

ANNUAL REPORT 2016

RATCHTHANI LEASING PUBLIC COMPANY LIMITED



ENHANCED SUCCESS



รatchthani ลีสซิง
Ratchthani Leasing
A Thanachart Group Company

VISION

A premier company providing credit loan especially for used cars, commercial vehicles, and other particular vehicles to meet the customers' need covered all provinces in Thailand.

MISSION

- MISSION TO SHAREHOLDERS

To operate efficiently and transparently with sustainable growth to maximize great operation results and returns to shareholders continually.

- MISSION TO EMPLOYEES

To emphasize on human resources development to enhance their potential, expertise, and skills in order that they work professionally with integrity, ethics in their career, including providing remuneration to maintain good qualified employees for working at the Company.

- MISSION TO BUSINESS PARTNERS

To create good relationship, confidence, and rapid services to business partners, and provide reciprocal business returns fairly to enhance business collaboration effectively in the long term.

- MISSION TO CUSTOMERS

To provide the services development being excellent, precise and rapidly, propose qualified financial product to satisfy the target customers' need on various vehicle types and maximize the most consummate satisfaction.

- MISSION TO SOCIAL

The Company has committed to conduct its business with integrity, principle, and discipline in compliance with law, regulations, and related rules in order to be responsible to social and jointly develop the country's economy.

CORE VALUES

To achieve its mission and vision with appropriate approach efficiently and be the same direction with Thanachart groups, the Company has defined its core values or C3 SIP to its all employees to understand and implement.

The Company's core values, which are the belief and commitment of each employee acting during operation and providing services to customers, are as following:

Customer Focus : We are aware of the importance of customers' need and commit to provide services responded on our customers' need and create satisfaction.

Collaboration : We will collaboratively work as a team.

Commitment : We will commit to operate for achieving the goal and responsible to performance.

Spirit : We are dedicated on working.

Integrity : We will adhere on integrity, transparency, and anti-corruption.

Professional : We must have knowledge, skills, and competence appropriately to performance.



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The Companies of Thanachart Group held the Ceremony in Remembrance of His Majesty King Bhumibol Adulyadej and all staff joined in human variation forms to form the image of ribbon to commemorate and express gratitude toward King Bhumibol Adulyadej.



The Thanachart Group led by Mr. Banterng Tantivit, the Chairman of Thanachart Capital Public Company Limited along with the Boards of Directors, the Executives of the companies of Thanachart Group comprised of Thanachart Capital Public Company Limited, Thanachart Securities Public Company Limited, Thanachart Fund Management Company Limited, Thanachart Insurance Public Company Limited, Thanachart Group Leasing Company Limited, Thanachart Broker Company Limited, TS Asset Management Company Limited, Thanachart Management and Service Company Limited, Thanachart Training and Development Company Limited, Security SCIB Services Company Limited and Ratchathani Leasing Public Company Limited.





Ratchathani Leasing Public Company Limited led by Mr. Virat Chinprapinporn, the Chairman, Mr. Kovit Rongwattanasophon, the Managing Director, along with the directors namely Mr. Anuwat Lueangthaweeikul, Mr. Prapan Anupong-Ong-Art, and Mr. Wuttichai Suraratchai participated on a special Ceremony in Remembrance of His Majesty King Bhumibol Adulyadej to commemorate and express deep gratitude toward King Bhumibol Adulyadej, which held in the Suan Mali courtyard of Thanachart Bank Public Company Limited.



The ceremony started with the speech of Mr. Banterng Tantivit and was followed by standing in mourning of silence for 99 seconds (1 minute and 39 seconds), after which everyone sang the Royal Anthem, “Sansoen Phra Barami” and end with over 500 employees joining in human variation rows to form the image of big black ribbon to express commemoration and gratitude toward King Bhumibol Adulyadej, who be tireless on several great contributions to Thailand and the Thai people’s lives for 70 year of his accession to the throne that make Thailand grow until now.



Message from Chairman

In 2016, the previous year, it was the great loss of Thailand from the death of King Bhumibol Adulyadej, King Rama 9, which was caused widely grief throughout the country. Throughout his reign period, the country is developed in every aspect. He is beloved, revered, heart and soul of Thai people. On the 70 years of his accession to the throne, he has reigned in righteousness for the benefits and happiness of Siamese people truly. Thai people have always kept in remembrance of His Majesty King Bhumibol Adulyadej.

The overview of global economy has mainly remained slow down from the uncertainty of economic and financial of the key industrial countries. Especially the United States, the economic policies on various aspects were vague because of the supersession of the President. While the separation of the United Kingdom had an affect to the countries in Europe and resulted of the uncertainty on the agreement of investment and economy, China and Japan had explicit signal of slowing down. China has lowered the Yuan rate considerably and implemented the loose monetary policy by lowering interest rate. Japan had still faced on deflation crisis and the solution of seniority increasingly. Moreover, the oil prices remained the key factor that continually depressed on the global economic condition due to the reason of retard global demand and overflowing of the supply.

In 2016, Thailand economy was gradually recovered. The growth rate was at 3.2-3.3 % as the result of the increase of public investment and private spending. In addition, the monetary policy was relieved and rigorously to support the recovery of domestic economy of the country.

The overall operation performance in 2016, Ratchthani Leasing Public Company Limited has still expanded its leasing to achieve its target as business complied with the domestic economic recovery. The Company's net profit was Baht 881 million or increasingly 17%, higher than the previously year. In addition, the account receivable of leasing was increased to 13% at Baht 3.27 billion. Such overview reflected the Company's commitment to maintain its good operation performance consistently.

For the economic outlook of Thailand in 2017, the Company expects that it still grows continually from the year of 2016 on gradually step. The major contributing factors are from continually investments of the public sector and private spending together with the execution of the relaxed official policy to support the economic recovery of the country consistently. However, the uncertainties from factors of key industrial countries which affected to the overall of Thai economy are closely monitored continuously, so that the Company enables to drive its operation according to the business plans..

On behalf of the Board of Directors, I would like to thank all stakeholders for their support and reliability to Ratchthani Leasing Public Company Limited continually as well as the executives and all employees for their dedication on performing with completely responsibilities to the Company. With the believe, the Board of Directors, the executives and all employees have committed and dedicated on

performing their duties and mission to drive the Company to achieve its success and be the efficient corporate of the country consistently.



(Mr. Virat Chinprapinporn)

Chairman



Report of Selection and Remuneration Committee

The Board of Directors has appointed the Selection and Remuneration Committee to responsible for recruiting and proposing persons who are qualified to serve as the directors and various subcommittees, including the Managing Director, as well as organizing the policies of remuneration of the Directors and the Managing Director to the Board of Directors or Shareholders' meeting for consideration.

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

1. Mr.Suvit Arunanondchai (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 2016, the Selection and Remuneration Committee held 3 meetings to significant manage the following issues:

- Select and consider qualified candidates to be the directors and members of sub-committees propose to the Board of Directors and in the common shareholders' meeting for approval.
- Determine proper remuneration and other benefits of the directors and the members of sub-committees in accordance with their duties and responsibilities appropriately, by comparing with other company in the similar industry and proposing to the Board of Directors and in the common shareholders' meeting for approval.
- Determine criteria to evaluate the performance of the Managing Director and the annual remuneration for proposing to the Board of Directors for approval.
- Consider and review policies, schemes and criteria of the selection and remuneration, and the determination of the remuneration of the Company's directors, members of the sub-committees, and the Managing Director.

In addition, the Selection and Remuneration Committee attended the 2016 compensation survey for the Director program of the listed companies in order to be as operation guidelines aligned with the other listed companies commonly. Moreover, the Selection and Remuneration Committee has supported every director to attend the Role of the Compensation Committee (RCC) course held by Thai Institute of Directors Association.

In summary, the Selection and Remuneration Committee has performed such above duties and responsibilities assigned by the Board of Directors and viewed that in 2016 the Company's directors, members of sub-committees and the Managing Director are knowledgeable and capable persons including the consideration the remuneration and other benefits shown in the Annual Report was suited

with their duties and responsibilities in accordance with the economic condition and overall performance of the Company.



(Mr. Suvit Arunanondchai)

Chairman of Selection and Remuneration Committee



Report of Risk Management Committee

The Board of Directors has appointed and assigned the Executive Board to act as the Risk Management Committee, as another role, which 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 |
| 3. | Mr.Praphan | Anupongongarch | as | Member of the Risk Management Committee |
| 4. | Mr.Wuttichai | Suraratchai | 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 the risk management policies on aspects related to the business operation included credit risk, marketing risk, operational risk, strategic risk, liquidity risk and other themes, defined the risk management tools or measurement on risk assessment efficiently and appropriately to the Company to control related risks on business operation on an accepted level, including evaluating the internal and external factors which may impact significantly on the business operation. The Risk Management Committee has also considered and reviewed the risk policy and guidelines on risk management regularly.

In 2016, the domestic economy recovered while the overall world economy remained slowdown from the uncertainty of economic and financial policies of the major industrial countries. These impacted overall to the domestic economy of the country which was gradually recovered and be factors affected to the business operation of the Company in the previous year. The Risk Management Committee have conducted its duties, as assigned above, precisely and covering every risks in order that the Company enables to appropriately and effectively operate its business, achieves its goal defined under such pressures. As a result, the Company is capable to operate its business continually.

(Mr. Kovit Rongwattanasophon)

Chairman of the Risk Management Committee

Report of the Corporate Governance Committee

The Board of Directors has realized the importance of business operation based on the integrity, transparency and accountability, as well as the corporate good governance under the guidelines of the Stock Exchange of Thailand. Therefore, the Board of Directors has agreed to assign all boards to mutually perform and take responsibilities as the Corporate Governance Committee, as well as determining the agenda on the topic of corporate good governance as the regular meeting agenda of the Board of Directors. The Board of Directors has also designated the duties and responsibilities of the Corporate Governance Committee to define the policy and guidelines of the good governance, including the assessment and reviewing the policy, ethics, and appropriate approaches in compliance with the related laws consistently.

The Corporate Governance Committee and related functions have conducted its business operation under the corporate governance and in accordance with the standard of ASEAN CORPORATE GOVERNANCE SCORECARD to create transparency and equivalence to all related business functions. Moreover, the Company has emphasized on the anti-corruption, which is the obstacle on social and economic development of the country. This intentional has been lead to the declaration and certification to be the member of alliance of Thai private sectors on the Collective Action against Corruption (CAC), which is the part of the business practices in compliance with the code of good governance.

As a result of its intention to conduct business under the corporate good governance in the previous year, the Company has been evaluated its quality from the survey of good governance of listed companies and scored at the grade level of “Excellent” from Thai Institute of Directors in collaboration with the Stock Exchange of Thailand. In addition, the Company has been recruited to be the top listed ESG100 in 2016, as the second year consecutively from Thaipat Institute in collaboration with the Office of the Securities and Exchange Commission, which only selecting the companies having the outstanding performance related to the Environmental, Social and Governance (ESG). It reflects the willingness on the Company’s business operation in compliance with the policy of the good governance and business ethics of the Company as well as creating the confidence to all stakeholders, including developing the society for sustainable growth.

As the listed company, the Company has continuously improved and developed its corporate good governance in accordance with its business operation consistently as well as developing its corporate governance to equivalent to the international best practices in order to create its stability in the long term.



(Mr. Virat Chinprapinporn)

Chairman of Corporate Governance Committee



General Information and Other Important Information

Company's Name	:	Ratchthani Leasing Plc.
Type of Business	:	Pre-owned and New car hire-purchase service
Head Office:		77/35-36 Sinnsathorn Tower, 11UP 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.	:	0-2431-9000
Fax. No.	:	0-2431-9099
Registered Capital	:	Bt. 2,416,227,333 (As of 31 December 2016)
Paid-up Capital	:	Bt. 2,416,227,209 (As of 31 December 2016)
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 Sinnsathorn Tower, 11UP Floor Krung Thon Buri Road, Khlong Ton Sai Sub-district
Khlong San District, Bangkok 10600
Tel. No. : 0-2431-9000 Ext 1666
Fax. No. : 0-2431-9099

Financial Summary

(Unit: thousand baht)

Balance Sheets	2016		2015		2014	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
<u>Current assets</u>						
Cash and bank deposit	117,883.52	0.35	163,892.49	0.56	204,241.27	0.73
Hire-purchase account receivable due within 1 year, Net	12,066,235.98	36.16	11,328,652.41	38.39	10,562,738.09	37.91
Financial lease- account receivable due within 1 year, Net	133,830.80	0.40	110,738.43	0.38	98,036.40	0.35
Other debtors	52,944.51	0.16	50,903.45	0.17	48,009.15	0.17
Foreclosed assets	56,695.02	0.17	85,345.38	0.29	83,335.53	0.30
Other current assets	28,157.97	0.08	17,947.71	0.06	8,564.19	0.03
<u>Non-current assets</u>						
Restricted bank deposits	0.00	0.00	300.00	0.00	300.00	0.00
Hire-purchase account receivable due more than 1 year, Net	20,245,461.51	60.68	17,192,096.45	58.27	16,462,811.76	59.08
Financial lease- account receivable on due	302,009.51	0.91	288,793.35	0.98	180,596.15	0.65
Long-term investment, Net	212.74	0.00	185.86	0.00	183.13	0.00
Properties for investment	19,326.50	0.06	19,326.50	0.07	19,326.50	0.07
Property, plant and equipment, Net	129,346.43	0.39	94,775.59	0.32	54,104.04	0.19
Intangible assets	10,206.19	0.03	12,865.64	0.04	15,707.39	0.06
Deferred tax asset - net	200,445.86	0.60	135,677.24	0.46	124,204.17	0.45
Other non-current assets	2,112.17	0.01	3,173.27	0.01	2,110.55	0.01
Total assets	33,364,868.71	100.00	29,504,673.77	100.00	27,864,268.32	100.00
Liabilities						
<u>Current liabilities</u>						
Overdraft	0.00	0.00	0.00	0.00	0.00	0.00
Short-term loan	11,981,364.73	35.91	7,320,692.37	24.81	6,019,133.07	21.60
Long-term loan due within 1 year	499,750.10	1.50	82,688.08	0.28	1,036,404.65	3.72
Current portion of debentures Unrelated parties	7,667,104.60	22.98	5,497,927.69	18.64	1,499,558.61	5.38
Other creditors	370,606.04	1.11	395,894.94	1.34	326,405.39	1.17
Hire-purchase creditor due within 1 year	3,066.45	0.01	5,487.18	0.02	4,648.74	0.02
Accrued corporate income tax	141,216.17	0.42	104,570.66	0.35	137,709.45	0.49
Other current liabilities	137,592.73	0.41	122,058.47	0.41	134,541.64	0.48
<u>Non-current liabilities</u>						
Hire-purchase creditor	4,505.45	0.01	3,892.14	0.01	9,379.32	0.04
Long-term loan	999,967.69	3.00	1,399,717.79	4.75	624,787.92	2.24
Debenture	6,528,421.63	19.57	9,989,366.15	33.86	14,180,210.94	50.89
Forecasted liabilities- reserve for long-term staff benefit	21,884.20	0.07	18,121.81	0.06	12,443.09	0.05
Total liabilities	28,355,479.79	84.99	24,940,417.28	84.53	23,985,222.82	86.08



Shareholders' equity						
Issued and paid-up capital	2,416,227.21	7.24	2,416,227.21	8.19	2,013,522.78	7.23
Capital surplus	319,888.16	0.96	319,888.16	1.08	319,888.16	1.15
Appropriated retained earnings						
Legal reserve	228,000.00	0.68	183,000.00	0.62	145,500.00	0.52
Retained earnings for treasury stocks	0.00	0.00	0.00	0.00	0.00	0.00
Unappropriated retained earnings (deficit)	2,045,273.54	6.13	1,645,141.12	5.58	1,400,134.56	5.02
Less Treasury stocks	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholders' equity	5,009,388.91	15.01	4,564,256.49	15.47	3,879,045.50	13.92
Total liabilities & shareholders' equity	33,364,868.71	100.00	29,504,673.77	100.00	27,864,268.32	100.00

(Unit: thousand baht)

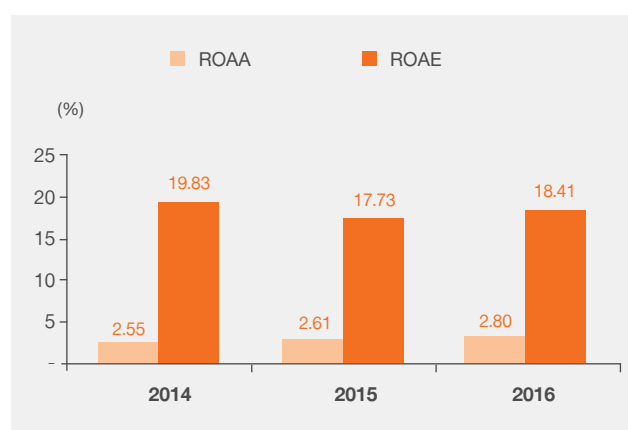
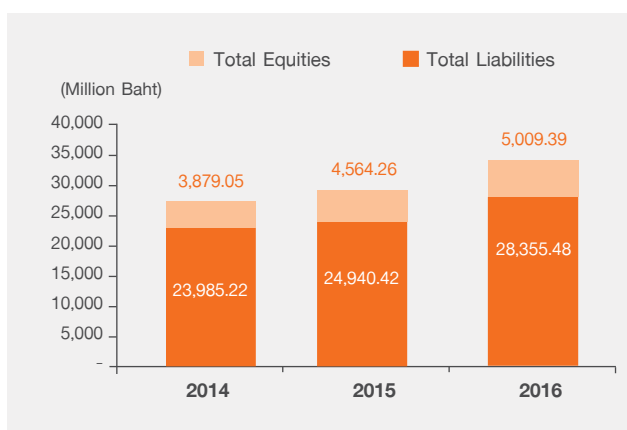
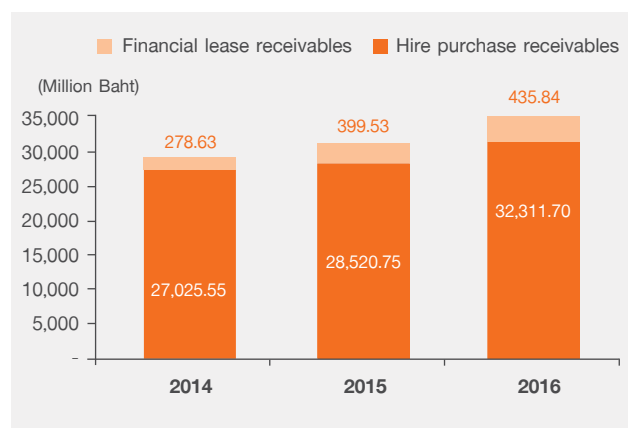
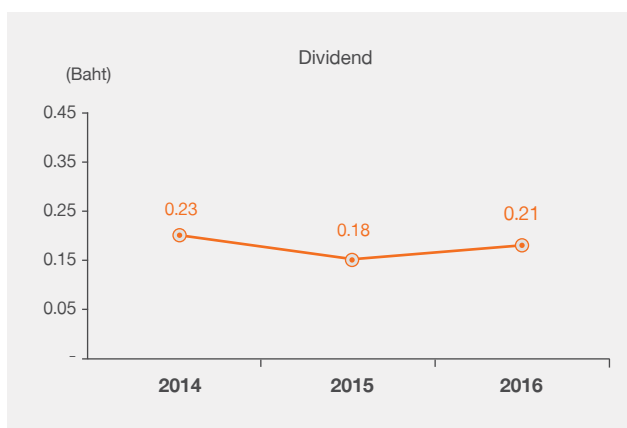
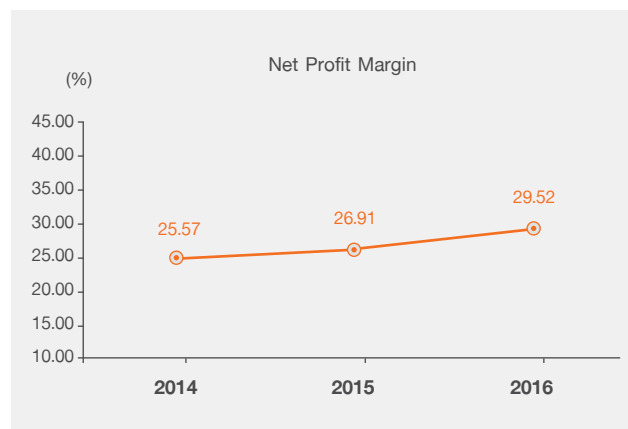
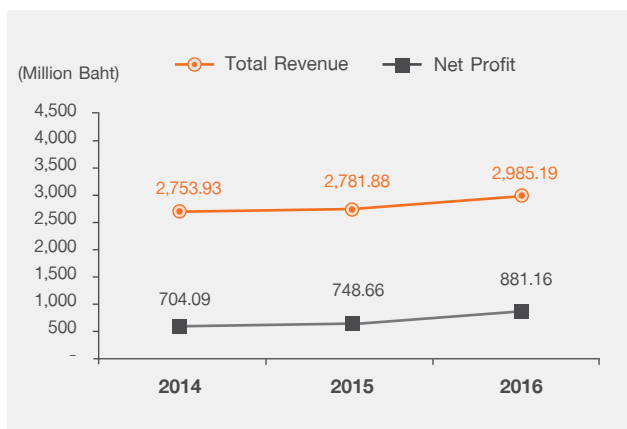
Income Statement	2016		2015		2014	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Income and expenses						
Interest income from hire purchase	2,454,772.56	82.23	2,339,894.59	84.11	2,377,960.53	86.35
Interest income from financial lease	29,743.77	1.00	21,602.13	0.78	19,328.14	0.70
Income from fee and services	273,160.88	9.15	235,812.48	8.48	197,117.47	7.16
Other incomes	227,513.86	7.62	184,575.21	6.63	159,523.21	5.79
Total incomes	2,985,191.07	100.00	2,781,884.41	100.00	2,753,929.35	100.00
Financial cost	946,996.38	31.72	1,016,399.63	36.54	1,071,901.12	38.92
Selling and administrative expense	439,588.53	14.73	408,159.58	14.67	352,579.22	12.80
Bad debt	75,576.03	2.53	190,835.18	6.86	99,833.98	3.63
Doubtful account	420,770.38	14.10	221,089.59	7.95	332,505.63	12.07
Corporate income tax	221,102.86	7.41	196,737.38	7.07	193,020.39	7.01
Total expenses	2,104,034.18	70.49	2,033,221.36	73.09	2,049,840.34	74.43
Net profit	881,156.88	29.51	748,663.05	26.91	704,089.01	25.57

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

Ratio	2016	2015	2014
<u>Profitability Ratio</u>			
Net profit margin (%)	29.52	26.91	25.57
Net profit to net interest (%)	57.31	55.66	53.12
Interest rate received (%)	7.75	8.12	8.62
Interest rate paid (%)	3.64	4.27	4.58
Interest rate gap (%)	4.11	3.86	4.03
Return on equity (%)	18.41	17.73	19.83
<u>Efficiency Ratio</u>			
Return on assets (%)	2.80	2.61	2.55
Total assets turnover (time)	0.09	0.10	0.10
<u>Financial Ratio</u>			
Debt to equity ratio (time)	5.66	5.46	6.18
Lending to loan ratio (time)	1.23	1.23	1.21
Dividend payout ratio (%)	57.58	58.09	65.77
<u>Share Information</u>			
Book value per share (Baht)	2.07	1.89	1.93
Basic earnings per share (Baht)	0.36	0.31	0.35



Financial Information Highlight



Achievement Award



The Stock Exchange of Thailand and Money and Banking Journal jointly organized the SET Award 2016 ceremony to honor and inspire the listed companies and asset management, as well as the top management in the capital market which distinguished in various aspects reflecting the strength and success of Thai capital market. Such ceremony was held on February 2, 2017 at the Stock Exchange of Thailand Building.



