within 1 year ⁽¹⁾	1 - 5 years	Due over 5 year	Total
Hire purchase receivables				
Contracts before 2008	5,665	-	-	5,665
Contracts on or after 2008	13,558,773	18,153,698	10,233	31,722,704
Total	13,564,438	18,153,698	10,233	31,728,369
Less: unearned financial income ⁽²⁾	(2,094,968)	(1,688,313)	(352)	(3,783,633)
Present value of the minimum lease payment receivables	11,469,470	16,465,385	9,881	27,944,736
Less: Allowance for doubtful accounts ⁽³⁾	(906,732)	(12,433)	(21)	(919,186)
Hire purchase receivables - net	10,562,738	16,452,952	9,860	27,025,550

(1) The current portion of hire purchase receivables included receivables for which revenue recognition has ceased.

(2) Presented net of deferred initial direct costs of hire-purchase.

(3) Current portion of allowance for doubtful accounts included additional provision for uncollectible receivables that may not be collectible.

(Unit: Thousand Baht)

	2013			
	Amounts due under the agreement			
	Due within 1 year ⁽¹⁾	1 - 5 years	Due over 5 year	Total
Hire purchase receivables				
Contracts before 2008	6,192	-	-	6,192
Contracts on or after 2008	12,068,099	19,246,075	2,922	31,317,096
Total	12,074,291	19,246,075	2,922	31,323,288
Less: unearned financial income ⁽²⁾	(2,140,744)	(2,003,715)	(35)	(4,144,494)
Present value of the minimum lease payment receivables	9,933,547	17,242,360	2,887	27,178,794
Less: Allowance for doubtful accounts ⁽³⁾	(569,710)	(17,323)	(6)	(587,039)
Hire purchase receivables - net	9,363,837	17,225,037	2,881	26,591,755

(1) The current portion of hire purchase receivables included receivables for which revenue recognition has ceased.

(2) Presented net of deferred initial direct costs of hire-purchase.

(3) Current portion of allowance for doubtful accounts included additional provision for uncollectible receivables that may not be collectible.



7.2 As at 31 December 2014 and 2013, the balances of hire purchase receivables are classified by aging of installments past due and allowance for doubtful accounts as follows:

(Unit: Thousand Baht)

Age of receivables	2014				
	Number of contracts	Hire purchase receivables - net of unearned financial income	Hire purchase receivables - net of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
<u>Hire purchase receivables</u>					
Not yet due	31,195	18,886,369	1,139,494	1%	11,395
Past due not more than 1 installment	6,930	3,830,242	201,756	1%	2,018
Past due more than 1 installments	7,138	3,752,601	156,852	2%	3,137
Past due more than 3 installments	1,241	782,280	782,280	20%	156,456
Past due more than 6 installments	475	227,706	227,706	50%	113,853
Past due more than 12 installments	286	124,072	124,072	100%	124,072
Court judge receivables	327	180,158	180,158	100%	180,158
Receivables from sales of property foreclosed /Recoverable damages receivable	569	118,720	118,720	100%	118,720
Total	48,161	27,902,148	2,931,038		709,809
<u>Receivables under compromise agreement</u>					
Not yet due	60	31,552	31,552	100%	31,552
Past due not more than 1 installment	3	1,062	1,062	100%	1,062
Past due more than 1 installments	5	1,631	1,631	100%	1,631
Past due more than 3 installments	3	491	491	100%	491
Past due more than 6 installments	3	865	865	100%	865
Past due more than 12 installments	13	6,987	6,987	100%	6,987
Total	87	42,588	42,588		42,588
Allowance for doubtful accounts - additional provision for uncollectible receivables					166,789
Total	48,248	27,944,736	2,973,626		919,186

(1) Hire purchase receivables that are more than 3 installments past due, court judge receivables, receivables from sales of property foreclosed, recoverable damages receivables and receivables under compromise agreement are presented after deduction of unearned financial income, without deducting collateral value.

(Unit: Thousand Baht)

2013					
Age of receivables	Number of contracts	Hire purchase receivables - net of unearned financial income	Hire purchase receivables - net of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
<u>Hire purchase receivables</u>					
Not yet due	30,782	19,245,400	1,587,701	1%	15,877
Past due not more than 1 installment	6,808	3,974,390	311,916	1%	3,119
Past due more than 1 installments	5,691	2,971,990	201,662	2%	4,033
Past due more than 3 installments	971	553,378	553,378	20%	110,676
Past due more than 6 installments	301	146,181	146,181	50%	73,090
Past due more than 12 installments	141	50,156	50,156	100%	50,156
Court judge receivables	313	178,509	178,509	100%	178,509
Receivables from sales of property foreclosed /Recoverable damages receivable	208	39,727	39,727	100%	39,727
Total	45,215	27,159,731	3,069,230		475,187
<u>Receivables under compromise agreement</u>					
Not yet due	19	5,978	5,978	100%	5,978
Past due not more than 1 installment	3	1,062	1,062	100%	1,062
Past due more than 1 installments	5	1,764	1,764	100%	1,764
Past due more than 3 installments	3	523	523	100%	523
Past due more than 6 installments	3	866	866	100%	866
Past due more than 12 installments	15	8,870	8,870	100%	8,870
Total	48	19,063	19,063		19,063
Allowance for doubtful accounts - additional provision for uncollectible receivables					92,789
Total	45,263	27,178,794	3,088,293		587,039

(1) Hire purchase receivables that are more than 3 installments past due, court judge receivables, receivables from sales of property foreclosed, recoverable damages receivables and receivables under compromise agreement are presented after deduction of unearned financial income, without deducting collateral value.