Mr. Kovit Rongwattanasophon, the Managing Director of Ratchathani Leasing Public Company Limited awarded the Best Company Performance Awards and the Outstanding Company Performance Awards for the companies having market capitalization between 3,000 to 10,000 million Baht.



The Best Company Performance Awards



The Outstanding Company Performance Awards

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 long term.

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. Cooperate for 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

Stakeholder	Strategy and guideline
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 Anti- corruption policy, 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 Combating the Financing of Terrorism (AML/CFT) policy in accordance with guideline specified by Anti-Money Laundering Office.
Knowledge training		

❖ 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.
	- Energy Conservation	- The Company launched a campaign to change equipment to energy saving devices. Replacing the old bulbs and using lamp LED (Light Emitting Diode) was another method on energy conservation, which provided high luminous efficiency. Not only energy saving, but also durable for a long time, such activities made the quantity of waste lamps reduced.



❖ 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 of employees and work-life balance	- The Company realizes the importance of all employees of the Company with regard to their values and be major parts to operate business by providing equally supervision and proper remuneration and welfare including building good working environment.

In 2016, the Company held internal training and applied to external training by assigning total of 280 employees to attend those training, that are 61.55% of total employees.

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 Labor 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 Consultants Company Limited.

Under the Occupational Safety, Health and Environment Act B.E. 2554, it determines that an employer must hold the occupational health, safety and environment training at the working places in order that the management and the operation of occupational health, safety and environment at the working place are secure to the executive level, supervisors and every employee. In 2016, the Company held the training of the occupational health, safety and environment course on the working place, and was honored by Mr. Boontham Srisaman, the Labour Professional Officer of Bangkok Labour Protection and Welfare Office Area 5, the Department of Labour Protection and Welfare, Ministry of Labour, to be the speaker to all employees of the Company at the 11th floor of the meeting room of Sinnsathorn Tower Building.



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 Sinnsathorn 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, etc.

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 heaths 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 are 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. An employee can select to cumulate his/her contribution to the fund more than the contribution paid by the Company, but not over 15% of wage and the Company shall pay contribution to the fund at 5% of wage.

- **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 of 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, etc.

Activities for benefits of social and environment (after process)

In 2016, 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:

- **Lunch for Children Activity under the Hand to Hand Project**

Ban Klong Salao School at Uthaitani Province

The Company has realized and considered on the children future on the communities. Therefore, Mr. Kovit Rongwattanasophon, the Managing Director, and the employees collaborated on donating money for lunch and clothes as well as necessary supplies beneficial for living at the amount of Baht 126,147 by giving to Ban Klong Salao School, Tambol Kaenmakrud, Amphor Ban Rai, Uthaitani Province.



- **Community Development Volunteer Activity under the Cleaning Day Project**
Phutthamonthon Sai 4

The Company has found that garbage is currently a persisted problem for a long time and need to be solved by every agent. Due to each person's daily living creates lots of waste pollution, such problem also incurred in every place. Therefore, the Company has emphasized on creating mind voluntary and encouraging responsibility on oneself behavior, including self-sacrificing to respond on others' actions. Therefore, Mr. Kovit Rongwattanasophon, the Managing Director has organized the community development volunteer activities to motivate good moral on the employees' heart, and create environmental conservation skill and knowledge, including establishing clean environment without garbage within Phutthamonthon Sai 4.



- **Good Governance Activity under the Meditation, Mind Format, and Delete Emotion Project**
Suwanaree Resort

The Company has executed the good governance and anti-corruption project, which the one of its mission is to develop and create mind voluntary of all employees at all levels in order to realize and respond on their duties under the ethics and code of conduct against all stakeholders of the Company. One of operation plans is to organize the meditation for development and creation of moral and ethics, as well as increasing the skill of reciting, meditation and walking meditation. Such activities are guidelines on mind and conscious development, mind management for working and daily life; therefore, the Company has encouraged employees to participate the Dharma Practice Program held at Suwanaree Resort, Tambol Korksalong, Amphor Pattananikom, Lopburi Province.



- **Activity of Football Relationship Match between THANI & LMG**

Happy Football Club Yard

The Company has realized the importance of developing and maintaining the customer relationship on efficiency creation on business collaboration for the long term. Thus, Ratchathani Leasing Public Company Limited has supported its employees on participating on football relationship match with LMG Insurance Public Company Limited in order to motivate employees to spend their time productively by exercising which creating good relationship and unity encouragement among employees of the Company and the external trading partners.



Anti-corruption

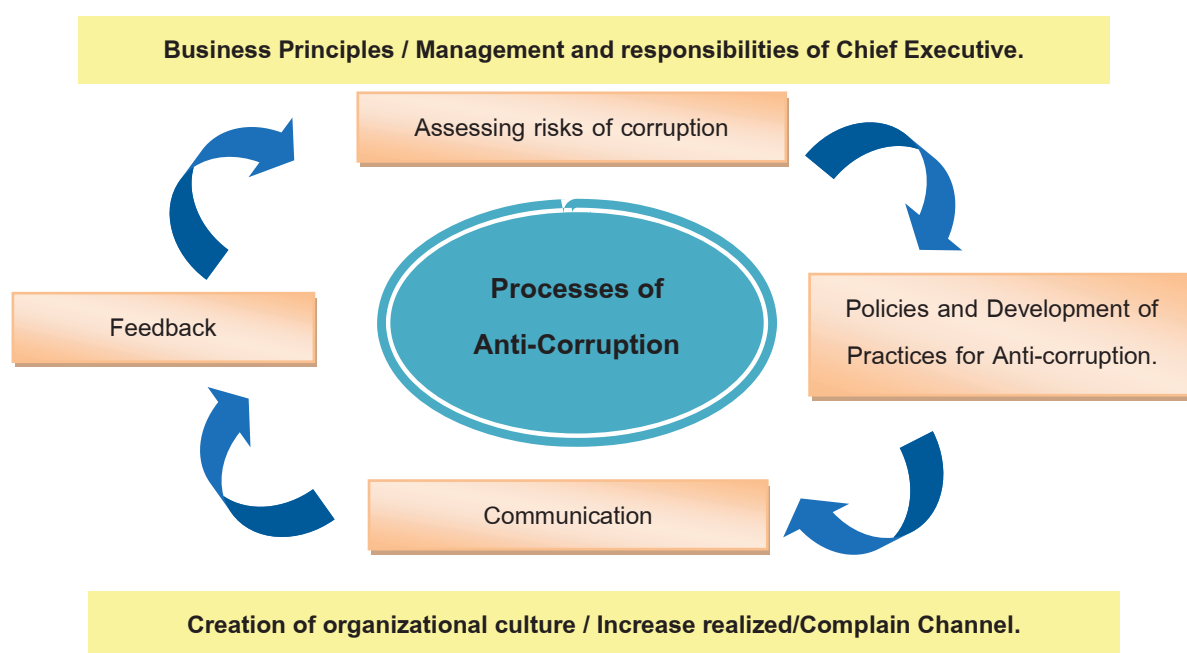
Anti-Corruption Policy

Ratchthani Leasing Public Company Limited has recognized that a corruption harms and hinders 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 and competitive ability. 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 its commitment to the fight against corruption of all forms.

The Board of Directors 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, the executives and all employees of the Company must comply strictly by publishing the rules and regulations 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 corrupt.

Ratchthani Leasing Public Company Limited has prepared procedures to assess risks corruption. 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 has 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 internal 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. Directors, Chief Executive, 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.



In 2016, the Company has encouraged all and every level of employees on attending the training to have knowledge, understanding, and conduct accurately in accordance with the imperative policy of the anti-corruption project under the program of “Combination Driving Transparency, Anti-Corruption”. Presently, the Company has published such policy through the Company’s website on the topic of “Anti-corruption”, including organizing the self-evaluation for all employees of the Company at least twice of every year in order that they recognize, understand, and appropriately implement to be complied with and same direction with Thanachart group.

Besides, the companies of Thanachart group, including Ratchathani Leasing Public Company Limited, have promoted employees to participate “the Day of National Anti-corruption in 2016” under the concept of “Cheat comes home to roost”, which Prime Minister Gen. Prayut Chan-o-cha was the chairman, held by Anti-corruption Organization of Thailand at Sanam Luang, Bangkok on Sunday, September 11, 2016.

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 policy Anti-corruption. 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 complaints of 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.

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 team 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 Ratchthani Leasing Public Company Limited is a membership alignment private practice, Thailand on anti-corruption (Collective Action Against Corruption or CAC) with Thanachart Capital Public Company Limited and related companies of total 10 companies of Thanachart.



On October 16, 2014 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. Prof. Naengnoi Chai-onnom (Independent Director and Audit Committee). Take a photo with Mr. Kovit Rongwattanasophon (Managing Director).

Moreover, in 2015 Thailand's Private Sector Collective Action against Corruption or CAC has established its website to be a channel providing information and transmit activity news to companies participating on programs of CAC. It is also significant channel for companies joining such programs to exchange their experience on resolution, anti-corruption prevention of the private sector, to create cooperation among private companies against corruption which is the major obstruction of business operation as transparently. As a result, the website of CAC is like a mutual property of all companies joined to use this channel for disseminating their information and news to CAC programs and other company members to acknowledge. At the same time, the dissemination of corruption correction and bribery in the private sector is properly deserved the support from the civil society. So, the CAC program has created its symbol.



Ratchthani Leasing Public Company Limited has been received such **symbol (gold)**, which is meant that the Company are passed and certified by CAC and the Company has disseminated such symbol on its website. Therefore, the Company is able to use such symbol for the purpose on the Company's sign of intention and cooperation on all forms of anti-corruption to the public for acknowledgement and create the confidence to stakeholders which complied with and be the same direction with Thanachart group.

Such certification is effectively for 3 year starting from the approval date the committee of the Collective Action against Corruption of Thai Private Sector or CAC has approved, which is valid on October 2, 2017. The Company is on the process to extend its validity of the certification according to the procedures and process specified by CAC.

Operation Evaluation Project for Business Sustainability

Thaipat Institute is supported by the Office of Securities and Exchange Commission (SEC) to conduct the Anti-Corruption Progress Indicator of the listed companies, securities agents, and brokerage of forward contract. It uses the method of Methodology and evaluation criteria developed for assessing operation for sustainability consecutively from 2014 in order that the listed companies, securities agents, and brokerage of forward contract can take such assessment as data for development and improvement planning to enhance the operation continually.

In 2015, Ratchthani Leasing Public Company Limited was received **"level 5"**, the highest score on the Anti-Corruption Progress Indicator, which a level can be expanded to related persons to recognize that the Company has the policy not to affiliated with all corruption and reflecting the transparency of the Company.



■ **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



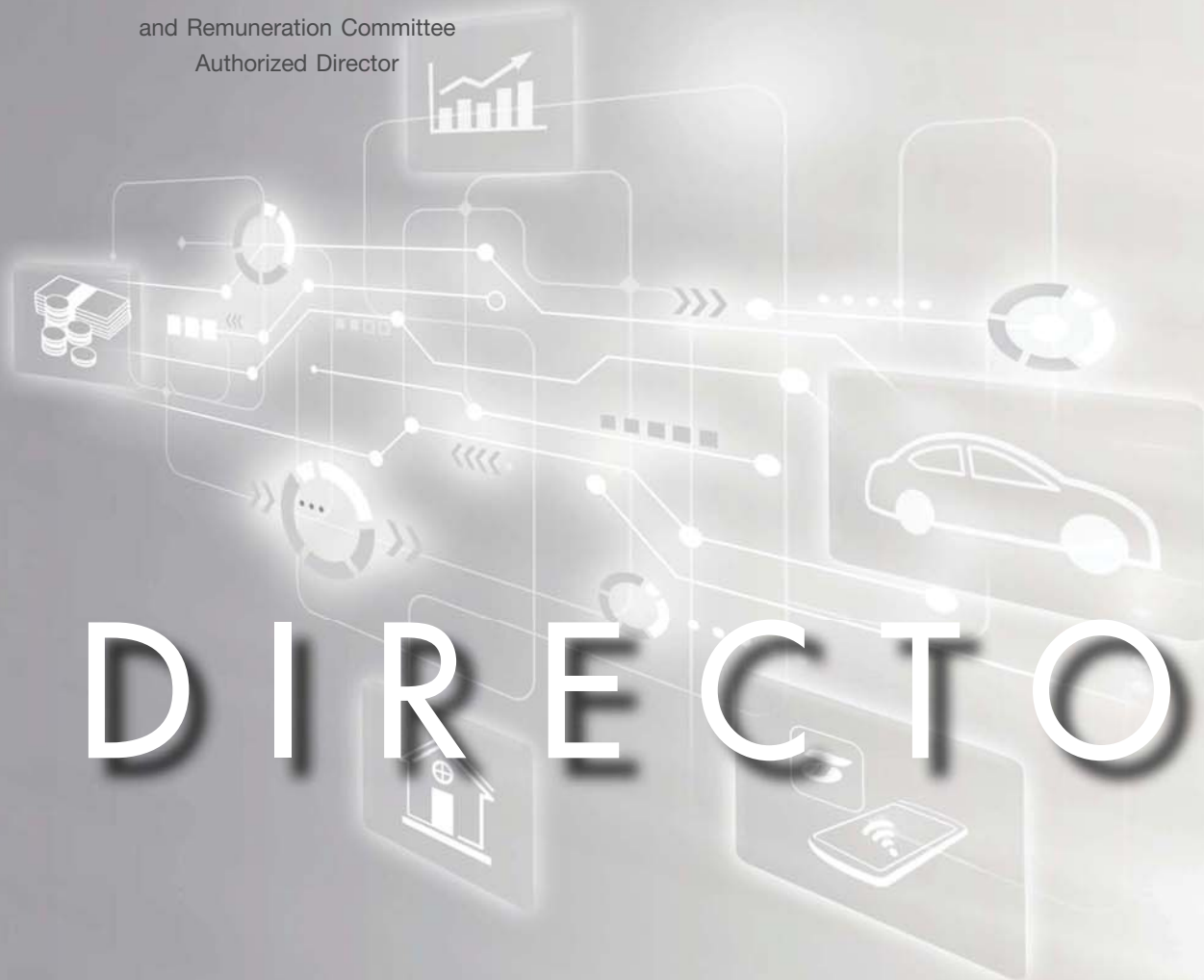
■ **Mr. Wuttichai Suraratchai** ■

Director / Executive Director
Authorized Director



■ **Mr. Praphan Anupongongarch** ■

Director / Executive Director
Authorized Director



DIRECTOR

ENHANCED SUCCESS

4.0



■ **Mr. Suvit Arunanondchai** ■

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



■ **Thakol Nunthirapakorn, Ph.D.** ■

Independent Director
Audit Committee (Chairman)



■ **Mr. Surapon Satimanont** ■

Independent Director
Audit Committee (Director)



■ **Mr. Varavudh Varaporn** ■

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



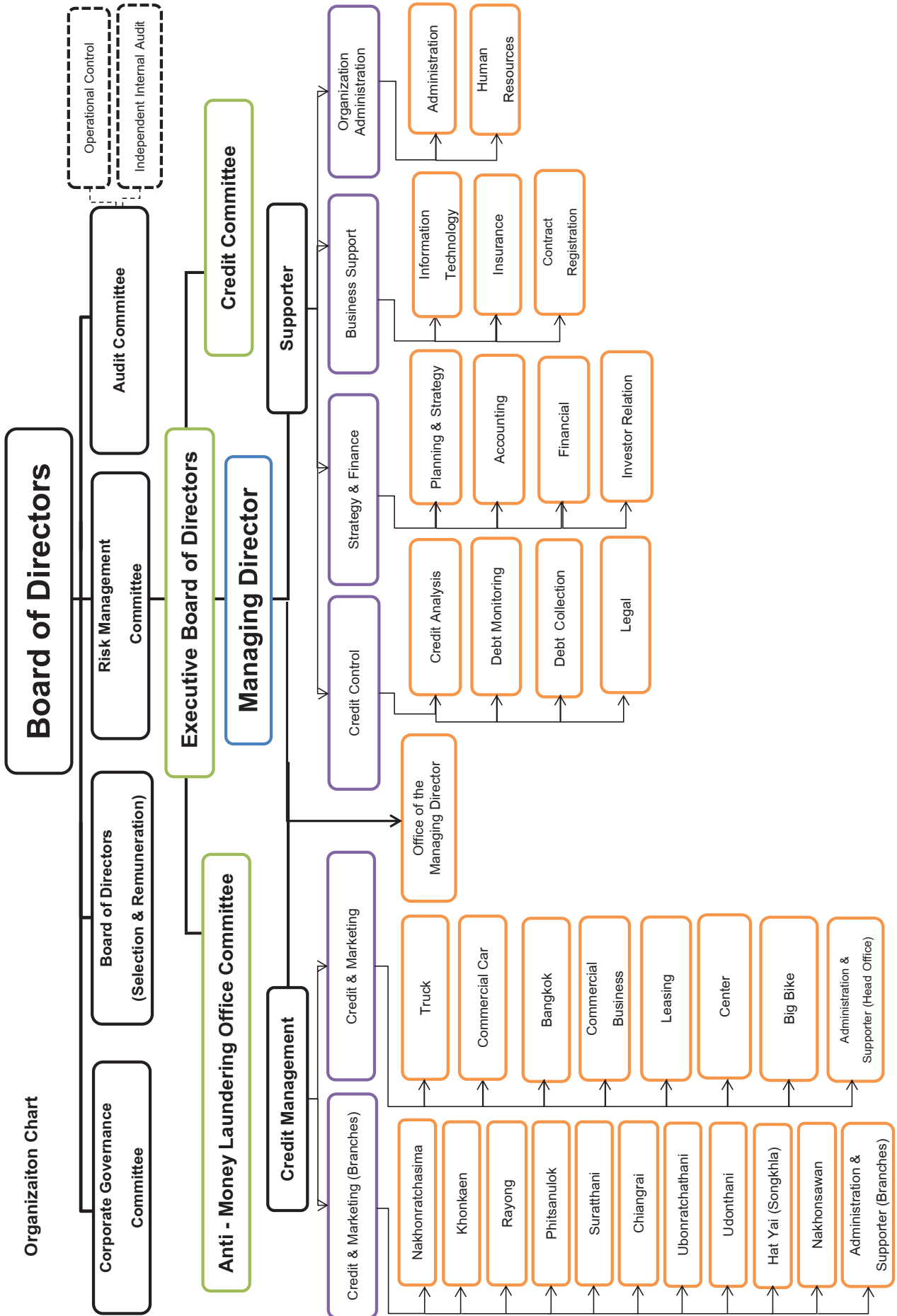
■ **Asst.Prof. Naengnoi Chai-Onnom** ■

Independent Director
Audit Committee (Director)



■ **Mr. Anuchart Deeprasert** ■

Director
Authorized Director



Policy and Overall business Operations

In 2016, Ratchthani Leasing Public Company Limited has continually expanded its leasing by focusing on the credit loan for new and old truck majority which is the market that the Company has expertise. Presently, the Company had a ratio of truck loan about 70% and credit loan for other vehicles such as personal car, pickup car, taxi, big bike car at the ratio of 30% of the total credit loan of the Company. The Company has operated its business with the credit loan policy by crucially consideration on the return of lending in order to maintain the different of interest rate to achieve the planned target.

Background and Key Development

Background

Ratchthani Leasing Plc. (“the Company”) was incorporated on June 2, 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 260 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 registered to be the public company and changed its name to “Ratchthani Leasing Public Company Limited” in August and certified to be the listed company on the Stock Exchange of Thailand on December 19, 2002.



2003	<p>The Company has developed the information system in order that its customers enables to communicate with the Company through its website. A customer can get the initial key information as well as other data such as cost appraisal of the second hand car. The Company has provided the services on leasing and other payments with bar code system and ATM, another choice which is more convenient.</p> <p>The Company was also rated as “BBB” level by TRIS Rating Company Limited.</p>
2004	<p>The Company has subscribed to Nation Credit Bureau Company Limited in January to get information of customers and take into consideration for credit approval, including blocking a leasee who is unable to repay the leasing loan to the Company.</p>
2006	
March	<p>The Company has launched one branch on the type of leasing center located at Kanchanapisek Ring Road, Bangkok, in March 22, from all 3 branches where the Company plans to open covering the 3 corners of Bangkok to serve the minor customers having leasing requirement and refinancing their car loan.</p>
August	<p>After holding of 39.76% of the paid-up capital, Siam City Bank Public Company Limited appointed its representation to be the Director of the Company for 4 persons according to its ratio after acquisition of securities.</p>
2007	<p>Developing software and the information technology to support the leasing expansion to the regions around the county</p>
2008	<p>The Company opened 5 branches to the upcountry namely Khon Kaen province, Nakhon Ratchasima province, Phitsanulok province, Rayong province, Ratchaburi province; however, the branch at Ratchaburi province was closed later.</p>
October	<p>The Company has operated its leasing services to corporate customers. The car leasing services are composed of fund leasing agreement and operating lease contract. Its target group is the second hand car with the value exceeding of Baht 1 million.</p>
2010	<p>The Company has launched another one branch located at Surat Thani to cover the nationwide.</p>
2011	<p>The Company has launched another one branch located at Chiangrai, in the north region, to cover the nationwide.</p>
2012	<p>The Company was received the corporate credit rating at “BBB+”, the outlook of level at “Stable” or “Invariable” rating from TRIS Rating Company Limited.</p>
2013	<p>The Company has launched another one branch located at Ubonratchathani province to cover the nationwide.</p>
2014	
April	<p>The Company has launched another one branch located at Udonthani province to cover the nationwide.</p>
August	<p>The Company has launched another one branch located at Hadyai branch, Songkla province to cover the nationwide.</p>

December The Company has launched another one branch located at Nakonsawan province to cover the nationwide.