- 7.3** As at 31 December 2014, the Company had hire purchase receivables amounting to approximately Baht 1,980.09 million, for which revenue recognition has ceased (2013: Baht 1,252.14 million).
- 7.4** As at 31 December 2014, the Company had non-performing loans (receivables overdue more than 3 installments) amounting to approximately Baht 1,475.52 million (2013: Baht 987.01 million).
- 7.5** As at 31 December 2014, hire purchase receivables included 546 hire purchase receivables contracts for which modifications of terms (extended repayment schedule) had been negotiated during the year, with outstanding balances totaling Baht 378 million.
- 7.6** The notification of the Institute of Certified Accountants and Auditors of Thailand, approved by 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 recognition of revenue cease for accounts receivable which are overdue by more than three installments, and general allowance be provided for accounts receivable which are not overdue or overdue by no more than three installments, or use an alternative method where the Company believes that this would be more appropriate. The Company estimates allowance for doubtful accounts based on consideration of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection, and believes that rates currently used to set allowance for doubtful accounts are appropriate.

8. Financial lease receivables

8.1 As at 31 December 2014 and 2013, the average contract period of the Company's financial lease receivables are 36 - 60 installments and equally installment payment with interest charged at the fixed rate as specified in the contracts. The balances of financial lease receivables are classified by period due as follows:

(Unit: Thousand Baht)			
2014			
Amounts due under the agreement			
	Within 1 year	1 - 5 years	Total
Financial lease receivables	115,962	200,988	316,950
Less: Unearned financial income ⁽¹⁾	(17,020)	(20,260)	(37,280)
Present value of the minimum lease payments receivables	98,942	180,728	279,670
Less: Allowance for doubtful accounts	(905)	(132)	(1,037)
Financial lease receivables - net	98,037	180,596	278,633

(1) Presented net of deferred initial direct costs of financial leases

(Unit: Thousand Baht)			
2013			
Amounts due under the agreement			
	Within 1 year	1 - 5 years	Total
Financial lease receivables	92,085	182,526	274,611
Less: Unearned financial income ⁽¹⁾	(15,247)	(16,913)	(32,160)
Present value of the minimum lease payments receivables	76,838	165,613	242,451
Less: Allowance for doubtful accounts	(320)	(490)	(810)
Financial lease receivables - net	76,518	165,123	241,641

(1) Presented net of deferred initial direct costs of financial leases



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

(Unit: Thousand Baht)

2014					
Age of receivables	Number of contracts	Financial lease receivables - net of			
		Financial lease receivables - net of unearned financial income	unearned financial income and collateral value	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	254	268,208	16,967	1%	170
Past due not more than 1 installment	3	5,460	525	1%	5
Past due more than 1 installments	2	2,113	-	2%	-
Past due more than 3 installments	1	3,609	3,609	20%	722
Past due more than 6 -12 installments	2	280	280	50%	140
Total	262	279,670	21,381		1,037

(Unit: Thousand Baht)

2013					
Age of receivables	Number of contracts	Financial lease receivables - net			
		Financial lease receivables - net of unearned financial income	of unearned financial income and collateral value	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	211	232,606	13,582	1%	136
Past due not more than 1 installment	2	2,519	204	1%	2
Past due more than 1 installments	2	3,970	50	2%	1
Past due more than 3 - 6 installments	2	3,356	3,356	20%	671
Total	217	242,451	17,192		810

8.3 As at 31 December 2014, the Company had financial lease receivables for which revenue recognition has ceased, and had non-performing loans amounting to approximately Baht 3.9 million (2013: Baht 3.4 million).

9. Allowance for doubtful accounts

Movements of allowance for doubtful accounts of hire purchase and financial lease receivables for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2014	2013
Balance beginning of the year	587,849	352,190
Add: Doubtful account increase during the year	432,340	269,098
Less: Bad debt written - off	(99,966)	(33,439)
Balance end of the year	920,223	587,849

10. Property foreclosed

(Unit: Thousand Baht)

	For the year ended 31 December 2014			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Cost	43,460	479,545	(407,183)	115,822
Less: Allowance for impairment	(13,663)	(18,823)	-	(32,486)
Net	29,797	460,722	(407,183)	83,336

(Unit: Thousand Baht)

	For the year ended 31 December 2013			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Cost	33,300	229,807	(219,647)	43,460
Less: Allowance for impairment	(8,325)	(5,338)	-	(13,663)
Net	24,975	224,469	(219,647)	29,797

11. Restricted bank deposits

A fixed deposit of the Company was pledged as collateral against the bank's overdraft facilities.