2016

October The Company was received the corporate credit rating at “A-”, “Stable” or “Invariable” rating from TRIS Rating Company Limited.

- **Capital**

2002 The Company had funding to business expansion by increasing its registered capital from Baht 168 million to Baht 208 million by issuing and offering the common shares for Baht 40 million to the existing shareholders. In addition, on the Extraordinary General Meeting of Shareholders No. 3/2002 held on July 28, 2002, it resolved to transform the Company from the company limited to the public company as well as changing its name to be “Ratchthani Leasing Public Company Limited” and increasing its registered capital from Baht 208 million to Baht 300 million by issuing new common shares of 18,400,000 shares at the par value of Baht 5 allocated to general people of 16,800,000 shares at the par value of Baht 8 per share and its employees of 1,600,000 shares at the par value of Baht 6.40 per share.

2003 The Company issued the bond “Guaranteed and Amortized Debentures of Ratchathani Leasing Public Company Limited No. 2/2003 Due 2007” offered to the institutional investors on August 20, 2003 which the number of shares is offered at totally Baht 1,000,000,000 at the par value of Baht 1,000.00 per share, and interest rate of 3.2% per year and validity of 4 years.

The Company offered the warrant no. 1 for purchase the common shares at 200 million units to the existing shareholders whose names shown in the registered book dated on July 10, 2003 at a ratio of 3 common shares per 2 units of 3 sets of the warrant divided by the warrant set 1 for 1 unit, the warrant set 2 for 0.6 unit, and the warrant set 3 for 0.4 unit. It can exercise prior due date and the offering price is Baht 0 per unit with its due on 5 years. The warrant was exercised at ratio of 1 unit per 1 new ordinary share. The exercise price is 1 Baht per share which the Company enabled to increase its registered capital from Baht 300 million to Baht 500 million.

2005

April As of April 12, 2005, the Company had big change on its major shareholder structure. The new major shareholder was Pongjatura group which held the Company’s shares of 20.61% of the paid up capital, or equal to Baht 401,098,495. However, the management team was unchanged with no impact on the business operation of the Company.

Apr-May At the end of December 31, 2005, the Company had the treasury shares totally 1,300,000 shares at the amount of Baht 1.84 million, which was from the share purchase during April 26 to May 3, 2005. The objective of buying treasury shares was for financial management and its policy to hold such shares more than 6 months but



less than 3 years. During the current year, the Company has retained earnings as a reserve equally to the amount paid for treasury share purchase. Such holding treasury shares of the Company for its financial management was complied with the Section 66/1 (2) of the Public Limited Companies Act, B.E. 2535.

October Reference to the Extraordinary General Meeting of Shareholders No. 1/2005 held on Saturday, October 15, 2005, it resolved to increase its registered capital from Baht 500,000,000 to Baht 986,000,000 by issuing 486,000,000 new common shares at the par value of 1.00 Baht allocated to: 1) the existing shareholders of 125,000,000 share, whose names shown on the registered book in proportion to shareholders subscribing new shares. The shareholders holding ordinary shares who subscribing for such new common shares received the warrant to buy ordinary shares after obtaining permission from the Securities and Exchange Commission or SEC at the proportion of 1:1; and 2) it was allocated to the private placement or institutional investors for 150,000,000 shares, which received the warrant to buy ordinary shares after obtaining permission from the Securities and Exchange Commission or SEC of 75, receive the warrant to buy ordinary shares after obtaining permission from the Securities and Exchange Commission or SEC for 75,000,000 unit. Moreover, the Company allocated the 11,000,000 common shares for its capital increase for accommodating the adjustment of warrants to the holders the 2nd and 3rd sets of the warrant no. 1 who required to purchase the Company' common shares.

2006

January The Board has resolved to allocate 150,000,000 common shares for capital increase and 75,000,000 units of warrants to purchase ordinary shares offered to the Siam City Bank Public Company Limited (SCIB).

February The Company, the seller, signed the memorandum of share purchase with the Siam City Bank Public Company Limited, the buyer, on February 27, 2006 to purchase 150,000,000 common shares at a price of 1.15 Baht per share, totally Baht 172,500,000, and warrants to purchase common shares of 75,000,000 units without charge. Such purchase was upon the permission of the Bank of Thailand or the relate entities, and the result of the Company's asset investigation audited by the Siam City Bank Public Company Limited.

April The Company sold 1,300,000 treasury shares in the Stock Exchange of Thailand on April 3, 2006. Such activity was under the criteria of share distribution on the stock market price, which is determined not to less than 85% of the average closing price of the last five trading days.

August Reference the Extraordinary General Meeting of Shareholders No. 1/2006 held on August 11, 2006, the Company remained the resolution of Extraordinary General Meeting of Shareholders No. 1/2005 held on October 15, 2005, which resolved the increase of the registered capital from Baht 500,000,000 to Baht 986,000,000 or the

increase of registered capital of Baht 486,000,000 by 486,000,000 common shares with the par value of 1 Baht per share and the resolution on the amendment of the common share distribution as following:

- (1) Allocation of 265,000,000 new common shares for capital increase to the Siam City Bank Public Company Limited.
- (2) Allocation of 132,500,000 new common shares for capital increase to accommodate the exercise of warrants, which offering to the Siam City Bank Public Company Limited who subscribing the common shares as per the item 1.
- (3) Allocation of 80,500,000 new common shares for capital increase to accommodate the exercise of warrants to the existing shareholders in the proportion of their shareholding (Rights Issue).
- (4) Allocation of 8,000,000 new common shares for capital increase to accommodate the exercise of warrants to the warrant holders who required purchasing the Company's common share of the 2nd and 3rd sets of the warrant no. 1.

September	The Siam City Bank Public Company Limited paid for the common shares of the total paid up capital totally baht 304,750,000 on September 5, 2006 for the purchase of 265,000,000 new common shares at 1.15 Baht per share. As a result, the Siam City Bank Public Company Limited was the Company's shareholder and the paid up capital registered at the Ministry of Commerce was equal to Baht 666,524,480 (par value of 1 Baht per share), the paid up capital was previously registered at the amount of 401,524,480.00 Baht.
2008	The warrant holders exercised their rights to purchase the common share of the 2nd and 3rd sets totally 166 shares at the par value of 1 Baht. The company was registered completely at the Ministry of Commerce at the amount of 666,524,646 Baht.
2009	
September	The warrant holders exercised their rights to purchase the common share of the 4th sets totally 266,666 shares at the par value of 1 Baht. The Company was registered completely at the Ministry of Commerce at the amount of 666,791,312 Baht.
November	The warrant holders exercised their rights to purchase the common share of the 4th sets totally 155,802,594 shares at the par value of 1 Baht. The Company was registered completely at the Ministry of Commerce at the amount of 822,593,906 Baht.
2010	
March	After purchasing the common shares of the Siam City Bank Public Company Limited from the Financial Institutions Development Fund, it resulted that Thanachart Bank Public Company Limited became the major shareholder instead of the Siam City Bank Public Company Limited which held 48.35% of shares of paid up capital.
2011	
April	The Company registered the increased capital with the Ministry of Commerce to support the stock dividend allocation to the existing shareholders from the previous registered



capital at the amount of Baht 822,593,906 to the new registered capital of Baht 904,853,296.

November The Company registered the increased capital with the Ministry of Commerce from the previous registered capital at the amount of Baht 904,853,296 to the new registered capital of Baht 1,342,349,708. Such capital increase was done by offering to the existing shareholders. As a result, Thanachart Bank Public Company Limited became the major shareholder of the Company by holding 874,973,000 shares, or 65.18% of paid up capital.

2012

April The Company issued a debenture offering to the general public, which had 3 types of name-registered certificate of unsubordinated and unsecured debentures: 2 years, 3 years, and 4 years at the interest rate of 4.90%, 5.20% and 5.50% respectively. The due date was in April 2014, 2015, and 2016 respectively, at the total amount of 6,000 million Baht.

November The Company issued a debenture offering to the general public, which was the name-registered certificate of unsubordinated and unsecured debentures for 4 years at the interest rate of 5.00%. The due date was in November 2016 at the total amount of 3,000 million Baht.

2013

April Reference to the General Meeting of Shareholders No. 1/2013 held on April 2, 2013, it resolved to increase its registered capital from Baht 1,342,349,708 to Baht 1,610,819,649 by issuing 268,469,941 new common shares at the par value of 1.00 Baht to support the stock dividend payment, the common share, It paid a dividend of 0.20 Baht per share to the existing shareholders in the proportion of 5 existing shares to one new ordinary share. In case that the outcome of share dividend calculation was indivisible, the remainders were paid in the form of cash dividend to the shareholders. From this dividend payment, the Company had paid up capital of Baht 1,610,819,597 (1,610,819,597 common shares with the par value of 1.00 Baht).

June The Company offered the debenture to general public, which was the name-registered certificate of unsubordinated and unsecured debentures for 4 years with the interest rate of 4.70% due date in June 2017 at the amount of 2,000 million Baht.

August The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 7 months with the interest rate of 4.759% due date in April 2017 at the amount of 760 million Baht.

October The Company offered the debenture to general public, which was the name-registered certificate of unsubordinated and unsecured debentures for 4 years with the interest rate of 4.80% due date in October 2017 at the amount of 3,000 million Baht.

2014

April

Reference to the General Meeting of Shareholders No. 1/2014 held on April 2, 2014, it resolved to increase its registered capital from Baht 1,610,819,597 to Baht 2,013,524,496 by issuing 402,704,899 new common shares at the par value of 1.00 Baht to support the stock dividend payment, the common share, It paid a dividend of 0.25 Baht per share to the existing shareholders in the proportion of 4 existing shares to one new ordinary share. In case that the outcome of share dividend calculation was indivisible, the remainders were paid in the form of cash dividend to the shareholders. From this dividend payment, the Company had paid up capital of Baht 2,013,522,778 (2,013,522,778 common shares with the par value of 1.00 Baht).

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 9 days with the interest rate of 4.25% due date in May 2017 at the amount of 200 million Baht.

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 28 days with the interest rate of 4.25% due date in April 2017 at the amount of 80 million Baht.

May

The Company offered the debenture to general public, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 4 years with the interest rate of 4.75% due date in May 2017 at the amount of 2,000 million Baht.

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 18 days with the interest rate of 4.25% due date in June 2017 at the amount of 210 million Baht.

July

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 7 days with the interest rate of 4.22% due date in July 2017 at the amount of 150 million Baht.

September

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 10 months with the interest rate of 4.10% due date in July 2017 at the amount of 300 million Baht.

2015

April

Reference to the General Meeting of Shareholders No. 1/2015 held on April 8, 2015, it resolved to increase its registered capital from Baht 2,013,522,778 to Baht 2,416,227,333 by issuing 402,704,555 new common shares at the par value of 1.00 Baht to support the stock dividend payment, the common share, It paid a dividend of



0.20 Baht per share to the existing shareholders in the proportion of 5 existing shares to one new ordinary share. In case that the outcome of share dividend calculation was indivisible, the remainders were paid in the form of cash dividend to the shareholders. From this dividend payment, the Company had paid up capital of Baht 2,416,227,209 (2,416,227,209 common shares with the par value of 1.00 Baht).

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 3 months with the interest rate of 3.35% due date in July 2017 at the amount of 200 million Baht.

September The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 25 days with the interest rate of 3.10% due date in August 2018 at the amount of 150 million Baht.

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years with the interest rate of 3.10% due date in September 2018 at the amount of 350 million Baht.

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 19 days with the interest rate of 3.10% due date in September 2018 at the amount of 150 million Baht.

October The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 22 days with the interest rate of 3.00% due date in September 2018 at the amount of 150 million Baht.

The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 1 day with the interest rate of 3.00% due date in October 2018 at the amount of 300 million Baht.

2016

February The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 6 days with the interest rate of 2.88% due date in February 2019 at the amount of 200 million Baht.

March The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 1 year 9 months 10 days with the interest rate of 2.60% due date in December 2017 at the amount of 770 million Baht.

April	<p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 26 days with the interest rate of 2.88% due date in April 2019 at the amount of 200 million Baht.</p> <p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years with the interest rate of 2.70% due date in April 2019 at the amount of 1,000 million Baht.</p>
June	<p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years with the interest rate of 3.00% due date in June 2019 at the amount of 200 million Baht.</p> <p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years 17 days with the interest rate of 3.00% due date in July 2019 at the amount of 215 million Baht.</p>
July	<p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years with the interest rate of 3.00% due date in July 2019 at the amount of 300 million Baht.</p>
August	<p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 23 days with the interest rate of 3.00% due date in August 2019 at the amount of 200 million Baht.</p> <p>The Company offered the debenture to the institutional investors and major shareholders, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 23 days with the interest rate of 3.00% due date in August 2019 at the amount of 500 million Baht.</p>
September	<p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 3 years with the interest rate of 2.95% due date in September 2019 at the amount of 300 million Baht.</p> <p>The Company offered the debenture to private placement, not more than 10 persons, which was the name-registered certificate of unsubordinated and unsecured without representative debentures for 2 years 11 months 11 days with the interest rate of 2.95% due date in August 2019 at the amount of 320 million Baht.</p>



Significant Circumstances in the Past

2014

- April The Company has signed and announced its intentions to be an alliance of Thailand's Private Sector Collective Action against Corruption (CAC).
- October The Company has be certified and approved by CAC Certification Committee to be the member of Thailand's Private Sector Collective Action against Corruption (CAC) together with Thanachart Capital Public Company Limited, including 10 companies of Thanachart Group.

2015

- February The Company has be awarded and scored at "Level 4 Certified" of the Anti-Corruption Progress Indication held by Thaipat Institute, which supporting by the Securities and Exchange Commission. Such certification was indicated that the review process of the audit committee was complete and appropriate, including certified to be a member of CAC.
- March The Company has been selected and ranked to be in the Listed Companies of ESG 100 in 2015 held by Thaipat Institute, which recruiting only 100 from 567 listed companies of the Stock Exchange of Thailand having an outstanding on operation, relationship on Environmental, Social and Governance (ESG)
- June The Company was scored of 100 points of "the excellent and worthy model" from the quality assessment of holding the Annual General Meeting of Shareholders (AGM) in 2015 Program held by Thai Investors Association.
- November The Company was awarded of "very good" from the survey program of the Corporate Governance Report of Thai Listed Company (CGR) held by Thai Institute of Directors.

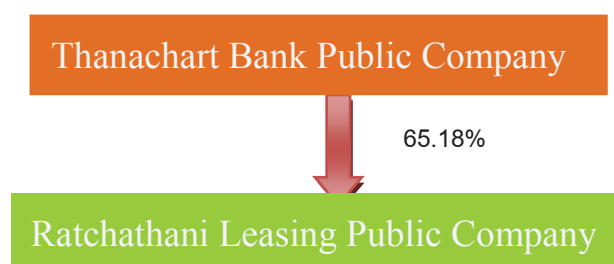
2016

- February The Company has be awarded and scored of the top level, "Level 5 Extended" of the Anti-Corruption Progress Indication held by Thaipat Institute, which supporting by the Securities and Exchange Commission. Such certification was indicated that the policy covered of business partners, consultants, or business representatives, including the operation leading the trade partners execute their policies and guidelines on not involving in the corruption.
- April The Company has been selected and certified to be in the Listed Companies of ESG 100 in 2016 held by Thaipat Institute, which recruiting only 100 from 621 listed companies of the Stock Exchange of Thailand having an outstanding on operation, relationship on Environmental, Social and Governance (ESG)
- June The Company was scored of full score, 100 points of "the excellent and worthy model" from the quality assessment of holding the Annual General Meeting of Shareholders (AGM) in 2016 Program held by Thai Investors Association.

November	The Company was awarded of “very good” from the survey program of the Corporate Governance Report of Thai Listed Company (CGR) held by Thai Institute of Directors.
December	<p>The Company was awarded the best of “Performance of Listed Companies Award for 2016” (for the company type of having market capitalization between 3,000 to 10,000 million Baht) on the ceremony of “SET Award 2016” held by the Stock Exchange of Thailand in collaboration with Money and Banking journal.</p> <p>The Company was awarded the outstanding of “Performance of Listed Companies Award for 2016” (for the company type of having market capitalization between 3,000 to 10,000 million Baht) on the ceremony of “SET Award 2016” held by the Stock Exchange of Thailand in collaboration with Money and Banking journal.</p>

The Relationship with the Business Group of Major Shareholders

As of December 31, 2016, Thanachart Bank Public Company Limited was the major shareholder. The business structure is as follows:





Nature of Business Operation

Services

The Company has operated business on hire-purchase vehicles and hire-purchase financing loans. The Company has emphasized on car market segments which it has much expertise such as new and used commercial cars for example pickup vehicle, taxi, trailer, etc., and used personal cars (second hand cars). As of 31 December 2016, hire-purchase loans for used-cars were at 35% of the total portfolio. In addition, in year 2016 the Company mainly focused on truck hire-purchase, both new and used ones. Truck hire-purchase covered 70% while other vehicle hire-purchase was at 30%. Ownerships were transferred after all installments were fully paid.

The risks of used-car hire-purchase are fairly high, compared to those for new cars. Moreover, there are risks from major customers, the commercial cars, which are susceptible with overall domestic economy. The Company therefore considers several factors before leasing approval such as car physical conditions, market price of used car, car plate registration examination, etc. As a result, the Company has provided the much experienced teams to inspect used-car conditions and prices.

In addition to the aforementioned hire-purchase services, the Company has after-leasing services such as car plate registration renewal, insurance renewal, including services of car inspection before annual car tax payment. These services not only serve customers but also increase the Company's income, which beneficial to the Company in case of protecting customers' assets and preventing the Company's damage as well.

Revenue Structure

The revenue structure of the Company according to the financial statements for the fiscal year ended December 31, 2014, 2015 and 2016 is shown as follows.

Revenue	2016		2015		2014	
	Baht million	%	Baht million	%	Baht million	%
1. Revenue from hire-purchase agreements						
- personal cars	675.73	22.63	544.96	19.59	439.96	15.97
- commercial vehicles	1,779.04	59.60	1,794.93	64.52	1,938.00	70.38
Total revenue from hire-purchase agreements	2,454.77	82.23	2,339.89	84.11	2,377.96	86.35
2. Revenue from financial lease accounts	29.74	1.00	21.60	0.78	19.33	0.70
3. Other income						
- Fee and services charge	146.74	4.92	134.51	4.84	122.53	4.45
- Fee of loan default penalty	102.96	3.45	96.36	3.46	75.15	2.73
- Bad debts recovered	4.27	0.14	4.78	0.17	5.34	0.19
- Commission on insurance premium	126.43	4.23	101.30	3.64	74.59	2.71
- Other income*	120.28	4.03	83.44	3.00	79.03	2.87
Total other income	500.68	16.77	420.39	15.11	356.64	12.95
Total Revenue	2,985.19	100.00	2,781.88	100.00	2,753.93	100.00

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

Markets Overview and Competition Condition

In 2016, the hire-purchase and leasing industry had a slight growth, compared to the past years but competition remained severe continually. Since the financial institutions, commercial banks, leasing and hire-purchase companies of the car manufacturers and dealers focused on hire-purchase personal car market, both new and used-cars; some enterprises adjusted strategies and expanded their market to emphasize on used-car leasing increasingly. They were not direct competitors of the Company because its key market was commercial cars, both new and used ones, provided that the competition of this segment was not high.

The Company's major target groups are included individual persons and juristic persons who were recommended by used-car dealers. In 2016, 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 dealers. 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 dealers. From the part experiences, if existing customers repaying all or partial loans wished to buy new second hand 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 effectively. The Company has leasing staff working regularly at used-car shops. Car registration staff is ready to coordinate with credit staff to facilitate loan approval. Moreover, the Company pays more attention on the payment to dealers which must be fast and on time.
2. Emphasize on services to key target customers which the Company is skillful and expertise both on used-cars market (niche market), and new and used trucks. The Company has conducted this business for more than 25 years with market knowledgeable and understanding employees, including price appraisal expertise, which are the advantages over its new coming competitors.
3. Give priority to a full range of services such as car plate registration renewal and insurance renewal to provide convenience to customers, which are extra sources of revenues.
4. Create good relationships with customers and used-car dealers by quality, fast and convenient services. Good returns and consistent services are also offered to dealers. Credit lines are sufficiently and consistently offered to customers of each dealer in order to make dealers confidence and create business opportunities of the Company in the future.
5. Emphasize on loans through used-car dealers crucially screening and selling quality cars with reasonable prices, legally car registration and/ or warranty to buyers in order to reduce the risks on collateral (car quality). Accordingly, the Company has recognized the risks of approval



of used-car hire-purchase which having the risks of both debtor quality and car quality while key risks of new car hire-purchase is debtor quality only.

6. Give priority to the Company's existing employees and recruit new staff with used-car market expertise and experience to work in order to strengthen its credit teams efficiently together with enhancing knowledge to employees and motivating 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 65 – 70% of the total receivable account 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 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 dealers. The Company will provide fast services to keep marketing shares and extend the relationships with used-car dealers 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 dealers have been created and its employees are rotated to regularly work at dealers' shop. Used-car dealers which are the Company's trade partners should be approved and examined according with the specified regulations of the Company. Accordingly, the Company has not made any agreement with those dealers.

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

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

However, with business experience and long-term relationships with car dealers, the Company is a sole hire-purchase provider of credit line services to customers/car buyers of the second hand buyers of the some large car dealers.

Source and Use of Funds

Sources of funding comprised not only the capital but also loans from financial institutions. As of 31 December 2014, 2015 and 2016, the Company's sources of funding were summarized as follows.

Items	As of 31 December					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Shareholders' equity	5,009.39	15.33	4,564.26	15.82	3,879.05	14.24
Loans						
Shore-term loans*	20,148.22	61.64	12,901.31	44.71	8,555.10	31.41
Long-term bonds***	6,528.42	19.97	9,989.37	34.62	14,180.21	52.06
Long-term loans	999.97	3.06	1,399.72	4.85	624.79	2.29
Total loans**	27,676.61	84.67	24,290.40	84.18	23,360.10	85.76
Total	32,686.00	100.00	28,854.66	100.00	27,239.15	100.00

Note : (*) Classify to 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 (the net of repayment within one year).

As of 31 December 2016, the loans were at 27,676.61 million Baht with the following repayment schedule.