12. Investment properties

The investment properties represent land which currently undetermined future use. As at 31 December 2014, the fair value of investment properties amounted to Baht 38.16 million determined based on market price performed by an independent valuer.

13. Land, buildings and equipment

(Unit: Thousand Baht)

	For the year ended 31 December 2014						Total
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	
Cost							
1 January 2014	5,890	32,718	7,308	18,661	21,716	202	86,495
Additions	-	-	1,974	2,897	5,762	-	10,633
Disposals/written off	-	-	-	(124)	(3,562)	-	(3,686)
31 December 2014	5,890	32,718	9,282	21,434	23,916	202	93,442
Accumulated depreciation							
1 January 2014	-	10,035	5,570	10,913	6,966	-	33,484
Depreciation during the year	-	1,473	668	2,244	4,464	-	8,849
Disposals/written off	-	-	-	(105)	(2,890)	-	(2,995)
31 December 2014	-	11,508	6,238	13,052	8,540	-	39,338
Net book value							
31 December 2014	5,890	21,210	3,044	8,382	15,376	202	54,104
Depreciation charge for the year							8,849

(Unit: Thousand Baht)

	For the year ended 31 December 2013						Total
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	
Cost							
1 January 2013	5,890	32,718	5,966	13,945	22,395	202	81,116
Additions	-	-	1,342	6,291	7,794	-	15,427
Disposals/written off	-	-	-	(1,575)	(8,473)	-	(10,048)
31 December 2013	5,890	32,718	7,308	18,661	21,716	202	86,495
Accumulated depreciation							
1 January 2013	-	8,562	4,857	10,363	10,260	-	34,042
Depreciation during the year	-	1,473	713	2,102	4,352	-	8,640
Disposals/written off	-	-	-	(1,552)	(7,646)	-	(9,198)
31 December 2013	-	10,035	5,570	10,913	6,966	-	33,484
Net book value							
31 December 2013	5,890	22,683	1,738	7,748	14,750	202	53,011
Depreciation charge for the year							8,640

As at 31 December 2014, certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 13.59 million (2013: Baht 13.25 million).

14. Intangible assets

The intangible assets are computer software which presented below.

(Unit: Thousand Baht)

For the year ended 31 December 2014			
	Balance - beginning of the year	Additions	Amortised
Cost	26,785	2,714	-
Less: Accumulated amortisation	(9,167)	-	(4,625)
Net book value	17,618	2,714	(4,625)
Amortisation during the year			4,625
Remaining useful lives			0 - 10 years

(Unit: Thousand Baht)

For the year ended 31 December 2013			
	Balance - beginning of the year	Additions	Amortised
Cost	12,893	13,892	-
Less: Accumulated amortisation	(6,847)	-	(2,320)
Net book value	6,046	13,892	(2,320)
Amortisation during the year			2,320
Remaining useful lives			0 - 5 years

As at 31 December 2014, certain intangible assets have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 5.87 million (2013: Baht 5.45 million).



15. Deferred tax assets/income tax expenses

15.1 Deferred tax assets

As at 31 December 2014 and 2013, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2014	2013
Deferred tax assets		
Allowance for doubtful accounts	172,810	103,843
Allowance for impairment - properties foreclosed	6,497	2,733
Difference of financial leases income	4,944	2,563
Provision for long-term employee benefits	2,489	2,250
Others	1,615	857
Total	188,355	112,246
Deferred tax liabilities		
Deferred initial direct costs of hire-purchase	59,922	69,839
Deferred fees/expenses on borrowings	4,208	5,239
Others	21	209
Total	64,151	75,287
Deferred tax - net	124,204	36,959

15.2 Income tax expenses

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

	(Unit: Thousand Baht)	
	2014	2013
Current income tax:		
Current income tax charge	280,005	231,242
Adjustment in respect of current income tax of previous year	260	1,524
Deferred tax:		
Relating to origination and reversal of temporary differences	(87,245)	(31,759)
Income tax expenses reported in the statements of comprehensive income	193,020	201,007

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

	(Unit: Thousand Baht)	
	2014	2013
Accounting profits before tax	897,109	955,247
Applicable tax rate	20%	20%
Income tax at the applicable tax rate	179,422	191,049
Adjustment in respect of current income tax of previous year	260	1,524
Tax effect of non-deductible income/ expenses	5,736	3,645
Reversal of deferred tax which are expected not to be able to utilise	7,602	4,789
Income tax expenses reported in the statements of comprehensive income	193,020	201,007

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

		(Unit: Thousand Baht)	
	Interest rate	2014	2013
Unrelated party			
Short-term loans - promissory notes	Fixed	350,000	780,000
Short-term loans - bill of exchange	Fixed	4,622,133	4,815,329
Total		4,972,133	5,595,329

Short-term loans are in the form of promissory notes with maturities as stipulated in each of the notes. Interest is payable monthly. The relevant agreements contain certain terms and conditions, such as a requirement to maintain a debt to equity ratio of not more than 10:1. In addition, the Company had loans in the form of bills of exchange with maturities as stipulated on each of the bills.

As at 31 December 2014, the short-term credit facilities with its related company which has not yet drawn down amounted to Baht 2,500 million.



17. Short-term loans

As at 31 December 2014 and 2013, these short-term loans are in the form of promissory notes or bill of exchange with related parties and unrelated parties. They have fixed interest rates and principal are payable as stipulated in each of the note.

18. Other payables

	(Unit: Thousand Baht)	
	2014	2013
Payables for car purchase	154,832	227,908
Other payables - insurance premium payable	26,166	36,708
Accrued expenses	17,252	27,878
Other payables	1,671	1,711
Total other payables	199,921	294,205

19. Long - term loans

	(Unit: Thousand Baht)	
	2014	2013
a) A long-term credit facility from a bank amounting to Baht 300 million, repayable in 36 monthly installments from the date of loan drawdown, with interest at fixed percent per annum and payable monthly	-	73,200
b) A long-term credit facility from a bank amounting to Baht 800 million, repayable wholly amount within 3 years from the date of loan drawdown, with interest at fixed percent per annum and payable monthly	800,000	800,000
c) A long-term credit facility from a bank amounting to Baht 280 million, repayable in 10 quarterly installments, with interest at the rate of MLR less fixed percentage per annum and payable monthly	112,000	224,000
d) A long-term credit facility from a bank amounting to Baht 500 million, repayable wholly amount within 4 years from the date of loan drawdown, with interest at fixed percent per annum and payable monthly	500,000	500,000
e) A long-term credit facility from a bank amounting to Baht 500 million, repayable in 12 quarterly installments, with interest at fixed percent per annum and payable monthly	250,000	416,667
Total	1,662,000	2,013,867
Less: Deferred loans issuing costs	(807)	(2,351)
Long-term loans	1,661,193	2,011,516
Less: Current portion due within one year	(1,036,405)	(350,323)
Long-term loans - net of current portion	624,788	1,661,193

The outstanding loan agreements described above require the Company to comply with certain terms and conditions of each agreement, including maintenance of a debt to equity ratio of not more than 10:1.

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

	(Unit : Thousand Baht)
Balance as at 1 January 2014	2,013,867
Add: Loans drawdown during the year	-
Less: Loans repayment during the year	(351,867)
Balance as at 31 December 2014	<u>1,662,000</u>

20. Debentures

(Unit: Thousand Baht)						
Debenture	Debenture period	Date of issuance	Maturity date	Interest rate	2014	2013
				(% p.a.)		
1	2 years	27 April 2012	27 April 2014	4.90	-	2,000,000
2	3 years	27 April 2012	27 April 2015	5.20	1,500,000	1,500,000
3	4 years	27 April 2012	27 April 2016	5.50	2,500,000	2,500,000
4	4 years	1 November 2012	1 November 2016	5.00	3,000,000	3,000,000
5	4 years	14 June 2013	14 June 2017	4.70	2,000,000	2,000,000
6	3 years	30 August 2013	5 April 2017	4.759	760,000	760,000
	7 months 5 days					
7	4 years	25 October 2013	25 October 2017	4.80	3,000,000	3,000,000
8	4 years	2 May 2014	2 May 2018	4.75	2,000,000	-
9	2 years 11 months	30 April 2014	28 April 2017	4.25	80,000	-
	28 days					
10	3 years 9 days	30 April 2014	9 May 2017	4.25	200,000	-
11	3 years 18 days	21 May 2014	8 June 2017	4.25	210,000	-
12	3 years 7 days	3 July 2014	10 July 2017	4.22	150,000	-
13	2 years 10 months	25 September 2014	25 July 2017	4.10	300,000	-
Total					15,700,000	14,760,000
Less: Deferred debentures issuing costs					(20,230)	(23,842)
Debentures					15,679,770	14,736,158
Less: Current portion due within one year					(1,499,559)	(1,999,146)
Debentures - net of current portion					<u>14,180,211</u>	<u>12,737,012</u>



Debentures 1) to 5), 7) and 8) on above are registered, unsubordinated, unsecured debentures with trustees. Interest is payable every 3 months throughout the life of the debentures.

Debenture 6) and 9) to 13) are registered, unsubordinated, unsecured debenture with no trustee. Interest is payable every 6 months throughout the life of the debentures.

The Company has to comply with certain terms and conditions, such as maintenance of a debt to equity ratio of not more than 10:1 throughout the life of the debentures. In addition, the Company can early redeem the debentures if certain specified conditions are met.