Payment Schedule	million Baht
Within 1 year	20,148.22
1 – up to 2 years	4,097.27
2 – up to 3 years	3,431.12
More than 3 years	<u>0.00</u>
Total	<u>27,676.61</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	13,758.21	157.77	13,915.98
1 – up to 2 years	10,710.61	136.07	10,846.68
2 – up to 3 years	7,235.98	106.68	7,342.66
More than 3 years	<u>4,624.66</u>	<u>92.81</u>	<u>4,717.47</u>
Total	<u>36,329.46</u>	<u>493.33</u>	<u>36,822.79</u>

As of 31 December 2016, the Company had the loans to be paid within 1 year (including overdraft and short-term loans) of 20,148.22 million Baht and the long-term loans to be paid within 1 – up



to 2 years of 4,097.27 million Baht. The debtors to be paid within 1 year of 13,915.98 million Baht and the debtors to be paid within 1 – up to 2 years of 10,846.68 million Baht proved that the Company had sufficient sources of funding to repay the loans paid within 1 year, which composing of overdraft, promissory note of financial institutions and external persons, and long-term loans to be paid within 1 year.

Due to emphasizing on the importance of liquidity, the Company has considered new sources of funding that are the 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 carefully.

Company's Goals and Business Plans in Next 5 Years

For the last-year operation, the Company closely monitored and followed up impacts of several domestic and international factors. The Company has closely and continually collaborated with the management of Thanachart Bank Plc., the major shareholder, to create 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 market covering broader areas and improving the efficiency of procedures on credit approval to be rapidly, precisely, and maximizing 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 or new and used ones.
4. To expand credit to other vehicles such as planes, yacht to fulfill the need of special customers having potential in the market.
5. To revamp financial structures more properly to reduce business costs and enhance the Company's competitive advantage.
6. To retain existing customers and increase fast and convenient services to maximize customer satisfaction.
7. To maintain valuable employee, develop and create credit officers for enhancing 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 calculating at fixed rate while some parts of funding costs are from financial institutions at floating rate 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 rate increase, the interest spread may reduce. However, the Company manages risks through expanding several vehicles financing which have higher returns refinancing loans from financial institutions with lower interest loans. This aims to maintain the interest spread equivalently with the past.

Risk from Mismatch Lending and Borrowing Periods, and Financial Liquidity

Most of leasing companies, including Ratchthani Leasing Public Company Limited, have mismatch risks due to the difference of lending periods and borrowing periods, including financial liquidity. The credit periods granted to customers are for 1- 5 years while the Company's main long-term loans are 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 classified new 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 at the appropriate level for continually business operation.

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, especially the price competition to promoting car distribution.

In 2016, the Company has maintained term of installment of hire-purchase and leasing for commercial vehicles within 70-75% of the total leasing port. The Company has believed that this segment will continue to grow; and have higher profit margin with lower risk than the personal car segment (normally, if the Company impounds such kind of vehicles and auctions to the public, selling prices are closed to debt amounts higher than a personal car). Therefore, the Company can avoid direct



competition with big financial institutions, which have lower operation costs, and increase its 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 car maintenance 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, efficiently 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 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 leasing new and second-hand vehicles which may faces with the risks of mistakes on vehicle inspection, second hand car pricing evaluation, including selling impounded car under the balanced values of such hire purchase which has to be auctioned according to its present condition, which greatly depends on mileage, condition and brand popularity of such vehicles. As of 31 December 2016, the proportion of second-hand car credits was at approximately 35% of the total hire-purchase and financial leasing port.

The Company implements a measure to minimize such risks by using qualitative car inspection with experienced and expertise staffs 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 selling. The Company also analyzes payment behaviors of the customers whom a dealer submits in for the financing application.

Risk from Sales of Impounded Vehicles

After impounding 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 balanced debt, 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 that time. However, the risks of loss arising from selling the impounded cars, a second-hand car, are generally less than that of a new car. It resulted of the value of used car are declined against the lifetime of each year, which is high value only the early years and gradually declining after using for more years.

For the year 2015, the value of second hand car was highly dropped down; as a result, sale volume of car industry had much loss more than the previous years. In 2016, the signal of price of second-hand car was gradually equilibrium. 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, and sell the impounded cars soonest to decrease its loss. 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 698, 734 and 621 vehicles in 2014, 2015, and 2016 respectively, and has the loss from sales of the repossessed vehicles at the amounts of Baht 88.76 million, Baht 121.17 million, and Baht 90.12 million in 2014, 2015 and 2016 respectively.

Risk from Depending on the 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. A car dealer will be selected, and approved according to the consideration procedures and



investigation process specified by the Company. In addition, the Company also emphasized the importance on payments to the dealers as rapidly and on time.

Moreover, 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 increasingly, 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 use the Company's services again.

Losing such employees will most likely affect the short-term operation. Therefore, the Company sets a policy to retain such expert employees on working at the Company for long-term with various incentives and organizing the appropriate training and development programs to those employees continuously.

Risk of Potential Debts in the Future

In the past 3 years, the Company continued to expand its credit business. As of 31 December 2014, 2015 and 2016, the Company had net leasing and financial debtors of Baht 27,304.18 million, Baht 28,920.28 million and Baht 32,747.54 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, to prevent the risk of potential debt, from 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 searched for sources of funding with low financial costs under its financial structures and liquidity, provided that the benefit of the shareholders and stakeholder are significant.

Shareholding Structure

Shareholders

The Company's top ten major shareholders as of December 30, 2016 are listed below:

No.	List of names	Number of shares held	%
1	Thanachart Bank Public Company Limited	1,574,951,400	65.18
2	The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department	107,670,000	4.46
3	Mr. Charoensook Kititti	89,657,318	3.71
4	Thai NVDR Co., Ltd.	65,494,648	2.71
5	Mrs. Naowanart Chamornmarn.	21,900,000	0.91
6	Phatra Capital Plc	18,926,550	0.78
7	SCB Dividend Stock 70/30 Long Term Equity Fund	18,255,700	0.76
8	Allianz Ayudhya Assurance Public Company Limited	15,500,000	0.64
9	Mrs. Wilawan Rongwattanasophon	14,000,000	0.58
10	Mrs. Siriwong Rongwattanasophon	12,470,436	0.52
11	Others	477,401,157	19.75
	Total	2,416,227,209	100.00
Par Value of Baht 1/share			

Dividend Payment Policy

The Company has the dividend payment policy by paying not less than 50% of net profit as specified on the Company's regulation that if not having any necessities and such dividend payment not effected to the normal operation of the Company significantly.

Dividend payments to shareholders

By the resolution of the Shareholder's General Meeting No. 1/2014 on April 2, 2014, the Meeting was resolved to pay the dividend by cash for the 2013 operation to its shareholders at Baht 0.03 per share and stock dividend totally 402.70 million common shares to the existing shareholders for the new share dividend at 4:1, which calculated of dividend payment at the total rate of 0.28 Baht/share or 59.80% of the net profit.

By the resolution of the Shareholder's General Meeting No. 1/2015 on April 8, 2015, the Meeting was resolved to pay the dividend by cash for the 2014 operation to its shareholders at Baht 0.03 per share and stock dividend totally 402.70 million common shares to the existing shareholders for the new share dividend at 5:1, which calculated of dividend payment at the total rate of 0.23 Baht/share or 65.77% of the net profit.

By the resolution of the Shareholder's General Meeting No. 1/2016 on April 1, 2016, the Meeting was resolved to pay the dividend by cash for the 2015 operation to its shareholders at Baht 0.18 per share, 58.09% of the net profit.



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, 2016, THANI's Board of Directors was composed of twelve members:

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

Mr. Ponlaphe Sakkayapapwicharnon serves as the Board Secretary.

Authorized signatories

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

Qualifications of Directors

1. Having knowledge, skills and various experience to support the Company' business operation and particular competence beneficial to the Company, including consisting at least one director not being the executives director but having experience related to the Company's business without the limitation of gender.

2. Not having any prohibited characteristics accordance with the law and related regulations.
3. Not being the director of similar and competitive business with the Company either for his/her own or others' benefits, except notifying such matters to the shareholders' meeting prior the appointment.
4. The directors, executives or persons concerned are able to undertake any transactions which are normal business practices of the Company. Such transactions are commercially agreed, which similar transaction general persons shall agree with their parties on the same circumstances by their negotiation authority not interfered by any influences, except prohibited transactions defined by law and notified by the public sectors.

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

Besides the roles and responsibilities as same as other members of the Board of Directors, the independent director has particular roles and duties to maintain his/her independence on giving an opinion or recommendation in order to sustain the benefits of all concerned stakeholders without being under the influence of any parties.

The independent directors consist of totally 5 persons. The independent directors shall hold the particular meeting among the independent directors without the executives, or other persons concerned that may be related with the Company or prejudice persons participating such meeting, prior the Board of Directors' meeting, in order to consider the details of the meeting agenda of the Board of Directors and mutually give recommendations proposed to the Board of Directors for management improvement and business operation to be developed and effective to the Company and benefits to all stakeholders.

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 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 2 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 2 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 2 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

As of December 31, 2016, THANI's was Audit Committee composed of five members:

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

Qualifications of Audit Committee

1. The Audit Committee is comprised of independent director which appointed by the Board of Directors or the shareholders' meeting of the Company, and one member of Audit Committee is appointed to be the Chairman of Audit Committee.
2. Not being a director assigned by the Board of Director to operate the Company's business, main office, subsidiaries, associates, the same-level subsidiaries, major shareholder, or authorized person of the Company.
3. Not being a director of main office, subsidiaries, or the same-level subsidiaries especially a company registered in the listed company.
4. The Audit Committee must consist of at least three directors and at least one director must have sufficient knowledge and experience to perform, review the reliability of the financial statements.
5. The Audit Committee must have other qualifications determined by the Office of the Securities and Exchange Commission.

Besides the qualifications and special characteristics of the Audit Committee, the Audit Committee must be qualified and elements suitably to be the Audit Committee (please see the details shown on the topic of the Board of Directors).

Executive Board of Directors

As of December 31, 2016, 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. Praphan Anupongongarch	Executive Board Member
4.	Mr. Wuttichai Suraratchai	Executive Board Member

Mr. Boonchu Wongpakdee serves as the Executive Board of Directors Secretary.

Scope of power and duties of the Executive Board of Directors

1. To generally act on behalf and in the benefit 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 Directors for which is beyond the granted authority and/or authorized amount. To consider and have authority on human resource 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.

1. To review prior proposing to Board of Director for approval regarding to the Company's policy on the case of implementation; it will effect significant changes to the Company's business. It also include any matters that the Executive Board deems appropriately to propose for approval each item, or according to the criteria as defined by the Board of Director such as loan approval, etc.
2. Having authority to approve loan and debt restructure application for all types of the Company's debtors both individual and group at the maximum amount not exceeding 50 million Baht.
3. Having authority to determine and/or amend internal regulations for the Company's business operation
4. Having authority to adjust, change the employment conditions regarding to welfares and benefits of employees
5. Having authority to consider for propose payment on special support or bonus to the Board of Directors for approval
6. Having authority to assign the management to execute any actions beneficial to the Company and non-violated to the laws
7. Having authority to consider any activities assigned by the Board of Directors
8. Having authority to approve expenditures or investment transaction with unplanned budget at the amount 5 million Baht.
9. To monitor and evaluate the operation and operating results according to the policy defined by the Company closely, including giving comments to the Board of Directors on policy improvement as appropriately
10. To review, analyze, study, and develop business strategic plan for proposing to the Board of Directors' meeting for consideration.

11. Having responsibility to consider business plans and annual budget for proposing to the Board of Directors' meeting for consideration

The Board of Directors appointed The Nomination and Remuneration Committee

As of December 31, 2016, THANI's The Board of Directors appointed The Nomination and Remuneration Committee was composed of three members:

Name	Position
1. Mr. Suvit Arunanondchai	Chairman of the Nomination and Remuneration
2. Mr. Varavudh Varaporn	Nomination and Remuneration member
3. Mr. Anuwat Lueangtaweekul	Nomination and Remuneration member

Miss. Rungtip Chaipatanarpruck serves as the Nomination and Remuneration Secretary.

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

1. Selection

- To define policy, criteria, and selection guidelines for proposing to the Board of Directors for approval
- To screen and propose a qualified person suitable to serve on a vacant position for proposing the Board of Directors for approval.
- Organize the various Boards having size and composition appropriately to the organization, including improving in accordance with any environmental changes, by which each director and/or Boards must be consisted of qualified members who have knowledge, competence according to each Board required
- To disclose policy and details on selection on the annual report of the Company

2. Compensation

- To determine policy and criteria on compensation and other benefits of the director, Managing Director, and other committee for proposing to the Board of Directors for approval
- To provide the director, Managing Director, and other committee to receive appropriate remuneration suitably to their duties and responsibilities
- To define guidelines on performance assessment of Managing Director in order to consider on annual remuneration adjustment (salary adjustment, bonus, and other compensations) and propose to the Board of Directors for approval
- To review remuneration structure and other benefits of the directors, Managing Director, other committee in accordance with the market conditions
- To disclose policy and details on remuneration determination on the annual report of the Company

3. Others

- To consider other matters assigned by the Board of Directors



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 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, 2016, the committee consisted of 12 members as follows :

	Name	Position
1.	Mr. Virat Chinrapinporn	Chairman of the Corporate Governance Committee
2.	Mr. Charoensook Kititti	Corporate Governance Member
3.	Mr. Kovit Rongwattanasophon	Corporate Governance Member
4.	Mr. Anuwat Luengtaweekul	Corporate Governance Member
5.	Mr. Praphan Anupongongarch	Corporate Governance Member
6.	Mr. Wuttichai Suraratchchai	Corporate Governance Member
7.	Mr. Anuchart Deeprasert	Corporate Governance Member
8.	Ph.D. Thakol Nunthirapakorn	Corporate Governance Member
9.	Mr. Suvit Arunanondchai	Corporate Governance Member
10.	Asst. Prof. Naengnoi Chai-Onnom	Corporate Governance Member
11.	Mr. Varavugh Varaporn	Corporate Governance Member
12.	Mr. Surapol Satimanon	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, 2016, the committee consisted of four members as follows:

Name	Position
1. Mr. Kovit Rongwattanasophon	Chairman of the Risk Committee
2. Mr. Virat Chinprapinporn	Risk Management Member
3. Mr. Praphan Anupongongarch	Risk Management Member
4. Mr. Wuttichai Suraratchai	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, 2016, the Company's management team comprised six members, as below:

Name	Position
1. Mr. Virat Chinprapinporn	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. Ponlaphe Sakkayapapwicharnon	Assistant Managing Director, Internal Control & Monitoring
6. Mr. Sootchai Viriyalappa	Assistant Managing Director, Finance



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 Sakayapapwicharnon to be the Company's secretary and serves as the Secretary to the Board 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 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 and "Effect Minute Taking" Class 6 organized by Thai Institute of Directors.



Remuneration for executives

Monetary remuneration

a) Remuneration for directors for the year 2016 as follows :

Name	The Board of Directors	The Audit Committee	The Board of Directors (Selection & Remuneration)	Executive Board of Directors	Remuneration	Total (Baht)
1. Mr. Virat Chinprapinporn	145,000				207,026.32	352,026.32
2. Mr. Charoensook Kititti	122,000				182,183.16	304,183.16
3. Mr. Kovit Rongwattanasophon	122,000				182,183.16	304,183.16
4. Mr. Wuttichai Suraratchai	122,000			114,000	182,183.16	418,183.16
5. Mr. Anuwat Luengtaweekul	122,000		72,000		182,183.16	376,183.16
6. Mr. Anuchart Deeprasert	122,000				182,183.16	304,183.16
7. Mr. Praphan Anupongongarch	122,000			114,000	182,183.16	418,183.16
8. Ph.D. Thakol Nunthirapakorn	122,000	145,000			182,183.16	449,183.16
9. Mr. Surapol Satimanon	122,000	122,000			182,183.16	426,183.16
10. Mr. Varavugh Varaporn	122,000	122,000	72,000		182,183.16	498,183.16
11. Mr. Suvit Arunanondchai	122,000	122,000	85,000		182,183.16	511,183.16
12. Asst.Prof. Naengnoi Chai-Onnom	122,000	122,000			145,746.53	389,746.53
Total	1,487,000	633,000	229,000	228,000	2,174,604.49	4,751,604.45

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

Mr. Boonchu Wongpakdee serves as the Audit Committee Secretary.

Miss Rungtip Chaipatanapruck serves as the Board of Directors appointed the Nomination and Remuneration Committee Secretary.

Remuneration for executives as follows :

(Baht)

Type of remuneration	2016	2015	2014
Salary and bonus	26,093,600	24,918,208	24,825,400
Car petrol and telephone	216,000	216,000	216,000
Total	26,309,600	25,134,202	25,041,400
Number of executives	6	6	6

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' can choose to pay contribution but not more than 15% of salary.
- Company's contribution at 5% of individual employees' salary, the Company's contribution of executives as follows:

(Baht)

	2016	2015	2014
Provident fund (Baht)	1,325,315	1,019,700	713,560

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 Chinprapinporn Chairman, Executive Director Authorized Director Date appointed as a director 28 July 2002	56	Master of Business Administration (MBA), City University, USA Bachelor of Business Administration (Finance), Seattle University, USA Certificate of Attendance Executive Program in Business Industry Development and Investment (3/2016) Institute of Business and Industrial Development (IBID) Top Executive Program in Commerce and Trade (TEPCoT) Class 8 Commerce Academy University of the Thai Chamber of Commerce. Executive Program (CMA), Class 16/2013 Capital Market Academy. DAP & DCP 40/2004 Thai Institute of Directors (IOD)	5,040,000 0.21%	-	2003 - Present 2002 - Present	Executive Director, Chairman Chairman	Ratchthani Leasing Public Co., Ltd. Baan Rock Garden Public Co., Ltd.
2. Mr. Charoensook Kititti Director Authorized Director Date appointed as a director 28 July 2002	78	Diploma of Modern Management, Faculty of Commerce & Accountancy Chulalongkorn University Diploma of Executive Development, Faculty of Commerce & Accountancy Thammasat University Certificate of Attendance DAP 19/2004 & DCP 53/2005 Thai Institute of Directors (IOD)	89,657,318 3.71%	-	2005 - Present 2001 - Present 1993 - Present 1989 - Present 1973 - Present	President President President Director President	City Mansion Bangwah Co., Ltd. Charoensook Pudedphol Co., Ltd. Realty & Property Management Co., Ltd. Ratchthani Leasing Public Co., Ltd. Charoensook Hoonchiew Pharmacy Co., Ltd.

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
3. Mr. Kovit Rongwatanasophon Director & Managing Director Chairman of Executive Director Authorized Director Date appointed as a director 28 July 2002	55	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)	8,601,160 0.36%	-	2002 - Present 1989 - Present	Chairman of Executive Director	Ratchthani Leasing Public Co., Ltd.
						Managing Director	Ratchthani Leasing Public Co., Ltd.
4. Mr. Wuttichai Suraratchai Director / Executive Director Authorized Director Date appointed as a director 24 July 2006	53	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 173/2013 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	53	Master of Business Administration (MBA), Rangsit University Bachelor of Science (Accounting), Kasetsart University Certificate of Attendance Role of Compensation Committee (RCC) 21/2016 Thai Institute of Directors (IOD) How to Measure the Success of Corporate Strategy (HMS) 4/2014 Successful Formulation & Execution the Strategy (SFE) 3/2009	-	-	2016 - Present 2012 - Present 2010 - Present 2010 2009 - Present 2007 - 2009	Independent Director and Audit Committee (Director) 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	Information and Communication Networks Co., Ltd. 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	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
		Director Certification Program (DCP) 24/2002 Board and Performance Evaluation Program Thai Institute of Directors (IOD) Financiers Executive Development Program 9/1994 Association of Finance Companies					
6. Mr. Praphan Anuponggarch Director / Executive Director Authorized Director Date appointed as a director 10 November 2010	53	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)	-	-	2016 - Present 2010 - Present 2010 - Present 2010 - Present 2001 - 2010 1998 - 2001	Executive Vice President Director & Executive Director Director Assistant Managing Director Senior Executive Director Product Development Dept. (Banking & Electronics) Assistant Managing Director	Thanachart Bank Public Co., Ltd. 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.
7. Mr. Anuchart Deeprasert Director Authorized Director Date appointed as a director 10 November 2010	56	Master of Business Administration (MBA), Mahanakorn University of Technology 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 Credit 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.

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	71	Ph.D. Degree, Accountancy, MIS, Economics University of Arkansas, USA	371,004 0.02%	-	2015 - Present	Chairman of Board	Harn Engineering Solutions Public Co., Ltd.
		MBA. (Quantitative Analysis) Northeast Louisiana University, USA			2014 - Present 2002 - Present Present	Audit Committee (Chairman) Audit Committee (Chairman) University Administration Committee.	Fire Victor Public Co., Ltd. Ratchathani Leasing Public Co., Ltd. The University of Thai Chamber of Commerce.
		B.S. (Finance) West Liberty State, USA			Present	Dean, School of Accountancy	The University of Thai Chamber of Commerce.
		Certificate of Attendance Ethical Leadership Program (ELP) 3/2016			Present	Special Instructor Faculty of Business Administration	National Institute of Development Administration. (NIDA)
		Thai Institute of Directors (IOD) High Dip. (Finance & Banking) University of the Thai Chamber of Commerce DCP 228/2016, DAP 8/2004 & ACP 8/2005 Thai Institute of Directors (IOD)					
9. Mr. Suvit Arunanonchai Independent Director Audit Committee (Director) The Nomination and Remuneration Committee (Chairman) Date appointed as a director 22 February 2011	67	Bachelor of Art, Louisiana Tech University, USA Program for Management Development (PMD 1985) Harvard Business School Harvard University, USA	-	-	2016 - Present	Independent Director Audit Committee (Director) The Nomination and Remuneration Committee	Thai Nippon Rubber Industry Public Co., Ltd.
		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			2014 - Present	Independent Director Audit Committee (Director) The Nomination and Remuneration Committee (Chairman)	Nelbay Public Co., Ltd.
		Role of The Compensation Committee (RCC) 18/2014 Advanced Audit Committee Program (AACCP) 15/2014			2012 - Present	The Nomination and Remuneration Committee (Chairman)	Ratchathani Leasing Public Co., Ltd.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
10. Asst.Prof. Naengnoi Chai-Onnom Independent Director Audit Committee (Director) Date appointed as a director 8 November 2010	74	Successful Formulation and Execution of Strategy (SFE) (SFE) 23/2015 Building Better Board through Effective Independent Director (Director Forum 2/2015) Thai Institute of Directors (IOD) CMA 8, Capital Market Academy, SET	-	-	2011 - Present	Independent Director Audit Committee	Ratchthani Leasing Public Co., Ltd.
		M.B.A. (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, ELP 1/2015 Thai Institute of Directors (IOD)			2016 - Present 2013 - 2016 2012 - 2016 2010 - Present 2010 - 2013 2007 - Present 2004 - 2010 2004 - 2010 2002 - 2011	Consultants of Dean, School of Accountancy 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	University of the Thai Chamber of Commerce. 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.