21. Liabilities under hire purchase and finance lease agreements

	(Unit: Thousand Baht)	
	2014	2013
Liabilities under hire purchase and finance lease agreements	15,146	15,663
Less : Deferred interest expenses	(1,118)	(1,141)
Total	14,028	14,522
Less : Current portion due within one year	(4,649)	(5,010)
Liabilities under hire purchase and finance lease agreements - net of current portion	9,379	9,512

The Company has entered into the hire purchase and finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

As at 31 December 2014, the Company had commitment to pay minimum lease payments under the hire purchase and finance lease agreements as follows:

	(Unit: Thousand Baht)		
	Less than 1 year	1-5 years	Total
Minimum lease payments	5,232	9,914	15,146
Deferred interest expenses	(583)	(535)	(1,118)
Present value of minimum lease payments	4,649	9,379	14,028

22. Provision for long-term employee benefits

Provision for long-term employee benefits which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2014	2013
Beginning balance of employee benefits	11,250	9,202
Current service cost	1,357	1,097
Interest cost	601	441
Benefit paid during the year	(543)	(106)
Actuarial (gain) loss on defined benefit plans	(222)	616
Ending balance of employee benefit	12,443	11,250

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2014	2013
Current service cost	1,357	1,097
Interest cost	601	441
Actuarial loss recognised during the year		
- Assumption change adjustments	(2,259)	(330)
- Experience adjustments	2,037	946
Total expense recognised in profit or loss		
(Selling and administrative expenses)	1,736	2,154

Key actuarial assumptions used for the valuation are as follows:

	2014	2013
	(% per annum)	(% per annum)
Discount rate	3.98	4.77
Future salary increase rate (depending on age of employee)	7.10	7.84
Staff turnover rate (depending on age of employee)	6 - 8	4 - 11



The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

		(Unit: Thousand Baht)
	Defined benefit obligations	Experience adjustments on the obligations
Year 2014	12,443	2,037
Year 2013	11,250	946
Year 2012	9,202	504
Year 2011	6,685	611
Year 2010	2,709	-

23. Share capital/Dividend

Share capital

On 2 April 2013, the Annual General Meeting of Shareholders approved an increase in the Company's registered share capital of Baht 268.5 million (268.5 million ordinary shares of Baht 1 each), from Baht 1,342.3 million (1,342.3 million ordinary shares of Baht 1 each) to Baht 1,610.8 million (1,610.8 million ordinary shares of Baht 1 each), to accommodate the issue of the stock dividend. The Company registered the increase of its capital with the Ministry of Commerce on 29 April 2013.

On 2 April 2014, the Annual General Meeting of Shareholders approved an increase in the Company's registered share capital of Baht 402.7 million (402.7 million ordinary shares of Baht 1 each), from Baht 1,610.8 million (1,610.8 million ordinary shares of Baht 1 each) to Baht 2,013.5 million (2,013.5 million ordinary shares of Baht 1 each), to accommodate the issue of the stock dividend. The Company registered the increase of its capital with the Ministry of Commerce on 10 April 2014.

Dividend

On 2 April 2013, the Annual General Meeting of Shareholders passed resolutions to pay an annual dividend for the year 2012 of Baht 0.03 per share to the holders of the 1,342,349,708 ordinary shares, or a total dividend payment of Baht 40 million, and distribute a stock dividend of 268,469,889 shares (par value of Baht 1 per share) to the existing shareholders at a rate of 1 dividend share for every 5 shares held. This stock dividend was equivalent to a dividend payment of Baht 0.20 per share, or a total of Baht 308 million. The Company paid the dividend to the shareholders on 29 April 2013.

On 2 April 2014, the Annual General Meeting of Shareholders passed resolutions to allocate Baht 40,000,000 to the statutory reserve and pay a dividend of Baht 0.03 per share from the net income for the year 2013 to the holders of the 1,610,819,597 ordinary shares, or a total dividend payment of Baht 48 million, and distribute a stock dividend of 402,703,181 shares (par value of Baht 1 per share) to the existing shareholders at a rate of 1 dividend share for every 4 shares held. This stock dividend was equivalent to a dividend payment of Baht 0.25 per share, or a total of Baht 451 million. The Company paid the dividend to the shareholders on 23 April 2014.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net 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.

25. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	2014	2013
Bad debt and doubtful account	432,340	269,098
Salary and wages and other employee benefits	175,543	152,121
Bank charges and service fee expenses	21,969	19,470
Impairment loss on property foreclosed	18,823	5,339
Depreciation and amortisation	13,471	10,961
Legal fees	13,401	9,261

26. 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. The number of ordinary shares is adjusted for the proportionate change in the number of ordinary shares as a result of the issue of a stock dividend.

On 2 April 2014, the Annual General Meeting of Shareholders approved to pay cash dividend of Baht 0.03 per share, and stock dividend of 402.70 million shares to the existing shareholders. For the purpose of calculating earnings per share, the Company adjusted the number of ordinary shares used to calculate the earnings per share, as though it had issued the stock dividend at the beginning of the periods.



	For the years ended 31 December	
	2014	2013
Number of ordinary shares issued during the year (Thousand shares)	2,013,523	1,610,820
Number of shares paid as stock dividends in 2014 (Thousand shares)	-	402,703
Total (Thousand shares)	2,013,523	2,013,523
Profit for the year (Thousand Baht)	704,089	754,240
Earnings per share (Baht per share)	0.35	0.37

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Managing Director has been identified as chief operating decision maker.