Name - Surname	Position	Age	Education	Shareholding %	Relationship	Period	Experience	
							Position	Company
11. Mr. Varavudh Varaporn Independent Director Audit Committee (Director) Member of the Nomination and Remuneration Committee Date appointed as a director 14 December 2009		68	Master of Public Administration (M.P.A.) 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	Member of the Nomination and Remuneration Committee	Ratchthani Leasing Public Co., Ltd.
						2009 - Present	Audit Committee	Ratchthani Leasing Public Co., Ltd.
						2005 - 2008	Advisor on Performance	Ministry of Interior.
						2003 - 2004	Deputy Director General Department of Lands	Ministry of Interior.
12. Mr. Surapon Satimanont Independent Director Audit Committee (Director) Date appointed as a director 28 July 2002		55	M.A. Business Webster University, USA Master of Comparative - Jurisprudence Howard University, USA Master of Laws (LL.M.) Southern Methodist University, USA Certificate of Attendance DAP & DCP 40/2004 Thai Institute of Directors (IOD)	7,499,181 0.31%	-	2015 - Present	Fund Committee	Amethyst Asia Focused Fund.
						2015 - Present	Director and Independent Directors	Sumitomo Mitsui Trust Bank (Thai) Public Co., Ltd.
						2014 - Present	Advisory Commission	Ministry of Information and Communication Technology.
						2014 - 2016	Director	Erawan Insurance Public Co., Ltd.
						2009 - 2016	Legal and Contracts Subcommittee	State Railway of Thailand (SRT).
						2007 - Present	Audit Committee	2 S Metal Public Co., Ltd.
						2002 - Present	Audit Committee (Director)	Ratchthani Leasing Public Co., Ltd.
						1990 - Present	Audit Committee (Chairman)	Baan Rock Garden Public Co., Ltd.
						2012 - 2014	Director	S & Manont Co.,Ltd.
						2011 - 2014	Director	N.U.I International Co., Ltd.
						2011 - 2014	Director	Transun (Thailand) Co., Ltd.
						2011 - 2014	Director	Fah Sai Haad Ngam Co., Ltd.
						2008 - 2011	Assistant Managing Director	Export - Import Bank of Thailand.

Name - Surname Position	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
13. Mr. Khomsan Boonyolyad Deputy Managing Director	51	BBA Industrial Management Siam University	-	-	2015 - Present 2009 - Present	Director & Secretary Deputy Managing	Thai Hire-Purchase Association. Ratchthani Leasing Public Co., Ltd
		Diploma of Executive Development Thammasat University				Assistant Managing Chief of Credit Operation Dept.	Ratchthani Leasing Public Co., Ltd Ratchthani Leasing Public Co., Ltd
		Master of Business Administration (M.B.A.) Accounting for planning & control Kasetsart University				Deputy Managing Director	Ratchthani Leasing Public Co., Ltd.
		Bachelor of Business Administration (Accounting) Kasetsart University				Senior Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
14. Mr. Boonchu Wongpakdee Deputy Managing Director	41	Certificate of Attendance Chief Financial Officer (CFO) 15/2011 Federation of Accounting Professions	-		2004-2011 2003-2004 2000-2003	Director of Accounting Department	Baan Rock Garden Public Co., Ltd
						Accounting and Finance Manager Assistant Accounting and Finance Manager	Baan Rock Garden Public Co., Ltd Linklaters(Thailand) Co., Ltd
15. Mr. Ponlaphe Sakayapapwichamon Assistant Managing Director Company Secretary	46	Master of General Management (M.G.M.) College of Management Mahidol University	7,978,928 0.33%	-	2013 - Present 2002-Present	Company Secretary	Ratchthani Leasing Public Co., Ltd.
		Bachelor of Business Administration (Marketing) Assumption University				Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
		Certificate of Attendance CSP 20/2006 & EMT 5/2006 Thai Institute of Directors (IOD)					
		Chulalongkorn University					

Name - Surname	Age	Education	Shareholding %	Relationship	Period	Experience	
						Position	Company
16. Mr. Sootchai Viriyalappa Assistant Managing Director	57	Bachelor of Art (Political Science) Ramkhamhaeng University	-	-	1991 - Present	Assistant Managing Director	Ratchthani Leasing Public Co., Ltd.
17. Mrs. Jitree Sribanyaranond Financial Manager	47	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	40	Bachelor of Business Administration (Accounting) Sukhothai Thammathirat Open University	-	-	2014 - Present	Planning & Strategy Manager	Ratchthani Leasing Public Co., Ltd.
		Bachelor of Business Administration (Finance) Rajamangala University of Technology Thanyaburi			2012 - Present 2010 - 2012	Accounting Manager Assistant Manager of Accounting	Ratchthani Leasing Public Co., Ltd. N.C.C.Image Co.,Ltd.
		Certificate of Attendance Certificate of Attendance Micro MBA Chula 58 Faculty Commerce and Accountancy Chulalongkorn University					



Report on Changes in Shareholding of the Company's Directors and Executives in 2015 to 2016

(Information as at 31 December 2016)

No.	Name	Position	Number of Share(s) held as at 30 December 2016	Number of Share(s) held as at 30 December 2016	Increase (Decrease)	Percentage Shareholding (Percent)
1.	Mr.Virat Chinprapinporn	Chairman Executive Director Authorized Director	5,040,000	5,040,000	-	0.21
	Spouse and minor children		-	-	-	-
2.	Mr.Charoensook Kititti	Director Authorized Director	89,657,318	89,657,318	-	3.71
	Spouse and minor children		1,437,212	1,437,212	-	0.06
3.	Mr.Kovit Rongwattansophon	Director Managing Director Chairman of Executive Director Authorized Director	8,601,160	8,101,160	500,000	0.36
	Spouse and minor children		-	-	-	-
4.	Mr.Anuwat Luengtaweekul	Director Member of the Nomination and Remuneration Committee Authorized Director	-	-	-	-
	Spouse and minor children		-	-	-	-
5.	Mr.Praphan Anupongongarch	Director/Executive Director Authorized Director	-	-	-	-
	Spouse and minor children		-	-	-	-
6.	Mr.Wuttichai Suraratchai	Director/Executive Director Authorized Director	-	-	-	-
	Spouse and minor children		-	-	-	-
7.	Mr.Anuchart Deeprasert	Director Authorized Director	-	-	-	-
	Spouse and minor children		-	-	-	-
8.	Ph.D. Thakol Nunthirapakorn	Independent Director Audit Committee (Chairman)	371,004	371,004	-	0.02
	Spouse and minor children		-	-	-	-
9.	Mr.Suvit Arunanondchai	Independent Director Audit Committee (Director) The Nomination and Remuneration Committee (Chairman)	-	-	-	-
	Spouse and minor children		-	-	-	-
10.	Asst.Prof.Naengnoi Chai-Onnom	Independent Director Audit Committee (Director)	-	-	-	-
	Spouse and minor children		-	-	-	-
11.	Mr.Varavudh Varaporn	Independent Director Audit Committee (Director) Member of the Nomination and Remuneration Committee	-	-	-	-
	Spouse and minor children		-	-	-	-

Report on Changes in Shareholding of the Company's Directors and Executives in 2015 to 2016

(Information as at 31 December 2016)

No.	Name	Position	Number of Share(s) held as at 30 December 2016	Number of Share(s) held as at 30 December 2015	Increase (Decrease)	Percentage Shareholding (Percent)
12.	Mr.Surapon Satimanont Spouse and minor children	Independent Director Audit Committee (Director)	7,499,181 -	7,499,181 -	- -	0.31 -
13.	Mr.Khomsan Boonyoiyad Spouse and minor children	Deputy Managing Director	- -	- -	- -	- -
14.	Mr.Boonchu Wongpakdee Spouse and minor children	Deputy Managing Director	- -	- -	- -	- -
15.	Mr.Ponlaphe Sakkayapapwicharnon Spouse and minor children	Assistant Managing Director Company Secretary	7,978,928 -	7,978,928 -	- -	0.33 -
16.	Mr.Sootchai Viriyalappa Spouse and minor children	Assistant Managing Director	- -	- -	- -	- -
17.	Mrs.Jitree Sribanyaranond Spouse and minor children	Financial Manager	- -	- -	- -	- -
18.	Ms.Unchan Srisom Spouse and minor children	Accounting Manager and Planning & Strategy Manager	- -	- -	- -	- -



Corporate Governance

Corporate Governance Policy

The Board of Directors of Directors has paid highly important to good corporate governance according to the guideline specified by Stock Exchange of Thailand, and agreed to set the corporate governance issue as the one of agendas on the Board of Directors of Directors' meeting. Moreover, the business ethics for the directors, the executives, and staffs is defined as guidelines in order to implement on the operation and conduct towards every stakeholder, as well as disclosing such guidelines on the Company's website (www.ratchthani.com).

The Board of Directors has initiated to organize and approved the corporate governance policy in written. The good corporate governance is considered to as acceptable management guidelines internationally in order to create values and confidence to all stakeholders. Moreover, it is an important factor for its business operation to be sustainable growth, which be classified into 5 categories as follows:

1. Rights of the shareholders

The Board of Directors recognizes the ownership rights; therefore, it is established by the appointment of the directors as shareholder's representatives and the rights for decision making on significant changes of the Company. The Board of Directors has encourages the shareholders to use their basic shareholders' rights such as buy, sell, or transfer shares, share in the profit of the Company, obtain relevant and adequate information of the Company, and rules, meeting methods and sufficient data for consideration on each agenda prior the meeting. Moreover, shareholders have an opportunity to question and send a question prior the meeting. Besides, the Board of Directors has emphasized and recognized the importance on the shareholders' rights that those rights shall not be violated or diminished.

In preparation of the shareholders' meeting, the Board of Directors recognizes the shareholders' rights. The meeting shall not be held on long holidays or public holiday, and setting the meeting location. The Annual General Meeting of Shareholders in 2016 was held at the meeting room of Sinthorn Tower, 11th Floor, Krung Thonburi Road, Khlong Ton Sai Sub-district, Khlong San District, Bangkok, which is the Company's head office, nearby the BTS station and the expressway exit due to considering the convenience on transportation for the shareholders attending the meeting.

The Company sent the meeting invitation letters with the meeting documents of agenda to the shareholders 14 days prior the meeting date in accordance with the Company's regulations, and disclosed such information on the Company's website. In 2016, the Company notified the meeting invitation letter for the 2016 Annual Shareholders Meeting on March 3rd, 2016. The objectives on each agenda, and reasons with recommendations of the Board of Directors of Directors were included. Moreover, the Company has set the policy to facilitate and support all investor groups, including institutional investors to participate in the shareholders' meeting.

In 2015, the Company was fully scored of 100 points and rewarded at the level of “the excellent and appropriate model” from the performance assessment on holding the Annual General Meeting of Shareholders in 2015 program organized by Thai Investors Association.

In 2016, the Company was fully scored of 100 points and rewarded at the level of “the excellent and appropriate model” from the performance assessment on holding the Annual General Meeting of Shareholders in 2016 program organized by Thai Investors Association for the second year consecutively.

2. Equitable Treatment to Shareholders

On holding the Shareholders Meeting, the Company held the 2016 Annual Shareholders Meeting on April 1st, 2016 at the meeting room of Sinnsathorn Tower at 11th Floor, Krung Thonburi Road, Khlong Ton Sai Sub-district, Khlong San District, Bangkok.

The Delivery of Invitation to the shareholders meeting: the Company recognizes the importance of equitable treatment to all shareholders that the Company shall disclose significant, correct, timely, and transparent information regularly. The Company sent the invitation letter of the shareholders meeting including related documents on each agenda to the shareholders on 14 days prior the meeting in accordance with the Company’s regulations, as well as announced the invitation letter in the newspaper and the Company’s website. The objective and reason with the recommendations of the Board of Directors on each agenda were attached completely in order that the shareholders could examine them. In addition, the Company has added alternatives for the shareholders to authorize the Auditing Committee of the Company to be their attorney in case that the shareholders could not attend the meeting.

On the shareholders’ meeting, the Company specified the meeting place at which has convenient transportation, and the registration area properly and sufficiently. The shareholders could register at least 2 hours before the meeting, and prepared duty stamps for the shareholders who gave or obtained the power of attorney, as well as the light meals for the shareholders. On this meeting, the Chairman notified the details of quorum, explained 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. On the 2016 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 Directors, and the Auditing Committee as well as the Company’s and the Board of Directors’ secretaries, including the Company’s auditors and independent legal consultants.

After the shareholders’ meeting, the Company informed the meeting resolutions through the media systems of the Stock Exchange of Thailand after the meeting on April 1st, 2016. The Company submitted the minutes of the Annual General Shareholders’ Meeting and disclosed such minutes on the Company’s website.

The Board of Directors of Directors has taken carefully when there are transactions that may be the conflicts of interest to prevent any conflicts of interest. The Board of Directors has set out the policy and procedures for approval of connected transactions and defined the policy and methods to ensure



that the executives and concerned persons do not use internal information for their own benefits, as detailed below:

Transactions that may have conflict of interest: the Board of Directors acknowledges and appropriately considers carefully every transaction which have conflicts of interest, connected transaction, including conducting in compliance with the regulations of the Stock Exchange of Thailand. The price and conditions will be considered on an arm's length basis. The details of value, agreement parties, and reason/necessity of the transactions 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 enhancing its competitiveness and values which lead to its long-term success. The significant details are as follows:

<i>-Trade partners</i>	<i>The Company has conducted and provided services to used car dealers or car shops under the trade conditions, including complied with all trade agreements.</i>
<i>-Creditors</i>	<i>The Company has complied with the loan agreement conditions.</i>
<i>-Clients</i>	<i>The Company has treated and responded to its clients with qualified, standard, rapid and on-time services.</i>
<i>-Shareholders</i>	<i>The Company has policies and practices of its responsibilities to the shareholders equally.</i>
<i>-Communities</i>	<i>The Company has concerned on the responsibilities on the environment and monitor to ensure there are harmless impacts on the communities, environment, and the society.</i>

Particularly for its employees, the Company has realized that every employee is value and significant factor on is business operation. The Company has promoted the development and organized training courses to all levels of employees continually and frequently. Moreover, the Company has taken care its employees equivalently, established appropriate compensation and welfare fairly, set up the welfares of annual health check-up, provident fund to encourage its employees' saving money, group life insurance to cover their benefit rights and security to all employees. In 2014, the Company has applied to be the member of Thanachart Employees' Savings and Credit Co-operative Limited to promote savings for great compensation to employees as well as other benefits such as medical treatment under the program "Life Insurance for Member and Families", special interest rates for money 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 channels for stakeholders to notify or complain to the Audit Committee in the case of violation of rights or matters that could cause the damages to the Company via e-mail or the 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 performance and financial reports. 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 2016 financial report, the Company appointed EY Office Limited to be the auditor by which the appointment of auditors and the audit fee depending on the approval of the shareholders at the Annual General Shareholders' Meeting held on April 1st, 2016. Such company is the independent auditor and be certified by the Security and Exchange Commission. The auditor certified the 2016 financial statements of the Company with no condition.

Moreover, the Company has assigned the Office of the Managing Director and strategic planning department to be responsible on the investor relations and secretarial functions, which the public can contact and ask for any information of the company conveniently. The another channel of the investor relations to disclose the Company's information to the shareholders, analysts, and other investors is:

Miss Rungtip Chaipatanapruks
Manager of the Investor Relation Department
Tel: 02-4319000 ext. 2161.
Or contact through 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 statements and the Company participated regularly. Investors could visit the Company's website (www.ratchthani.com) for watching such activities or other disclosed information.

2. On the activities of "Company Visit" day and Analyst Meeting", the Company aimed to provide information of the Company's business plans. Strategies, and its operation performance, including replying any questions to stock analyst, institutional investors and shareholders participating on such activities. Such activities are held quarterly to build good relations, create confidence, impression, and proud of being one of the Company's shareholders. This would expand our shareholders' and future investors' base.

Throughout the year 2016, the Company allowed both domestic and foreign investors as well as institutional investors from various securities companies to arrange a meeting with the executives or the management as following:



- Kasikorn Securities Plc.
- Asia Plus Securities Plc.
- Krungsri Securities Plc.
- SCB Securities Co.,Ltd.
- Asset Plus Fund Management Securities Co., Ltd.- TISCO Securities Co., Ltd.
- Country Group Securities Plc.
- AIRA Securities Plc.
- Sunrise Brokers (Hong Kong)
- Equinox Financial Partners USA
- Lion Global Investors Ltd., Singapore
- Thanachart Securities Plc.
- MayBank Kim Eng Securities (Thailand) Plc.
- Phatra Capital Plc.
- CIMB Securities (Thailand) Co., Ltd.
- AEC Securities Plc.
- Greyhound Asia Fund Limited
- Daiwa Asset Management (Singapore), LTD
- Leading Assets United Limited

5. The Responsibilities of the Board of Directors

The Company has balanced the authority of the directors and non-directors, which having 12 members detailed as follows:

Status	Executive Director	Non-executive Director	Audit committee 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 83.33% of the total number of directors. The Company set up the Board of Directors to ensure that the no individual or group of individuals has the absolute authorization or decision making, resulting on 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 in order that the authority and decision making are only depend on the Managing Director 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 5 Independent Directors. Furthermore, the Extraordinary General Shareholders' Meeting No. 1/2006 resolved to allow the Siam City Bank Plc. to purchase the newly issued Company's common shares without having to make tender offer (whitewash). The Company appointed 4 representatives from Siam City Bank, Plc.. Presently, those representatives to be the Company's directors are changed to be from Thanachart Bank, Plc. and the Company has total of 12 Directors, or proportion of 33.33% of total directors. The remuneration to the Director has been established clearly and transparently, which is equivalent rate of the similar industries 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 operation performance as well as the performance of each executive. Currently, the Company had appointed the

Remuneration and Nomination Committee and set appropriate process for remuneration by using the remuneration of companies on the similar industrial business, size and operation performance for its consideration.

After becoming a public company, the Company has specified to 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 prior the meeting so that the Board of Directors' members have sufficient time to review the information before the meeting. The director attendance record in 2016 was detailed as follows:-

Name	The Board of Directors of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Executives Committee	The Risk Management Committee	Corporate Governance Committee
1. Mr. Virat Chinprapinporn	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	5/5		3/3			5/5
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	3/3			5/5
11. Mr. Suvit Arunanondchai	5/5	5/5	3/3			5/5
12. Asst.Prof. Naengnoi Chai-Onnom	5/5	5/5				5/5

Note : The Board of Directors of Directors held 5 official meetings in December 31, 2016
The Audit Committee held 5 official meetings in December 31, 2016
The Remuneration and Nomination Committee held 3 official meetings in December 31, 2016
The Executive Committee held 12 official meetings in December 31, 2016
The Risk Management Committee held 12 official meetings in December 31, 2016
The Corporate Governance Committee held 5 official meetings in December 31, 2016

Development of Directors

The Board of Directors has the policy encouraging the directors to continue developing their knowledge and participating in all trainings set for directors as much as possible. Moreover, all members of the Board of Directors attended the courses related on the conducts of the Director held by Thai Institute of Directors (IOD).

In 2016, the directors participated on the courses or seminar to enhance their competences on operation as follows;



No.	Name	Position	Program/Seminar	Organization
1	Mr. Virat Chinprapinporn	Chairman / Executive Director	The Industrial Business Development and Investment for the Top Executives, Class 3	Institute of Business and Industrial Development (IBID)
2	Ph.D. Thakol Nunthirapakorn	The Chairman of the Audit Committee / Independent Director	Ethical Leadership Program (ELP), Class 3/2016	Thai Institute of Directors (IOD)
			The Seminar of Chairman Forum "Corporate Governance VS Corporate Performance: Duty or Choice?"	Thai Institute of Directors (IOD)
			IOD Breakfast Talk 2/2016 "How increased investor interest in non-financial information is shaping the future of Sustainability Reporting"	Thai Institute of Directors (IOD)
			Significant Steps of the Changes to TFRS9 and TFRS 16, for the Non-Financial Institutes	The Securities and Exchange Commission (SEC)
3	Mr. Suvit Arunanondchai	Independent Director/Audit Committee/ The Chairman of Nomination and Remuneration Committee	Fellow Member Exclusive Event 2/2016 "The future of finance function"	Thai Institute of Directors (IOD)
			IOD Director Briefing 4/2016 "Managing Technology & Disruption"	Thai Institute of Directors (IOD)
			Significant Steps of the Changes to TFRS9 and TFRS 16, for the Non-Financial Institutes	Thai Institute of Directors (IOD)
4	Mr. Anuwat Luengtaweekul	Director / The Nomination and Remuneration Committee	Role of the Compensation Committee (RCC) วันที่ 21/2016	Thai Institute of Directors (IOD)
5	Mr. Varavudh Varaporn	Independent Director/ The Audit Committee/ The Nomination and Remuneration Committee	The Remuneration Survey of Director Report in 21016	Thai Institute of Directors (IOD)

Evaluation on the performance of the Board of Directors

The Company has provided a self-assessment plan for the Board of Directors and sub-committees annually with the aim to focus on the evaluation that can reflect the efficiency of the operation

according to corporate governance code. The evaluation is divided into two types those are an evaluation on the performance of the entire Boards and an evaluation on its own performance of individual directors for the Board of Directors to jointly review performances and to improve in the future.

The processes on evaluating the performance of the Board of Directors and each member 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 the Thanachart Group.
2. The Board Secretary summarizes the result of the evaluation on the performance of the Board of Directors as group and individual.
3. The Board Secretary reports the result of the evaluation of the performance of the Board of Directors as group and individual to the Board of Directors and to improve operational efficiency even more.

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

1. The format of the evaluation on the performance of the Board of Directors as group in 2016 was applied suitably from the format by considering the reference of the assessment form defined by the Stock Exchange of Thailand, which was formed and disclosed in 2015. This covers the duties and responsibilities of the Board of Directors in all aspects, which are 1) The structure and qualification of the Board of Directors, 2) Roles, duties, and responsibilities of the Board of Directors, 3) The Meeting of The Board of Directors, 4) The operation of the Director, 5) The relationship with the management, 6) The self-development of the Director and the executives.

For the year 2016, the result of the evaluation on the performance of the Board of Directors as a whole was scored average of 3.92 points out of 4.00 point (full score), or 97.75%. The directors mostly gave opinions that, on the performance in 2016, the Board of Directors performed on its duties and responsibilities efficiently on the structure and qualification of the Director, the Meeting of the Board of Directors, the relationship with the management, including the self-development of the Director and the executives. The Board of Directors is composed of the knowledgeable, capable, experience persons suitable for performing on the specified duties.

2. The self-evaluation of each member of the Board of Directors is classified into 3 aspects: 1) The structure and qualification of the Board of Directors, 2) The Meeting of The Board of Directors, 3) Roles, duties, and responsibilities of the Board of Directors.