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows: (1) New car (2) Used car and (3) Others.

The chief operating decision maker monitors the operating results of the Company's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which is measured on the same basis as that used for reporting profit and loss in the financial statements. However, the Company's finance costs and income taxes are managed on a group basis, and therefore these expenses are not allocated to each operating segment.

The following tables present revenue, profit and segment assets information regarding the Company's operating segments for the years ended 31 December 2014 and 2013.

(Unit: Thousand Baht)

For the year ended 31 December 2014			
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	1,209,625	1,168,336	2,377,961
Financial leases interest income	14,949	4,379	19,328
Other income	105,367	113,143	218,510
Unallocated other income			138,130
Total revenues	1,329,941	1,285,858	2,753,929
Operating expenses	20,545	37,382	57,927
Impairment loss on property foreclosed			18,823
Depreciation and amortisation			13,471
Unallocated operating expenses			262,358
Bad debts and doubtful accounts			432,340
Finance cost			1,071,901
Profit before income tax			897,109
Income tax			(193,020)
Segment profit			704,089

(Unit: Thousand Baht)

For the year ended 31 December 2013			
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	910,526	1,183,966	2,094,492
Financial leases interest income	10,579	6,060	16,639
Other income	93,710	96,476	190,186
Unallocated other income			95,666
Total revenues	1,014,815	1,286,502	2,396,983
Operating expenses	4,585	5,602	10,187
Impairment loss on property foreclosed			5,339
Depreciation and amortisation			10,960
Unallocated operating expenses			228,927
Bad debts and doubtful accounts			269,098
Finance cost			917,225
Profit before income tax			955,247
Income tax			(201,007)
Segment profit			754,240



The following table presents segment assets of the Company's operating segments as at 31 December 2014 and 2013:

(Unit: Thousand Baht)

	As at 31 December 2014		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	16,839,980	10,464,203	27,304,183
Unallocated assets			560,085
Total assets			27,864,268

(Unit: Thousand Baht)

	As at 31 December 2013		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	15,228,835	11,604,560	26,833,395
Unallocated assets			459,758
Total assets			27,293,153

Geographic information

The Company is 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.

Major customers

For the years 2014 and 2013, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

28. 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 5 percent of basic salary. The provident fund is managed by Thanachart Asset Management Company Limited, which will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 4.5 million (2013: Baht 3.8 million) to the fund.

29. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. List of related parties and transactions are summarised below.

Name of related parties	Relationship with the Company
Thanachart Bank Public Company Limited	Parent company
Baan Rock Garden Public Company Limited	Have common director and shareholder
Citywood Company Limited	Have common director and shareholder
Thanachart Insurance Public Company Limited	Affiliated Company

(Unit: Thousand Baht)

For the years ended		Transfer pricing policy (For the year 2014)
31 December		
2014	2013	

Transactions with related parties

Parent company - Thanachart Bank Plc.

Purchase software	-	10,518	As stipulated in agreements
Interest expenses	11,101	21,395	As stipulated in agreements and prospectus
Bank fee expenses	10,073	9,134	As stipulated in agreements
Premises and equipment expenses	297	482	As stipulated in agreements
Service fee expenses	5,962	1,297	As stipulated in agreements

Related parties

Interest expenses - Baan Rock Garden Plc.	5,994	5,129	As mutually agreed
Interest expenses - Thanachart Insurance Plc.	10,334	-	As stipulated in prospectus

Management, directors and related persons

Interest expenses	6,759	9,013	As mutually agreed
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As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2014	2013
Cash at Bank		
Parent company - Thanachart Bank Plc.	178,571	143,653
Other assets - Deposit		
Parent company - Thanachart Bank Plc.	59	59
Interest receivable		
Parent company - Thanachart Bank Plc.	12	14
Short-term loans		
Related parties - Baan Rock Garden Plc.	180,000	130,000
Management, directors and related persons	141,000	205,000
Liabilities under hire purchase agreement		
Parent company - Thanachart Bank Plc.	198	388
Debentures		
Parent company - Thanachart Bank Plc.	100	514,400
Related parties - Thanachart Insurance Plc.	429,400	-
Other payables - Accrued expenses		
Parent company - Thanachart Bank Plc.	5	11,427
Accrued interest		
Parent company - Thanachart Bank Plc.	-	4,600
Related parties - Thanachart Insurance Plc.	3,840	-

Movement of loans from related parties during the year are as follows:

	(Unit: Thousand Baht)			
	For the year ended 31 December 2014			
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Short-term loans</u>				
Baan Rock Garden Plc.	130,000	1,065,000	1,015,000	180,000
Management, directors and related persons	205,000	805,000	869,000	141,000
<u>Debentures</u>				
Thanachart Bank Plc.	514,400	100	514,400	100
Related parties - Thanachart Insurance Plc.	-	429,400	-	429,400

Directors and management's benefits

During the years 2014 and 2013, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	2014	2013
Short-term employee benefits	28,129	27,583
Post-employment benefits	586	377
Total	28,715	27,960

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 1 to 5 years. As at 31 December 2014 and 2013, future minimum lease payments required under these non-cancellable operating leases contracts are as follows.

	(Unit: Thousand Baht)	
	2014	2013
Payable within		
Less than 1 year	7,217	6,076
1 to 5 years	4,851	6,943

30.2 Long-term service commitments

As at 31 December 2014 and 2013, the Company has commitments in respect of the agreements appointing a debenture trustee and a debenture holder representative, whereby fees payable in the future are as follows:

	(Unit: Thousand Baht)	
	2014	2013
Payable within		
Less than 1 year	979	1,002
1 to 4 years	1,292	1,786

30.3 The Company has commitments under support service agreement with its parent company which had expired on 31 December 2014. However, subsequent to the end of reporting period, the Company has still to be received the service and in the process of drawing up a new service agreement.

30.4 Litigation

As at 31 December 2014, the Company has contingent liabilities as a result of litigation with claims for damages totaling Baht 2.9 million. Final judgments have not yet been rendered in these cases, but the management of the Company has exercised judgement to assess the outcome of the litigation and is confident that the Company will not incur any significant losses. Therefore, no contingent liability has been recognised.

31. Financial instruments

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, hire purchase/financial lease receivables/payables, overdraft and loans, debentures, and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

31.1 Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and financial lease receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. 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 loans and receivables less allowance for doubtful debt stated in the statements of financial position.

31.2 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. As the Company has no foreign currency transactions and has a small amount invested in securities, market risk consists of only interest rate risk.

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

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)

2014						
Transactions	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date					
	Within 1 year	1-5 years	Over 5 years			
Financial assets						
Cash and cash equivalent	-	-	-	184	20	204
Hire purchase receivables ⁽¹⁾	9,994	16,465	10	-	1,476	27,945
Financial lease receivables ⁽¹⁾	95	181	-	-	4	280
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	4,972	-	-	-	-	4,972
Short-term loans	1,047	-	-	-	-	1,047
Other payables	-	-	-	-	181	181
Long-term loans	924	625	-	112	-	1,661
Debentures	1,500	14,180	-	-	-	15,680
Hire purchase and financial lease payables	5	9	-	-	-	14

(1) The outstanding balances of hire purchase and financial lease receivables that are non-interest bearing include non-performing loans (receivables overdue more than 3 installments) for which revenue recognition has ceased.

(Unit: Million Baht)

2013						
Transactions	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date					
	Within 1 year	1-5 years	Over 5 years			
Financial assets						
Cash and cash equivalent	-	-	-	158	25	183
Hire purchase receivables ⁽¹⁾	8,947	17,242	3	-	987	27,179
Financial lease receivables ⁽¹⁾	76	163	-	-	3	242
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	5,595	-	-	-	-	5,595
Short-term loans	1,060	-	-	-	-	1,060
Other payables	-	-	-	-	265	265
Long-term loans	239	1,549	-	224	-	2,012
Debentures	1,999	12,737	-	-	-	14,736
Hire purchase and financial lease payables	5	10	-	-	-	15

(1) The outstanding balances of hire purchase and financial lease receivables that are non-interest bearing include non-performing loans (receivables overdue more than 3 installments) for which revenue recognition has ceased.



Liquidity risk

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

Counting from the statement 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	2014				Total
	At call	Less than 1 year	Over 1 year	No specific maturity	
Financial assets					
Cash and cash equivalent	204	-	-	-	204
Hire purchase receivables ⁽¹⁾	-	9,994	16,475	1,476	27,945
Financial lease receivables ⁽¹⁾	-	95	181	4	280
Financial liabilities					
Bank overdrafts and short-term					
loans from financial institutions	-	4,972	-	-	4,972
Short-term loans	-	1,047	-	-	1,047
Other payables	-	181	-	-	181
Long-term loans	-	1,036	625	-	1,661
Debentures	-	1,500	14,180	-	15,680
Hire purchase and financial lease					
payables	-	5	9	-	14

(1) The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include non-performing loans (receivables overdue more than 3 installments).

(Unit: Million Baht)

Transactions	2013				Total
	At call	Less than 1 year	Over 1 year	No specific maturity	
Financial assets					
Cash and cash equivalent	183	-	-	-	183
Hire purchase receivables ⁽¹⁾	-	8,947	17,245	987	27,179
Financial lease receivables ⁽¹⁾	-	76	163	3	242
Financial liabilities					
Bank overdrafts and short-term					
loans from financial institutions	-	5,595	-	-	5,595
Short-term loans	-	1,060	-	-	1,060
Other payables	-	265	-	-	265
Long-term loans	-	350	1,662	-	2,012
Debentures	-	1,999	12,737	-	14,736
Hire purchase and financial lease					
payables	-	5	10	-	15

(1) The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include non-performing loans (receivables overdue more than 3 installments).

31.3 Fair value of financial instruments

A 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 statement of financial position, including cash and cash at banks, hire purchase and financial lease receivables/payables, bank overdrafts and loans, debentures and other payables. Since the majority of the Company's financial instruments bear floating interest rate or fixed rates close to market rates, their fair value are not expected to be materially different from their carrying value.