For the year 2016, the result of the self-evaluation of each member of the Board of Directors on the performance was scored average of 3.96 points out of 4.00 point (full score), or 99.05%. The directors mostly gave opinions that the directors performed their duties with responsibilities, carefulness, honesty in compliance with the laws, objectives and regulations of the Company, including the resolutions of the shareholders' Meeting, as well as providing comments and suggestions that are valuable to the



Company. Moreover, they attended the meetings of the Board of Directors and its subcommittees regularly.

Succession Plan for the Position of Top Management

The Board of Directors must ensure that the Company has a proper nomination process in selecting a person to be work on the top management positions significantly and appropriately in accordance with the Company's selection process where candidates can be recruited a person within or outside the Company. Moreover, the training programs for the executives shall be hold along with the succession plan.

Decision on the connected transactions of the acquisition or disposition of the Company's asset

In case that the Company and its subsidiaries (in which the Company holds the shares directly or indirectly more than 50% of the paid-up capital of such companies) have a connected transaction, or acquisition or disposition of assets in compliance with the regulations of the Stock Exchange of Thailand, the Company must conduct such issue specified by the Stock Exchange of Thailand. In case that the Company has to ask for approval from the shareholders on the decision to enter into any connected transactions, or acquisition or disposition of significant assets of the Company, it must get the vote casting not less than 3 of 4 of the total voting of shareholders or the attorney attending the Meeting and having rights on voting, excluding the votes of shareholders having conflicts of interest.

Supervision of Internal Data Use

All directors and the management are assigned to 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, which specified that the directors, the management, or the departments received acknowledging the internal information are prohibit to disclose such information to external or other persons who have no relevant duties. Moreover, they shall trade the Company's stocks during the period of 30 days prior the quarterly financial statements till the date that the Company has already disclosed the financial statements and status to the Stock Exchange of Thailand for 2 days.

Audit fee

In 2016, the Company paid the audit fee to EY Office Limited which was the Company's auditor as the following:

1. Audit Fee, totaling Baht 1,250,000 per year, divided into:
 - 1.1 Fee for the audit of the annual financial statements of Baht 440,000.-
 - 1.2 Fee for the review of half-year financial statements of Baht 330,000.-
 - 1.3 Fee for the review of the financial statements for 2 quarters of Baht 240,000.-/quarter
2. No other fees

In 2015, the Company paid the following fees to its auditor, EY Office Limited which was the Company's auditor as the following:

1. Audit Fee, totaling Baht 1,200,000 per year, includes:

- 1.1 Fee for the audit of the annual financial statements of Baht 410,000.-
- 1.2 Fee for the review of half-year financial statements of Baht 310,000.-
- 1.3 Fee for the review of the financial statements for 2 quarters of Baht 240,000.-/quarter

2. No other fees

In 2014, the Company paid the following fees to its auditor, EY Office Limited which was the Company's auditor as the following:

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

- 1.1 Fee for the audit of the annual financial statements of Baht 390,000.-
- 1.2 Fee for the review of half-year financial statements of Baht 300,000.-
- 1.3 Fee for the review of the financial statements for 2 quarters of Baht 230,000.-/quarter

2. No other fees



Internal Control and Risk Management

Ratchthani Leasing Public Company Limited has executed strategic management, risk management and well internal control align that affected to achieve business operation properly and efficiently.

The good internal control is an important management tools to achieve the Company's goals. The procedures on the internal control of the Committee of Sponsoring Organization of the Treadway Commission (COSO) are applied for its management, which are summarized as follows:

1. Internal Environment

- The Boards of Directors and the management stipulate code of conduct and code of conduct for the Boards of Directors, management and staff to implement.
- The Boards of Directors consists of independent directors in the proportion of 41.67% of total directors, which are more than the regulation minimum requirement; as a result, there is independence, from the management, on assessment and decision making for internal control effectively.
- The Boards of Directors and the management establish the Company structure, appropriate responsibilities and segregate of duties so that the internal control can be implemented according to its specified objectives.

2. Risk Assessment

- The Company analyzes and identifies risks that effect the business operation and specific risk response in the corporate levels and functional levels including the risks of fraudulent or inappropriate conduct.
- The Company has specified clearly objective of the operations, financial and non-financial reports including the conducts in compliance with related laws, and identified the level of risks acceptably and appropriately for the business operation.

3. Control Activities

- The Company has organized the control activities to mitigate the residual risks to the acceptable level including preventive control such as segregation of duties, the level of assessment data and information control of each authorization level, the authority on business operations and transactions appropriately, and physical assets controls, etc.

- The Company has implemented and maintained business continuity policy including the events of uncontrollable emergency and testing plans regularly to ensure that the Company can operate its business continually.

4. Information Technology and Communication

- The Company implements an efficient information technology system to provide accurate, complete, and timely information for business decisions making.
- The Company has a communication channel to inform any information to staff via electronic email and central bulletin board for sharing knowledge among employees.
- The Company has an investor relationship channel on the Company website to communicate to the investors and has communication channel for stakeholders through the Audit Committee via auditcom@thani.co.th.
- The Company has determined the channels for notification of fraud and corruption actions in compliance with the anti-corruption policy, which the Company has been certified to be alliance of Thai private sectors on anti-corruption through the Company's website. Such notifications shall be directly reported to the audit supervisor of Thanachart Bank.

5. Monitoring and Assessment

- The Company has assessed on significant issues and continuously monitored regularly by the Audit Committee through the independent internal auditors of the Company.
- The Company has determined the management to identify any defects on the assessments of the independent internal auditors of the Company and defined the solutions appropriately and in time.

On the Board's Meeting in 2016, the Board of Directors evaluated and assessed the internal control system under the guidelines of the Office of the Securities and Exchange Commission, which resulted that the Company has appropriate and effective internal control.

The internal audit

The Company has no internal audit department but It assigns an independent external audit to do this function and report directly to the Audit Committee in the performance of internal audit practises and report to the Managing Director in the management of the agency.

The Company has assigned the chief of internal audit and regulatory compliance of the Thanachart Group be the independent auditors of the Company, which report directly to the Audit Committee and respond on examining and assessing the efficiency and effectiveness of the internal



control system, information technology systems, including the conducts complied with the anti-corruption policy to ensure that normal business operations and financial activities of the Company are conducted according to the guidelines and adequate efficiency, including monitoring in compliance with laws and related regulations of the Company (Compliance Control). Moreover, the annual internal audit plan is proposed and approved by the Audit Committee under the criteria of the risk based audit approach and the audit guidelines under the implementation of the internal control of the Committee of Sponsoring Organization of the Treadway Commission (COSO).

Related Party Transactions

In 2015 and 2016 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 2016	(Unit : Baht) 2015
<u>Cash at bank</u>		
Thanachart Bank Public Company Limited	68,081,528	133,303,288
<u>Other asset - deposit</u>		
Thanachart Bank Public Company Limited	64,788	64,788
<u>Interest receivable</u>		
Thanachart Bank Public Company Limited	7,612	10,437
<u>Short-term loans</u>		
Thanachart Bank Public Company Limited	3,180,000,000	1,210,000,000
Baan Rock Garden Public Company Limited	210,000,000	195,000,000
Citywood Company Limited	-	-
Management, directors and related persons	38,000,000	69,000,000
<u>Liabilities under hire purchase agreement</u>		
Thanachart Bank Public Company Limited	-	-
<u>Debentures</u>		
Thanachart Bank Public Company Limited	-	-
Thanachart Insurance Public Company Limited	300,000,000	429,400,000
<u>Overdraft</u>		
Thanachart Bank Public Company Limited	-	-
<u>Accrued interest</u>		
Thanachart Bank Public Company Limited	329,452	143,874
Thanachart Insurance Public Company Limited	4,043,836	3,839,895
<u>Accrued expense</u>		
Thanachart Bank Public Company Limited	1,483,433	5,300



Related Party Transactions

Related Party Transactions	For Year (Unit : Baht)		Price Setting Policy	Reason/ Appropriateness
	2016	2015		
Thanachart Bank Public Company Limited				
Interest Expenses	17,566,092	2,501,975	As stipulated in agreements	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Bank fee expenses	9,703,892	9,125,684	As stipulated in agreements	
Premises and equipment expenses	313,713	299,090	As stipulated in agreements	
Service fee expenses	8,505,660	9,931,212	As stipulated in agreements	
Interest receivable	464,718	744,118	The same rates as charged to general customers	
Baan Rock Garden Public Company Limited				
Interest expenses	5,662,212	7,424,753	As mutually agreed	related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit
Thanachart Insurance Public Company Limited				
Interest expenses	21,699,811	20,611,200	As stipulated 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 expenses	2,064,751	2,898,496	As mutually agreed	related party transactions are 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 share holders 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 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.



Analysis and Management Discussion

Financial Statements

(1) The Company's auditor

Year	Independent Auditor Name	Certified Public Accountant's Number	Independent Auditor's Company
2016	Ms. Somjai Khunapasut	4499	EY Office Ltd.
2015	Ms. Somjai Khunapasut	4499	EY Office Ltd.
2014	Ms. Somjai Khunapasut	4499	EY Office Ltd.

(2) Summary of auditor report

- The auditor report for the financial statements as of 31 December 2014 - 2016 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 2014, the Company had the net profit of Baht 704.09 million decreased by Baht 50.15 million or 6.65% from the prior year. The total revenue of 2014 was Baht 2,753.93 million increasing from the previous year by Baht 356.95 million or 14.89%, due to the domestic car industry sector was growth in the first half year and the Company expanded the loan portfolio continuously. Meanwhile, the Company had the financial costs amount of Baht 1,071.90 million increased by Baht 154.68 million or 16.86% due to the increase of the funding support of the continuous expanding loan portfolio.

In 2015, the Company had a net profit of 748.66 million Baht, increasing from the previous year 44.57 million Baht or 6.33%. The revenue for the year 2015 amounted to 2,781.88 million Baht, a little bit increase of Baht 27.95 million Baht, or 1.02%, due to focusing on retaining and serving the customer of the Company continuously. While the Company's financial expenses 1,016.40 million Baht, decrease of Baht 55.50 million Baht or 5.18%, which still decrease from providing the low funding cost to keep the gap of difference interest rates in line for taking profit constantly.

In 2016, the Company had a net profit of 881.16 million Baht, increase from the previous year 132.49 million Baht or 17.70%. The revenue for the year 2016 amounted to 2,985.19 million Baht, an increase from the previous year 203.31 million Baht or 7.31% from emphasizing on taking care of customer bases continuously. While the Company's financial expenses 946.99 million Baht, decrease from the previous year 69.40 million Baht or 6.83%, which still decrease from providing the low funding cost to keep the gap of difference interest rate in line for taking profit regularly.

Revenue

In 2014, the Company still expanded its credit line continuously; as resulted that it had the total income amount of Baht 2,753.93 million increased from 2013 at the amount of Baht 356.95 million or 14.89% (the leasing and financial debtors was increased at the amount of Baht 470.79 million or 1.75% from 2013).

The main components of the Company's revenue in 2014 were from the interest revenue from the hire purchase and financial leasing contracts at the amount of Baht 2,397.29 million or 87.05% of the total revenue, and from the fees and service fees at the amount of Baht 197.12 million and other incomes amount of Baht 159.52 million, or 7.16% and 5.79% respectively.

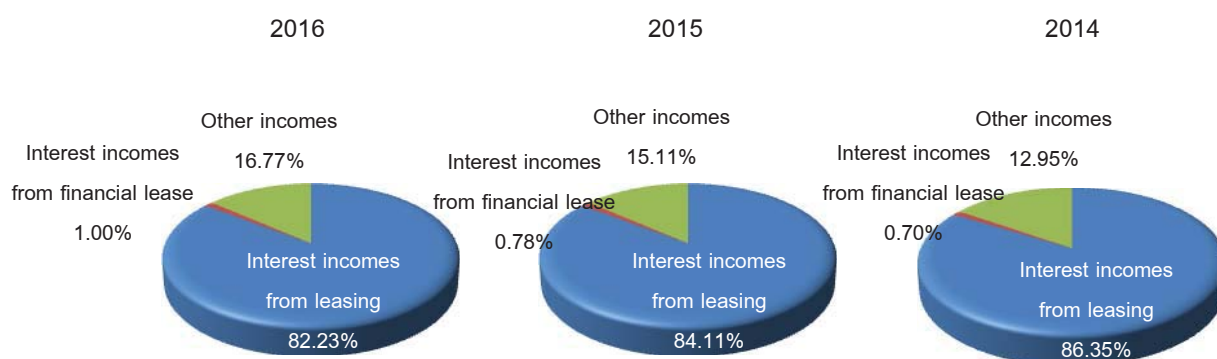
In 2015, the Company emphasized on retaining its leasing bases to maintain its market share. This resulted in total revenue of 2,781.88 million Baht, an increase from 2014 of 27.95 million Baht or equal to 1.02 % (by the increase of hire purchase and financial debtors from the year 2014 at the amount of 1,616.10 million Baht or 5.92%).

The main components of the Company's revenue in 2015 were from the interest revenues from the hire purchase and financial leasing contracts at the amount of Baht 2,361.49 million or equal to 84.89% of total revenues, and revenues from fees and services fee of 235.81 million Baht and other incomes of 184.58 million Baht or equal to 8.48% and 6.63% respectively.

In the year 2016, the Company still focused on retaining its leasing bases to retain its market share. This resulted in total revenue of 2,985.19 million Baht, an increase from 2015 of 203.31 million Baht or equal to 7.31% from (by the increase of hire purchase and financial debtors from the year 2015 at the amount of 3,827.26 million Baht or 13.23%).

The main components of revenue in 2016 were consisted of the interest incomes from hire purchase and lease of 2,484.52 million Baht or equal to 83.23% of total revenues and the revenues from fees and services fees of 273.16 million Baht and other incomes of 227.51 million Baht or equal to 9.15% and 7.62% respectively.

The ratio of interest incomes from hire purchase and finance lease to the other incomes (hereafter, the other incomes is meant the revenues, fees and service charges, and other incomes) of the Company for the years 2016, 2015 and 2014 are as follows.



- Expenses

In 2014, the Company had the financial expenses amount of Baht 1,071.90 million the selling and administrative expenses at Baht 352.58 million, the bad and doubtful debts were recorded at Baht 432.34 million, and the corporate income tax was Baht 193.02 million.

The financial costs in 2014 was amount of Baht 1,071.90 million, increased compared with ones in 2013 at the amount of Baht 154.68 million or 16.86%. This resulted of providing the low funding cost to retain the difference on the interest rates at the line for taking profit constantly. Therefore, the interest rates in 2014 were similar to the ones in the previous year at the rates of 4.58%.

The selling and administrative expenses in 2014 were at the amount of Baht 352.58 million, increased from 2013 at the amount of Baht 97.17 million or 38.04%. The major expenses increasingly were from the employee expenses, which increased by Baht 23.42 million, the expenses on cars impounded of Baht 32.98 million and legal expenses of Baht 4.14 million.

The bad and doubtful debts in 2014 were at the amount of Baht 432.34 million, increased from 2013 amounting of Baht 163.24 million, or 60.66%, resulted of the recession of overall domestic economic which effected to some debtors delaying their payment.

In 2015, the Company's financial expenses were 1,016.40 million Baht; the sales and administrative expenses were Baht 408.16 million. The bad and doubtful debts were Baht 411.92 million and Baht 196.74 million of the corporate income tax.

In 2015, the financial costs were amounted to 1,016.40 million Baht, decrease of 55.50 million Baht or 5.18% compared to the year 2014, which comes from providing the low funding cost to retain the difference on the interest rates at the line capable to make profit constantly. As a result, the ratio of interest expenses in 2015 was similar to the prior year at the level of 4.27%.

The cost of selling and administrative expenses for the year 2015 was amounted to 408.16 million Baht, an increase from 2014 of 55.58 million Baht, representing of 15.76%, which was increased from the primarily expenses: the employee expenses were increased approximately of 24.69 million Baht and legal expenses were 34.42 million Baht.

The bad and doubtful debts for the year 2015 were amounted to 411.92 million Baht, decreased from 2014 of 20.42 million Baht, representing 4.72%, which resulted of the recession of overall domestic economic which effected to some debtors delaying their payment.

In 2016, the Company's financial expenses were 946.99 million Baht; the sales and administrative expenses were Baht 439.59 million. The bad and doubtful debts were Baht 496.35 million and Baht 221.10 million of the corporate income tax.

In 2016, the financial costs were amounted to 946.99 million Baht, decrease of 69.40 million Baht or 6.83% compared to the year 2015, which comes from providing the low funding cost to retain the difference on the interest rates at the line capable to make profit constantly. As a result, the ratio of interest expenses in 2016 was decreased from the prior year at the level of 3.64%.

The cost of selling and administrative expenses for the year 2016 was amounted to 439.59 million Baht, an increase from 2015 of 31.43 million Baht, representing of 7.69%, which was increased from the primarily expenses: the employee expenses were approximately 24.03 million Baht

The bad and doubtful debts for the year 2016 were amounted to 496.35 million Baht; an increase from 2015 of 84.42 million Baht, representing 20.49%. The reserve was regularly recorded but comparing with the previous year it was decreased to 55.58 million Baht. In addition, the Company has considered the accounting standard of IFRS and established the general reserve similarly to the one of the prior year at the amount of 140 million Baht to prepare its reserve according to the guideline no. 9 of the reserve of the accounting standard of IFRS which effective in 2018. As a result, the overview of bad and doubtful debts was increasingly compared with the ones of the previous year.

Net profit

	2016	2015	Increase (Decrease)	%
Net Profit (MB)	881.16	748.66	132.50	17.70
Net Profit Ratio (%)	29.52	26.91	2.61	9.70
Yield (%)	7.75	8.13	(0.38)	(4.67)
Cost of fund (%)	3.64	4.27	(0.63)	(14.75)
Interest Spread (%)	4.11	3.86	0.25	6.48

In 2016, net profit up to 881.16 million Baht from the year 2015 of 748.66 million Baht or 17.70%, and the net profit margin was at 29.52%, increased from the previous year by 9.70% resulted of achieving the planned credit expansion goals. Due to the terrible competitions, the receivable interest rate in 2015 was decreased from 8.13 to 7.75, or the decrease of 4.67%. However, the Company still managed and decreased its financial cost continuously; the interest payable rate was decreased from the previous year to 3.64. The Company enabled to retain the difference of the interest as business plan at the level of 4.11%



- Financial Status

Total Assets	2016	2015	Increase (Decrease)	
	Baht million	Baht million	Baht million	%
Total Assets	33,364.87	29,504.67	3,860.20	13.08
Hire-Purchase Account Receivable, Net	32,311.70	28,520.75	3,790.95	13.29
Financial Lease- Account Receivable, Net	435.84	399.53	36.31	9.08
Hire-Purchase Account Receivable to Total Assets (%)	96.84	96.67	0.17	0.18
Foreclosed Assets	56.70	85.35	(28.65)	(33.57)

The key component of the Company's asset structure is hire-purchase debtors. In 2015, the Company had the total hire-purchase debtors of Baht 28,520.75 million (net after deduction of allowance for doubtful accounts), or 96.67% of the total assets.

In 2016, the total assets were amount of Baht 33,364.87 million, an increase of 13.08% compared with the one in 2015. The proportion of hire-purchase accounts receivable (net of allowances for doubtful accounts) was at 96.84% of the total assets in 2016, similar to the last year. The Company still emphasized on providing hire-purchase leasing which is its core business, taking care of customer bases to retain its market share; therefore, the Company has capability on competition continuously.

Credit Quality and Allowance for Doubtful Accounts

- Hire-Purchase Account Receivable

The hire-purchase accounts receivable, at the end of 2016, 2015 and 2014 were recorded at Baht 32,311.70 million, Baht 28,520.75 million and Baht 27,025.55 million, respectively. The details are summarized as follows:

Unit : Baht	2016	2015	2014
Hire-purchase account receivable	38,012,676,272	33,355,788,380	31,728,368,286
<u>Less</u> Deferred Interest	<u>(4,284,782,827)</u>	<u>(3,839,198,986)</u>	<u>(3,783,632,533)</u>
Total	33,727,893,445	29,516,589,394	27,944,735,753
<u>Less</u> Allowances for doubtful accounts	<u>(1,416,195,952)</u>	<u>(995,840,537)</u>	<u>(919,185,901)</u>
Net account receivables	<u>32,311,697,493</u>	<u>28,520,748,857</u>	<u>27,025,549,852</u>

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

As of 31 December 2016					
Period of Overdue	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	36,653	1.00%	24,955,947	1,900,466	19,005
1-month overdue	6,733	1.00%	3,784,749	236,351	2,363
2-3 month overdue	6,338	2.00%	3,475,762	143,834	2,877
4-6 month overdue	1,085	20.00%	598,580	598,580	119,716
7-12 month overdue	448	50.00%	214,818	214,818	107,409
Over 12-month overdue	428	100.00%	164,158	164,158	164,158
Account receivables under court judgment	603	100.00%	276,417	276,417	276,417
Account receivables under negotiation agreement	244	100.00%	113,211	113,211	113,211
Receivables from sales of property foreclosed/damages	424	100.00%	144,251	144,251	144,251
Uncollected surplus allowance for doubtful accounts					466,789
Total	52,956		33,727,893	3,792,086	1,416,196

As of 31 December 2015					
Period of Overdue	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	33,699	1.00%	20,851,583	1,457,512	14,575
1-month overdue	6,958	1.00%	3,653,627	217,158	2,172
2-3 month overdue	6,883	2.00%	3,630,005	173,148	3,463
4-6 month overdue	1,067	20.00%	643,484	643,484	128,697



As of 31 December 2015					
Period of Overdue	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
7-12 month overdue	554	50.00%	275,492	275,492	137,746
Over 12-month overdue	447	100.00%	210,138	210,138	210,138
Account receivables under court judgment	246	100.00%	113,293	113,293	113,293
Account receivables under negotiation agreement	135	100.00%	61,651	61,651	61,651
Receivables from sales of property foreclosed	219	100.00%	77,317	77,317	77,317
Uncollected surplus allowance for doubtful accounts					246,789
Total	50,208		29,516,590	3,229,193	995,841

As of 31 December 2014					
Period of Overdue	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 court judgment	327	100.00%	180,158	180,158	180,158
Account receivables under negotiation agreement	87	100.00%	42,588	42,588	42,588
Receivables from sales of property foreclosed	569	100.00%	118,720	118,720	118,720

As of 31 December 2014					
Period of Overdue	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	2,973,626	919,186

Note: The allowance for doubtful accounts receivable and payable in upto 4 installments is not deducted the collateral.