32. 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 was 6.18:1 (2013: 7.47:1).

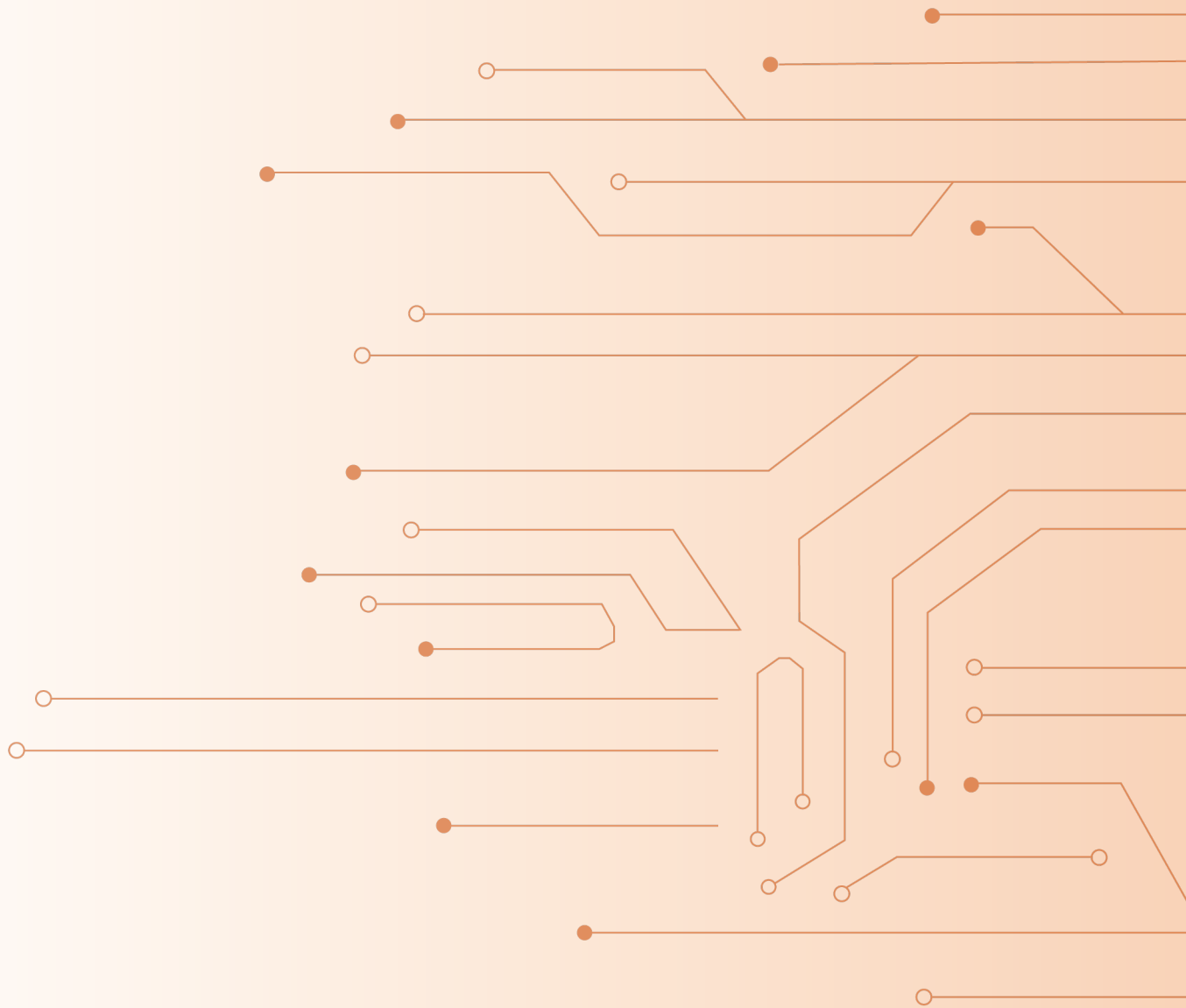
33. Event after the reporting period

On 16 February 2015, a meeting of the Company's Board of Directors passed resolutions to propose the following to the Annual General Meeting of Shareholders for approval:

- 1) Dividend payment to the shareholders from net profit for 2014, consisting of a cash dividend of Baht 0.03 per share and a stock dividend of 402.70 million shares (to be allocated at a rate of 1 dividend share for every 5 shares held) or equivalent to a total dividend payment of Baht 0.23 per share.
- 2) Decrease the Company's registered share capital by 1,718 ordinary shares of Baht 1 each.
- 3) Increase the Company's registered share capital by 402.70 million ordinary shares, such that the Company has a registered share capital of Baht 2,416.23 million (2,416.23 million ordinary shares of Baht 1 each) to support the payment of the stock dividend.
- 4) Increase the budget for debentures and other debt instrument issues for the year 2015, and cancel the previously approved budget.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2015.





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Ratchthani Leasing

A Thanachart Group Company

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