- Financial lease accounts receivable

(Unit : Baht)

2016					
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	410,464,182	93.15%	20,855,103	1%	208,551
1-month overdue	17,498,690	3.97%	1,421,337	1%	14,213
2-3-month overdue	8,100,196	1.84%	-	2%	-
4-6 month overdue	-	0.00%	-	20%	-
7-12 month overdue	-	0.00%	-	50%	-
12 month overdue	4,580,873	1.04%	4,580,873	100%	4,580,873
Total	440,643,941	100.00%	26,857,313		4,803,637

(Unit : Baht)

2015					
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	384,245,421	95.10%	35,071,729	1%	350,717
1-month overdue	13,389,132	3.31%	715,146	1%	7,152
2-3-month overdue	855,792	0.21%	-	2%	-
4-6-month overdue	1,749,136	0.43%	1,749,136	20%	349,827
7-12 month overdue	-	0.00%	-	50%	-
12 month overdue	3,815,464	0.95%	3,815,464	100%	3,815,464
Total	404,054,945	100.00%	41,351,475		4,523,160



(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%	-
4-6 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

In 2014, the Company has set aside an allowance for doubtful accounts and financial lease debtors of 920.22 million Baht, an increase of 332.37 million Baht, an increase of 56.54% compared to 2013 due to continually expanding its regular reserve and settling an allowance for doubtful accounts excess of the debt may not charged.

In 2015, the Company has set aside an allowance for doubtful accounts and financial lease debtors of Baht 1,000.36 million, an increase of 80.14 million Baht, or an increase of 8.71% compared to the year 2014 due to continually expanding its regular reserve and settling an allowance for doubtful accounts excess of the debt may not charged.

In 2016, the Company has set aside an allowance for doubtful accounts and financial lease debtors of Baht 1,420.99 million, an increase of 420.64 million Baht, or an increase of 42.05% compared to the year 2015. The Company's regular reserved compared to the one in the previous year was decreased at the amount of 55.58 million Baht. Moreover, the Company considered settling the general reserve additionally from the ones of the prior year at the amount of 140 million Baht to prepare the completeness in accordance with guidelines of the accounting standard of IFRS 9, which will be effective in 2018. As a result, the overview of the expenses of the bad and doubtful debts was increased compared to the ones of the previous year.

The Company has the policy on amortized loans written off after the judgment and the order to have debtor and the guarantor to pay their debt to the Company and the Company unable to confiscating their properties or execution accordance to the judgment. The amortization of loan debtors as bad debts will lead to decrease in the allowance for doubtful accounts and bad debt recovery are recorded in the other incomes. For the year 2016, 2015 and 2014, the Company has written off at the amount of 75.58 million Baht 190.83 million Baht and 99.83 million Baht respectively.

The above table accounts receivable, net of interest that are not recognized as income in the year 2016, 2015 and 2014 was mainly the regular debtors who owe less than 3 periods totaling 32,216.46 million Baht 28,135.21 million Baht and 26,469.21 million Baht, respectively, representing of 95.52%, 95.32% and 94.72% of the total hire-purchase debtors, respectively, which representing the most debtors of the Company in the past still remaining at the level normal.

- Adequacy of Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts for the hire-purchase contracts and finance leases based on the estimated losses that may not be collected. Based on the current status of outstanding receivables, the debtors who owes not more than 3 months are recorded to an allowance for doubtful accounts of the principal balance net of collateral and for the debtors owing more than 3 months are recorded to an allowance for doubtful accounts without collateral and for the debtors under the compromise - the law are recorded to an allowance for doubtful accounts without collateral as well

Moreover, the Company carefully considers on recording an allowance for doubtful debts which may not be collected and increasing efficiency in the debt collection in compliance with the expansion size of the loan portfolio. At the end of 2016, 2015 and 2014, the Company had loans of non-performing loans (NPL) from hire-purchase and financial lease debtors at the amount of 1,516.02 million Baht, 1,386.94 million and 1,479.42 million Baht, respectively, and the allowance for doubtful accounts of Baht 1,420.99 million Baht 1,000.36 million and 920.22 million Baht, respectively.

In 2016, 2015 and 2014, the Company had an allowance for doubtful accounts of 93.73%, 72.13% and 62.20% of the loan that does not generate revenue, respectively. If the Company has carefully considered on credit approval, and strictly monitoring, it believes that the allowance for doubtful accounts is still appropriately adequate and effective under the normal operations of the Company.

- Total Liabilities

	2016	2015	2014
	Baht million	Baht million	Baht million
Total Liabilities	28,355.48	24,940.42	23,985.22
Short-term Loan and Overdraft	20,148.22	12,901.31	8,555.10
Long-term Loan	999.97	1,399.72	624.79
Long-term Bond	6,528.42	9,989.37	14,180.21
Other Liabilities	678.87	650.02	625.12

Total liabilities in 2016, 2015 and 2014 amounted to 28,355.48 million Baht, 24,940.42 million Baht and 23,985.22 million Baht, respectively. The total debt in 2016 was up to 13.69% from the year 2015 and the total debt in 2015 was increased by 3.98% of the year 2014. It found that the Company's total debt was increased, which arising from the provision of loans, both short and long term, to support the lending services of the Company.

At the end of 2016, total liabilities of the Company consisted of the main short-term loan of Baht 20,148.22 million, long-term loan of Baht 999.97 million, and debentures of Baht 6,528.42 million.

Other current liabilities are composed of the following items: corporate tax payable, other liabilities, car insurance premium payable of the receivable account, and transfer deferred. In 2016, the



other liabilities amounted to 678.87 million Baht, increased from the year 2015 of 28.85 million Baht or 4.43%.

- Shareholders' Equity

On April 2, 2014, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2013 net profit to be the legal reserve of Baht 40.00 million. From the stock dividend payment on April 29, 2013, the Company had the number of securities balanced from such stock dividend payment of 52 shares which already paid by cash. The Meeting resolved to decrease its registered capital from the prior of 1,610,819,649 Baht to the new one of 1,610,819,597 Baht (at the par value of 1.00 Baht), which the Company registered of such decreased capital to the Ministry of Commerce on April 10, 2014. Later, the Meeting approved the increase of the registered capital from the former one of 1,610,819,597 Baht to 2,013,524,496 Baht by issuing new common stock of 402,704,899 shares (at the par value of 1.00 Baht) to prepare and support on the stock dividend payment of the Company calculating to dividend payment at the rate of 0.25 Baht/share to the existing shareholders at the ratio of 4:1. In case of the common shares from the stock dividend payment was calculated and have fractions, the Company paid for such fractions to shareholders by cash. The Company already registered the increase of the capital at the Ministry of Commerce on April 23, 2014, and paid the dividend payment by cash at the rate of 0.03 Baht/share to shareholders totally of Baht 451,029,487.16 million.

In 2014, the shareholders' equity of the Company was at Baht 3,879.05 million, increasing from the year 2013 by approximately Baht 655.77 million or 20.34%. The increase was resulted from the net profit of Baht 704.09 million and the dividend payment by cash of Baht 48.32 million, including the stock dividend payment of Baht 402.70 million.

On April 8, 2015, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2014 net profit to be the legal reserve of Baht 35.38 million. From the stock dividend payment on April 23, 2014, the Company had the number of securities balanced from such stock dividend payment of 1,718 shares which already paid by cash. The Meeting resolved to decrease its registered capital from the prior of 2,013,524,496 Baht to the new one of 2,013,522,778 Baht (at the par value of 1.00 Baht), which the Company registered of such decreased capital to the Ministry of Commerce on April 10, 2015. Later, the Meeting approved the increase of the registered capital from the former one of 2,013,522,778 Baht to 2,416,227,333 Baht by issuing new common stock of 402,704,431 shares (at the par value of 1.00 Baht) to prepare and support on the stock dividend payment of the Company calculating to dividend payment at the rate of 0.20 Baht/share to the existing shareholders at the ratio of 5:1. In case of the common shares from the stock dividend payment was calculated and have fractions, the Company paid for such fractions to shareholders by cash. The Company already registered the increase of the capital at the Ministry of Commerce on April 21, 2015, and paid the dividend payment by cash at the rate of 0.03 Baht/share to shareholders totally of Baht 463,110,169.94 million.

In 2015, the shareholders' equity of the Company was at Baht 4,654.26 million, increasing from the year 2014 by approximately Baht 685.21 million or 17.66%. The increase was resulted from the net

profit of Baht 748.66 million and the dividend payment by cash of Baht 60.41 million, including the stock dividend payment of Baht 402.70 million.

On April 1, 2016, the Annual General Meeting of the Shareholders passed the resolution to allocate the 2015 net profit to be the legal reserve of Baht 37.50 million and approved the dividend payment by cash at the rate of 0.18 Baht/share to the existing shareholders at the amount of 434,920,897.62 Baht or representing of 58.09% of the net profit in 2015.

In 2016, the shareholders' equity of the Company was at Baht 5,009.39 million, increasing from the year 2015 by approximately Baht 445.13 million or 9.75%. The increase was resulted from the net profit of Baht 881.16 million and the dividend payment by cash of Baht 434.92 million, including the legal reserve of Baht 45 million.

- Liquidity

Cash flow	2016	2015	2014
	Baht million	Baht million	Baht million
Cash flow from (for) operations	(1,970.26)	162.76	1,195.56
Cash flow from (for) investment activities	(47.12)	(54.21)	(7.35)
Cash flow from (for) funding activities	1,971.37	(148.90)	(1,166.79)
Net cash flow increase (decrease)	(46.01)	(40.35)	21.42
Cash & cash at bank	117.88	163.89	204.24

In 2014, the Company's net cash flow was at Baht 21.42 million, increasing from the prior year which had the net cash flow at the amount of Baht 182.82 million. From the liquidity table above, in 2014, the Company had cash flow from the operations activities at the amount of Baht 1,195.56 million from credit leasing services.

From the financing activities in 2014, the cash flow was spent of Baht 1,166.79 million to spend on provision of loan funding for supporting on the expansion of the loan portfolio.

In 2015, the Company's net cash flow was at Baht 40.35 million, decreasing from the year 2014 which had the net cash flow at the amount of Baht 204.24 million. From the liquidity table above, in 2015, the Company had cash flow from the operations activities at the amount of Baht 162.76 million from credit leasing services.

From the financing activities in 2015, the cash flow was spent of Baht 148.90 million which receiving from loan funding for supporting on the expansion of the loan portfolio.

In 2016, the Company had cash of Baht 117.88 million with its net cash flow decreased of Baht 46.01 million. It was reduced from the year 2015 which had cash at the amount of Baht 163.89 million from the net cash flow receiving from the funding activities of Baht 1,971.37 million, which come from the loan funding for supporting on the expansion of the loan portfolio. While the net cash flow for spending



on the operations to the provision of normal loan portfolio of the Company was at the amount of Baht 1,970.26 million. The net cash flow spent on the investment activities was Baht 47.11 million.

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 the Annual Report of 2016. 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 reports prepared without any incorrectly significant information for the benefits to shareholders and general investors transparently.

The Board of Directors has appointed the Audit Committee comprising of the independent directors to review accounting policies, supervise the quality of financial statements, review the adequacy of the internal control system and internal audit, including the risk management as well as considering the disclosure of connected transactions, which the opinions of the Audit Committee on such issues were 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 any frauds or irregular operation significantly.

The Board of Directors has viewed that the overall internal control system of the Company was at satisfactory level and able to reasonably assure that the Company's financial statements for the year ended December 31, 2016 was reliable along with the general accepted accounting principles and conducted precisely with the related laws and regulations.



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



(Mr. Kovit Rongwattanasophon)
Managing Director



Report of Audit Committee

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

1.	Ph.D. Thakol	Nunthirapakorn	Chairman of Audit Committee
2.	Mr. Suvit	Arunanondchai	Member of Audit Committee
3.	Mr. Varavudh	Varaporn	Member of Audit Committee
4.	Assistant Professor Naengnoi	Chai-onnom	Member of Audit Committee
5.	Mr. Surapon	Satimanont	Member of Audit Committee

Mr. Boonchu Wongpakdee, Vice President of Corporate Strategy and Finance, is the Secretary of the Board of Audit Committee.

All members of the Audit Committee are non executives or employees of the Company and possess qualifications as required by the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee has been assigned to supervise and review information of the Company which related to the financial report and disclosure, internal control system and regulatory conduct in compliance with the related supervision agencies including promoting the Company to provide appropriate good corporate governance.

In 2016, the Audit Committee held 5 meetings with the certified auditor, internal auditor, the management and executives from relevant departments to consider and review the financial statements, connected transactions, listen to the explanation and give suggestion beneficial to the accurate, complete and reliable of the financial statements including the improvement of the efficiency of the internal control. The resolutions of each meeting shall be summarized to the Board of Directors on the significant issues for acknowledgement and undertaking for improvement. The implementation of the Audit Committee is mainly summarized as follows:

- **The accurate, complete and reliable of Financial Report**

The Audit Committee reviewed the quarterly and annual financial statements of the Company by consulting with the auditor and management of finance and accounting department. Besides, the Audit Committee arranged the meetings with the auditor excluding the participation of the management to consider on the independence of the auditor in performing its duties and expressing an opinion to ensure that the financial statements had been conducted in accordance with General Accepted Accounting Principle, with correct information and adequate disclosure as accurately and reliably. In addition, the committee observed and acknowledged the solution to approach beneficially to the Company, including promoting on preparing its financial statements on the International Accounting Standards (IAS), and

International Financial Reporting Standards (IFRS) to comply with the guidelines defined by Federation of Accounting Professions and the Securities and Exchange Commission (SEC).

- **The sufficiency and examination of internal control system**

The Audit Committee reviewed the internal control system to ensure the Company has good and efficient internal control system including anti-corruption control system. To consider on such system, the committee monitored the internal control system together with the independent internal auditor on planning and approval of the annual audit plan, including the sufficiency and suitability of employees, and independence in conducting the internal audit, including following up the performance and corrective actions according to the report of audit on any significant issues continuously. This shall lead to good internal system, efficient risk management, and corporate good governance.

- **Risk Management**

On the previous year, the Audit Committee has reviewed on the Company's various aspects of the risk managements by considering and presenting risk factors effected to the Company's operation and business plan to the Board of Directors.

- **Compliance with Regulatory, Laws or Other Relevant Requirements**

The Audit Committee has reviewed and monitored the operation of the Company in accordance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including laws or relevant requirements on the Company's business to ensure that the Company has complied with such regulations completely.

- **Connected Transactions or Conflicts of Interest**

The Audit Committee has considered and monitored the connected transactions, or conflict of interest by consideration of the necessity, reasonability, transparency, information disclosure, including other requirements received by the Company prior presenting to the Board of Directors for approving such transactions.

- **The Auditor**

The Audit Committee has considered the qualification, independence, performance and proper remuneration of the auditor, and presented to the Board of Directors.

The Audit Committee has considered and agreed that the Company has prepared and disclosed the accurate financial information properly, adequately and in accordance with the generally accepted accounting principles. The internal control system and the examination of internal control system are efficient, adequate, and appropriately organized, as well as the efficient risk management. The Audit



Committee has also supervised the Company's operation in compliance with the relevant regulations strictly and monitored the auditor to perform his/her duties on expressing an opinion on the financial reports independently. In addition, the connected transactions and any conflicts of interest are undertaken with transparency, reasonability and sufficient disclosure.

(Thakol Nunthirapakorn, Ph. D.)

Chairman of the Audit Committee

Independent Auditor's Report

To the Shareholders of Ratchthani Leasing Public Company Limited

Opinion

I have audited the accompanying financial statements of Ratchthani Leasing Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2016, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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



Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Allowance for doubtful accounts for hire purchase and financial lease receivables

As discussed in Note 4.5 to the financial statements, the estimation of allowance for doubtful accounts for hire purchase and financial lease receivables was based on the estimated possible loss from uncollectible receivables, taking into account the status of outstanding receivables and various assumptions. The management is required to exercise considerable judgement in estimating allowances for loss that are expected to be incurred for each debtor and determining the appropriate timing of the recognition of such allowances. Furthermore, the estimation of allowance for doubtful accounts is significant because, as at 31 December 2016, the Company had hire purchase and financial lease receivables - net of Baht 32,748 million (representing 98% of total assets) and allowance for doubtful accounts of Baht 1,421 million. Therefore, I focused on the audit of the adequacy of the allowance for doubtful accounts.

I assessed and tested the internal controls relevant to the collection of debts, the calculation of debtor aging and the determination of allowance for doubtful accounts for hire purchase and financial lease receivables and the recording of related accounting entries by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also assessed the methods, key information and assumptions used by the Company in calculating the allowance for doubtful accounts by reviewing key information to its sources, and performing comparative analysis on the assumptions that the Company used and the historical data. In addition, I evaluated the consistency of the application of assumptions, performed sampling tests on the data used in calculation of the allowance, and tested the calculation of debtor aging and allowance for doubtful accounts.

Recognition of interest income

The Company's policy on the recognition of interest income is discussed in Note 4.1 to the financial statements. In 2016, the Company's revenue mainly consisted of interest income from hire purchase and financial lease receivables amounting to Baht 2,485 million (representing 83 percent of total revenue). The interest income was derived from the provision of loans to a large number of customers, most of whom are retail customers. In addition, revenue recognition relies primarily on data processing by information technology systems. Therefore, I focused on the audit of the amount and timing of interest income recognition.

I assessed and tested the Company's information technology system controls and the internal controls related to the processes of loan origination, loan collection and calculation for interest income recognition by making enquiry of responsible executives, gaining an understanding of the designed internal controls and selecting representative samples to test the operation of the designed controls that respond to the amount and timing of the revenue recognition in the Company's financial statements. Moreover, I applied a sampling method to select hire purchase and financial lease agreements to assess whether the recording of loans and the interest revenue recognition were consistent with the conditions of the relevant agreements, and in compliance with the Company's policy. In addition, I performed analytical procedures on the revenue figures recognised throughout the period and, on a sampling basis, tested the cessation of recognition of interest revenue and examined the accounting entries for interest income recorded through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Somjai Khunapasut.

Somjai Khunapasut
Certified Public Accountant (Thailand) No.4499

EY Office Limited
Bangkok: 20 February 2017



Ratchthani Leasing Public Company Limited

Statements of financial position

As at 31 December 2016

		(Unit: Baht)	
	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents	6	117,883,514	163,892,490
Current portion of hire purchase receivables - net	7	12,066,235,983	11,328,652,410
Current portion of financial lease receivables - net	8	133,830,794	110,738,433
Other receivables		52,944,511	50,903,447
Property foreclosed - net	10	56,695,020	85,345,383
Undue input vat		20,677,152	11,526,522
Other current assets		7,480,814	6,421,190
Total current assets		12,455,747,788	11,757,479,875
Non-current assets			
Restricted bank deposits	11	-	300,000
Hire purchase receivables - net of current portion	7	20,245,461,510	17,192,096,447
Financial lease receivables - net of current portion	8	302,009,510	288,793,352
Other long-term investment		212,742	185,856
Investment properties	12	19,326,498	19,326,498
Land, building and equipment - net	13	129,346,431	94,775,589
Intangible assets - net	14	10,206,194	12,865,640
Deferred tax assets - net	15	200,445,864	135,677,243
Other non-current assets		2,112,168	3,173,274
Total non-current assets		20,909,120,917	17,747,193,899
Total assets		33,364,868,705	29,504,673,774

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 2016

(Unit: Baht)

	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	16		
Related parties		3,180,000,000	1,210,000,000
Unrelated parties		7,869,364,732	4,966,692,369
Short-term loans	17		
Related person and related parties		248,000,000	264,000,000
Unrelated persons and unrelated parties		684,000,000	880,000,000
Other payables	18	274,106,496	269,587,127
Accrued interest		96,499,542	126,307,811
Current portion of hire purchase and financial lease payables	19	3,066,453	5,487,178
Current portion of long-term loans	20	499,750,098	82,688,080
Current portion of debentures - Unrelated parties	21	7,667,104,605	5,497,927,690
Income tax payable		141,216,169	104,570,665
Other current liabilities		137,592,729	122,058,471
Total current liabilities		20,800,700,824	13,529,319,391
Non-current liabilities			
Hire purchase and financial lease payables			
- net of current portion	19	4,505,446	3,892,138
Long-term loans - net of current portion	20	999,967,692	1,399,717,790
Debentures - net of current portion	21		
Related parties		299,690,092	428,947,988
Unrelated parties		6,228,731,541	9,560,418,164
Provision for long-term employee benefits	22	21,884,199	18,121,813
Total non-current liabilities		7,554,778,970	11,411,097,893
Total liabilities		28,355,479,794	24,940,417,284

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 2016

(Unit: Baht)

	Note	2016	2015
Shareholders' equity			
Share capital			
Registered			
2,416,227,333 ordinary shares of Baht 1 each		2,416,227,333	2,416,227,333
Issued and fully paid-up			
2,416,227,209 ordinary shares of Baht 1 each		2,416,227,209	2,416,227,209
Share premium		319,888,163	319,888,163
Retained earnings			
Appropriated - statutory reserve	24	228,000,000	183,000,000
Unappropriated		2,045,273,539	1,645,141,118
Total shareholders' equity		5,009,388,911	4,564,256,490
Total liabilities and shareholders' equity		33,364,868,705	29,504,673,774

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 2016

		(Unit: Baht)	
	Note	2016	2015
Profit or loss:			
Revenues			
Hire purchase interest income		2,454,772,557	2,339,894,596
Financial leases interest income		29,743,773	21,602,126
Fees and service income		273,160,878	235,812,479
Other income		227,513,857	184,575,209
Total revenues		2,985,191,065	2,781,884,410
Expenses			
Selling expenses		157,472,577	132,796,407
Administrative expenses		282,115,955	275,363,169
Bad debts and doubtful accounts	9	496,346,406	411,924,772
Total expenses		935,934,938	820,084,348
Profit before finance cost and income tax expenses		2,049,256,127	1,961,800,062
Finance cost		(946,996,380)	(1,016,399,631)
Profit before income tax expenses		1,102,259,747	945,400,431
Income tax expenses	15.2	(221,102,863)	(196,737,384)
Profit for the year		881,156,884	748,663,047
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial loss		(1,379,458)	(3,807,895)
Less: Income tax effect		275,892	761,579
Other comprehensive income for the year (loss)		(1,103,566)	(3,046,316)
Total comprehensive income for the year		880,053,318	745,616,731
Earnings per share	26		
Basic earnings per share		0.36	0.31

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

Ratchathani Leasing Public Company Limited
Statements of changes in shareholders' equity
For the year ended 31 December 2016

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	shareholders' equity
Balance as at 1 January 2015	2,013,522,778	319,888,163	145,500,000	1,400,134,557	3,879,045,498
Profit for the year	-	-	-	748,663,047	748,663,047
Other comprehensive income for the year (loss)	-	-	-	(3,046,316)	(3,046,316)
Total comprehensive income for the year	-	-	-	745,616,731	745,616,731
Appropriate statutory reserve	-	-	37,500,000	(37,500,000)	-
Dividend paid (Note 23)	402,704,431	-	-	(463,110,170)	(60,405,739)
Balance as at 31 December 2015	2,416,227,209	319,888,163	183,000,000	1,645,141,118	4,564,256,490
Balance as at 1 January 2016	2,416,227,209	319,888,163	183,000,000	1,645,141,118	4,564,256,490
Profit for the year				881,156,884	881,156,884
Other comprehensive income for the year (loss)				(1,103,566)	(1,103,566)
Total comprehensive income for the year	-	-	-	880,053,318	880,053,318
Appropriate statutory reserve	-	-	45,000,000	(45,000,000)	-
Dividend paid (Note 23)	-	-	-	(434,920,897)	(434,920,897)
Balance as at 31 December 2016	2,416,227,209	319,888,163	228,000,000	2,045,273,539	5,009,388,911

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 2016

	(Unit: Baht)	
	2016	2015
Cash flows from operating activities		
Profit before income tax	1,102,259,747	945,400,431
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	19,621,721	16,376,994
Bad debts and doubtful accounts	496,346,406	411,924,772
Loss on sales of land, building and equipment	1,712	-
Impairment loss on property foreclosed (reversal)	(4,166,792)	3,241,976
Reversal of impairment loss on investment	(26,886)	(2,727)
Increase in provision for long-term employee benefits	2,692,928	1,870,829
Impairment loss on other assets - output vat paid in advance	1,241,782	2,761,617
Interest income	(2,484,516,330)	(2,361,496,722)
Interest expenses	946,996,380	1,016,399,631
Profit from operating activities before changes in operating assets and liabilities	80,450,668	36,476,801
Operating assets (increase) decrease		
Hire purchase receivables	(4,512,689,290)	(2,129,952,595)
Financial lease receivables	(37,378,229)	(124,941,609)
Other receivables	(3,282,847)	(5,655,912)
Property foreclosed	32,817,155	(5,251,826)
Other current assets	(13,263,463)	(11,743,579)
Other non-current assets	1,311,008	(1,132,886)
Operating liabilities increase (decrease)		
Other payables	4,209,369	69,665,896
Other current liabilities	15,534,258	(12,651,876)
Cash flows used in operating activities	(4,432,291,371)	(2,185,187,586)
Cash received from interest	2,710,980,290	2,588,367,912
Cash paid for income tax	(248,950,089)	(240,418,959)
Net cash flows from (used in) operating activities	(1,970,261,170)	162,761,367

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 2016

(Unit: Baht)

	2016	2015
Cash flows from investing activities		
Decrease in restricted bank deposits	300,000	-
Cash paid for acquisition of land, building and equipment	(45,323,021)	(52,392,291)
Cash paid for acquisition of intangible assets	(2,098,500)	(1,814,500)
Proceeds from sales of land, building and equipment	7,032	-
Net cash used in investing activities	(47,114,489)	(54,206,791)
Cash flows from financing activities		
Increase in short-term loans from financial institutions	4,744,368,266	1,052,160,265
Increase (decrease) in short-term loans	(212,000,000)	97,000,000
Cash received from long-term loans	100,000,000	100,000,000
Repayment for long-term loans	(83,333,300)	(278,666,680)
Cash received from issuance of long-term debentures	4,199,115,100	1,298,202,556
Repayment for long-term debentures	(5,500,000,000)	(1,500,000,000)
Repayment for hire purchase and financial lease payables	(5,927,758)	(4,648,738)
Dividend payment	(434,920,897)	(60,405,739)
Cash paid for interest	(835,934,728)	(852,545,022)
Net cash flows from (used in) financing activities	1,971,366,683	(148,903,358)
Net decrease in cash and cash equivalents	(46,008,976)	(40,348,782)
Cash and cash equivalents at beginning of year	163,892,490	204,241,272
Cash and cash equivalents at end of year	117,883,514	163,892,490

Supplement cash flows information

Non-cash item

Properties foreclosed received for debts settlement	478,673,029	579,955,951
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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 2016

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

3.1 Financial reporting standards that became effective in the current year

During the year 2016, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal year beginning on or after 1 January 2016. 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, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

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 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

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.

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 initially measured 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 asset 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 accumulated amortisation and any accumulated impairment loss.

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

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

4.12 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 other comprehensive income.

4.15 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 reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.16 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.

4.17 Fair value measurement

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities, except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Allowance for 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 credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

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 assets 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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2016	2015
Cash	4,144	346
Bank deposits	113,740	163,546
Total	117,884	163,892

As at 31 December 2016, bank deposits in saving accounts carried interests between 0.37 and 0.40 percent per annum (2015: between 0.37 and 0.40 percent per annum).

7. Hire purchase receivables

7.1 As at 31 December 2016 and 2015, 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)

	2016			
	Amounts due under the agreements			
	Due within	Due over		Total
	1 year ⁽¹⁾	1 - 5 years	5 years	
Hire purchase receivables	15,737,322	22,267,101	8,253	38,012,676
Less: unearned financial income ⁽²⁾	(2,273,353)	(2,011,319)	(111)	(4,284,783)
Present value of the minimum lease payment				
receivables	13,463,969	20,255,782	8,142	33,727,893
Less: Allowance for doubtful accounts ⁽³⁾	(1,397,733)	(18,448)	(15)	(1,416,196)
Hire purchase receivables - net	12,066,236	20,237,334	8,127	32,311,697

(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.

(Unit: Thousand Baht)

	2015			
	Amounts due under the agreements			
	Due within	Due over		Total
	1 year ⁽¹⁾	1 - 5 years	5 years	
Hire purchase receivables	14,418,066	18,933,295	4,427	33,355,788
Less: unearned financial income ⁽²⁾	(2,108,750)	(1,730,417)	(31)	(3,839,198)
Present value of the minimum lease payment				
receivables	12,309,316	17,202,878	4,396	29,516,590
Less: Allowance for doubtful accounts ⁽³⁾	(980,664)	(15,170)	(7)	(995,841)
Hire purchase receivables - net	11,328,652	17,187,708	4,389	28,520,749

(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.



7.2 As at 31 December 2016 and 2015, 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	2016				
	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
Not yet due	36,653	24,955,947	1,900,466	1%	19,005
Past due not more than 1 installment	6,733	3,784,749	236,351	1%	2,363
Past due more than 1 installments	6,338	3,475,762	143,834	2%	2,877
Past due more than 3 installments	1,085	598,580	598,580	20%	119,716
Past due more than 6 installments	448	214,818	214,818	50%	107,409
Past due more than 12 installments	428	164,158	164,158	100%	164,158
Court judge receivables	603	276,417	276,417	100%	276,417
Receivables under compromise agreement	244	113,211	113,211	100%	113,211
Receivables from sales of property foreclosed /Recoverable damages receivables	424	144,251	144,251	100%	144,251
Total	52,956	33,727,893	3,792,086		949,407
Allowance for doubtful accounts					
- additional provision for uncollectible receivables					466,789
Total					1,416,196

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

(Unit: Thousand Baht)

2015					
Age of receivables	Number of contracts	Hire purchase receivables - net			
		Hire purchase receivables - net of unearned financial income	of unearned financial income and collateral value ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	33,699	20,851,583	1,457,512	1%	14,575
Past due not more than 1 installment	6,958	3,653,627	217,158	1%	2,172
Past due more than 1 installments	6,883	3,630,005	173,148	2%	3,463
Past due more than 3 installments	1,067	643,484	643,484	20%	128,697
Past due more than 6 installments	554	275,492	275,492	50%	137,746
Past due more than 12 installments	447	210,138	210,138	100%	210,138
Court judge receivables	246	113,293	113,293	100%	113,293
Receivables under compromise agreement	135	61,651	61,651	100%	61,651
Receivables from sales of property foreclosed /Recoverable damages receivables	219	77,317	77,317	100%	77,317
Total	50,208	29,516,590	3,229,193		749,052
Allowance for doubtful accounts - additional provision for uncollectible receivables					246,789
Total					995,841

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

7.3 As at 31 December 2016, the Company had hire purchase receivables amounting to approximately Baht 2,109.77 million, for which revenue recognition has ceased (2015: Baht 1,930.46 million).

7.4 As at 31 December 2016, the Company had non-performing loans (receivables overdue more than 3 installments) amounting to approximately Baht 1,511.44 million (2015: Baht 1,381.37 million).



- 7.5** During the year ended 31 December 2016, receivables under 399 hire purchase contracts amounting to Baht 316 million negotiated restructuring by modification of terms, whereby repayment schedules were extended. The remaining periods to maturity of these receivables under the new contracts are as follows:

Period	Number of contracts	Outstanding loan balances (Thousand Baht)
Defaulted after reschedule	159	136,907
Due in over 1 year	233	174,951
Premature settlement	7	3,936
Total	399	315,794

As at 31 December 2016, there remained 1,659 hire purchase receivable contracts for which modifications of terms had been negotiated, with outstanding balances totaling Baht 895 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, and historical loss experience, and believes that rates currently used to set allowance for doubtful accounts are appropriate.

8. Financial lease receivables

8.1 As at 31 December 2016 and 2015, 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)

	2016		
	Amounts due under the agreements		
	Within 1 year ⁽¹⁾	1 - 5 years	Total
Financial lease receivables	165,062	333,332	498,394
Less: Unearned financial income ⁽²⁾	(26,593)	(31,157)	(57,750)
Present value of the minimum lease payments			
receivables	138,469	302,175	440,644
Less: Allowance for doubtful accounts	(4,638)	(166)	(4,804)
Financial lease receivables – net	133,831	302,009	435,840

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

(2) Presented net of deferred initial direct costs of financial leases.

(Unit: Thousand Baht)

	2015		
	Amounts due under the agreements		
	Within 1 year ⁽¹⁾	1 - 5 years	Total
Financial lease receivables	139,808	322,145	461,953
Less: Unearned financial income ⁽²⁾	(24,813)	(33,085)	(57,898)
Present value of the minimum lease payments			
receivables	114,995	289,060	404,055
Less: Allowance for doubtful accounts	(4,257)	(266)	(4,523)
Financial lease receivables – net	110,738	288,794	399,532

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

(2) Presented net of deferred initial direct costs of financial leases.



8.2 As at 31 December 2016 and 2015, the balances of financial lease receivables are classified by aging of installments past due and allowance for doubtful accounts as follows:

(Unit: Thousand Baht)

2016					
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 ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	276	410,464	20,855	1%	209
Past due not more than 1 installment	10	17,499	1,421	1%	14
Past due more than 1 installments	4	8,100	-	2%	-
Past due more than 3 installments	-	-	-	20%	-
Past due more than 6 installments	-	-	-	50%	-
Past due more than 12 installments	4	4,581	4,581	100%	4,581
Total	294	440,644	26,857		4,804

(1) Financial lease receivables that are more than 3 installments past due are presented after deduction of unearned financial income, without deducting collateral value.

(Unit: Thousand Baht)

2015					
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 ⁽¹⁾	Rate of allowance for doubtful accounts	Allowance for doubtful accounts
Not yet due	320	384,246	35,072	1%	351
Past due not more than 1 installment	8	13,389	715	1%	7
Past due more than 1 installments	1	856	-	2%	-
Past due more than 3 installments	1	1,749	1,749	20%	350
Past due more than 6 installments	-	-	-	50%	-
Past due more than 12 installments	3	3,815	3,815	100%	3,815
Total	333	404,055	41,351		4,523

(1) Financial lease receivables that are more than 3 installments past due are presented after deduction of unearned financial income, without deducting collateral value.

8.3 As at 31 December 2016, the Company had financial lease receivables for which revenue recognition has ceased, and had non-performing loans amounting to approximately Baht 4.6 million (2015: Baht 5.6 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 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Balance beginning of the year	1,000,364	920,223
Add: Doubtful account increase during the year	496,346	411,925
Less: Bad debt written - off	(75,710)	(190,970)
Sales of accounts receivable	-	(140,814)
Balance end of the year	1,421,000	1,000,364

10. Property foreclosed

	(Unit: Thousand Baht)			
	For the year ended 31 December 2016			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Cost	121,073	478,673	(511,490)	88,256
Less: Allowance for impairment	(35,728)	4,167	-	(31,561)
Net	85,345	482,840	(511,490)	56,695

	(Unit: Thousand Baht)			
	For the year ended 31 December 2015			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Cost	115,822	579,956	(574,705)	121,073
Less: Allowance for impairment	(32,486)	(3,242)	-	(35,728)
Net	83,336	576,714	(574,705)	85,345

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 2016, the fair value of investment properties amounted to Baht 32 million determined based on market price performed by an independent valuer.

13. Land, building and equipment

(Unit: Thousand Baht)

For the year ended 31 December 2016							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
Cost							
1 January 2016	5,890	81,481	9,743	24,603	23,916	202	145,835
Additions	-	12,734	19,310	12,741	4,383	275	49,443
Disposals/written off	-	-	(1,723)	(152)	-	-	(1,875)
31 December 2016	5,890	94,215	27,330	37,192	28,299	477	193,403
Accumulated depreciation							
1 January 2016	-	14,758	7,148	15,891	13,262	-	51,059
Depreciation for the year	-	4,663	1,692	3,449	5,061	-	14,865
Disposals/written off	-	-	(1,723)	(144)	-	-	(1,867)
31 December 2016	-	19,421	7,117	19,196	18,323	-	64,057
Net book value							
31 December 2016	5,890	74,794	20,213	17,996	9,976	477	129,346
Depreciation charge for the year							14,865

(Unit: Thousand Baht)

For the year ended 31 December 2015							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
Cost							
1 January 2015	5,890	32,718	9,282	21,434	23,916	202	93,442
Additions	-	48,763	461	3,169	-	-	52,393
31 December 2015	5,890	81,481	9,743	24,603	23,916	202	145,835
Accumulated depreciation							
1 January 2015	-	11,508	6,238	13,052	8,540	-	39,338
Depreciation for the year	-	3,250	910	2,839	4,722	-	11,721
31 December 2015	-	14,758	7,148	15,891	13,262	-	51,059
Net book value							
31 December 2015	5,890	66,723	2,595	8,712	10,654	202	94,776
Depreciation charge for the year							11,721

As at 31 December 2016, certain building improvement, equipment and motor vehicles 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 18.39 million (2015: Baht 15.09 million).

14. Intangible assets

The intangible assets are computer software which presented below.

(Unit: Thousand Baht)

For the year ended 31 December 2016				
	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	31,314	2,098	-	33,412
Less: Accumulated amortisation	(18,448)	-	(4,758)	(23,206)
Net book value	12,866	2,098	(4,758)	10,206
Amortisation during the year				4,758
Remaining useful lives				0 - 8 years

(Unit: Thousand Baht)

For the year ended 31 December 2015				
	Balance - beginning of the year	Additions	Amortised	Balance - end of the year
Cost	29,499	1,815	-	31,314
Less: Accumulated amortisation	(13,792)	-	(4,656)	(18,448)
Net book value	15,707	1,815	(4,656)	12,866
Amortisation during the year				4,656
Remaining useful lives				0 - 10 years

As at 31 December 2016, certain intangible assets have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 12.26 million (2015: Baht 5.96 million).



15. Deferred tax assets/income tax expenses

15.1 Deferred tax assets

As at 31 December 2016 and 2015, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax assets		
Allowance for doubtful accounts	254,312	179,083
Allowance for impairment - properties foreclosed	6,313	7,146
Difference of financial lease income	818	4,364
Provision for long-term employee benefits	4,377	3,624
Others	2,471	2,228
Total	268,291	196,445
Deferred tax liabilities		
Deferred initial direct costs of hire-purchase	65,682	58,019
Deferred fees/expenses on borrowings	1,951	2,727
Others	212	22
Total	67,845	60,768
Deferred tax assets - net	200,446	135,677

15.2 Income tax expenses

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	2016	2015
Current income tax:		
Current income tax charge for the year	283,662	207,449
Adjustments in respect of current income tax of previous period	1,934	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(64,493)	(10,712)
Income tax expenses reported in the statements of comprehensive income	221,103	196,737

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax relating to actuarial loss	276	761

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rate for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2016	2015
Accounting profits before tax	1,102,260	945,400
Applicable tax rate	20%	20%
Income tax at the applicable tax rate	220,452	189,080
Adjustments in respect of current income tax of previous period	1,934	-
Tax effect of non-deductible income/ expenses	(1,283)	7,657
Income tax expenses reported in the statements of comprehensive income	221,103	196,737

16. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
	Interest rate	2016	2015
Related party - Parent company			
Short-term loan - Promissory notes	Fixed	3,180,000	1,210,000
		3,180,000	1,210,000
Unrelated party			
Short-term loan - Promissory notes	Fixed	250,000	90,000
Bill of exchange	Fixed	7,619,365	4,876,692
Total		7,869,365	4,966,692

Short-term loans in the form of promissory notes have maturities as stipulated in each of the note. 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 bill.

As at 31 December 2016, the short-term credit facilities with its related company and unrelated companies which have not yet been drawn down amounted to Baht 1,110 million.



17. Short-term loans

As at 31 December 2016 and 2015, these short-term loans are in the form of promissory notes 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)	
	2016	2015
Payables for car purchase	191,372	203,952
Other payables - insurance premium payable	56,096	43,362
Accrued expenses	24,394	20,480
Other payables	2,244	1,793
Total other payables	274,106	269,587

19. Liabilities under hire purchase and finance lease agreements

	(Unit: Thousand Baht)	
	2016	2015
Liabilities under hire purchase and finance lease agreements	8,125	9,914
Less: Deferred interest expenses	(554)	(535)
Total	7,571	9,379
Less : Current portion due within one year	(3,066)	(5,487)
Liabilities under hire purchase and finance lease agreements - net of current portion	4,505	3,892

The Company has entered into 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 2016, 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	3,331	4,794	8,125
Less: Deferred interest expenses	(265)	(289)	(554)
Present value of minimum lease payments	3,066	4,505	7,571

20. Long - term loans

		(Unit: Thousand Baht)	
		2016	2015
a)	A long-term credit facility from a bank amounting to Baht 800 million, repayable in full within 3 years from the drawdown date. Since April 2015, the term of repayment has been extended to repayable in full within 75 months. Interest is charged at fixed rate per annum and payable monthly	800,000	800,000
b)	A long-term credit facility from a bank amounting to Baht 500 million, repayable in full within 4 years from the drawdown date, with interest at fixed rate per annum and payable monthly	500,000	500,000
c)	A long-term credit facility from a bank amounting to Baht 500 million, repayable in 12 quarterly installments, with interest at fixed rate per annum and payable monthly	-	83,333
d)	A long-term credit facility from a bank amounting to Baht 200 million, repayable in full within 3 years from the drawdown date, with interest at fixed rate per annum and payable quarterly	200,000	100,000
Total		1,500,000	1,483,333
Less: Deferred loans issuing costs		(282)	(927)
Long-term loans		1,499,718	1,482,406
Less: Current portion due within one year		(499,750)	(82,688)
Long-term loans - net of current portion		999,968	1,399,718

The outstanding loan agreements described above require the Company to comply with certain terms and conditions as specified in 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 2016 are summarised below.

		(Unit : Thousand Baht)
Balance as at 1 January 2016		1,483,333
Add: Loans drawdown during the year		100,000
Less: Loans repayment during the year		(83,333)
Balance as at 31 December 2016		1,500,000



21. Debentures

(Unit: Thousand Baht)

Debenture	Debenture period	Date of issuance	Maturity date	Interest rate (% p.a.)	2016	2015
1	4 years	27 April 2012	27 April 2016	5.50	-	2,500,000
2	4 years	1 November 2012	1 November 2016	5.00	-	3,000,000
3	4 years	14 June 2013	14 June 2017	4.70	2,000,000	2,000,000
4	3 years 7 months 5 days	30 August 2013	5 April 2017	4.759	760,000	760,000
5	4 years	25 October 2013	25 October 2017	4.80	3,000,000	3,000,000
6	4 years	2 May 2014	2 May 2018	4.75	2,000,000	2,000,000
7	2 years 11 months 28 days	30 April 2014	28 April 2017	4.25	80,000	80,000
8	3 years 9 days	30 April 2014	9 May 2017	4.25	200,000	200,000
9	3 years 18 days	21 May 2014	8 June 2017	4.25	210,000	210,000
10	3 years 7 days	3 July 2014	10 July 2017	4.22	150,000	150,000
11	2 years 10 months	25 September 2014	25 July 2017	4.10	300,000	300,000
12	2 years 3 months	28 April 2015	28 July 2017	3.35	200,000	200,000
13	2 years 11 months 25 days	3 September 2015	28 August 2018	3.10	150,000	150,000
14	3 years	11 September 2015	11 September 2018	3.10	350,000	350,000
15	2 years 11 months 19 days	23 September 2015	12 September 2018	3.10	150,000	150,000
16	2 years 11 months 22 days	2 October 2015	24 September 2018	3.00	150,000	150,000
17	3 years 1 day	9 October 2015	10 October 2018	3.00	300,000	300,000
18	3 years 6 days	15 February 2016	21 February 2019	2.88	200,000	-
19	1 year 9 months 10 days	11 March 2016	21 December 2017	2.60	770,000	-
20	2 years 11 months 26 days	8 April 2016	3 April 2019	2.88	200,000	-
21	3 years	25 April 2016	25 April 2019	2.70	1,000,000	-
22	3 years 2 days	9 June 2016	11 June 2019	3.00	200,000	-
23	3 years 17 days	21 June 2016	8 July 2019	3.00	215,000	-
24	3 years	21 July 2016	21 July 2019	3.00	300,000	-
25	2 years 11 months 23 days	3 August 2016	26 July 2019	3.00	500,000	-
26	2 years 11 months 23 days	9 August 2016	1 August 2019	3.00	200,000	-
27	3 years	9 September 2016	9 September 2019	2.95	300,000	-
28	2 years 11 months 11 days	15 September 2016	26 August 2019	2.95	320,000	-
Total					14,205,000	15,500,000
Less: Deferred debentures issuing costs					(9,474)	(12,706)
Debentures					14,195,526	15,487,294
Less: Current portion due within one year					(7,667,105)	(5,497,928)
Debentures - net of current portion					6,528,421	9,989,366

Debentures 1) - 3) and 5) - 6) above are registered, unsubordinated, unsecured debentures with trustees. Interest is payable every 3 months throughout the life of the debentures.

Debentures 4) and 7) - 21) and 24) are registered, unsubordinated, unsecured debenture with no trustee. Interest is payable every 6 months throughout the life of the debentures.

Debentures 22) - 23) and 25) - 28) are registered, unsubordinated, unsecured debenture with no trustee. Interest is payable every 3 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.

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	
	2016	2015
Beginning balance of provision for long-term employee benefits	18,122	12,443
Current service cost	1,925	1,323
Interest cost	768	548
Benefit paid during the year	(310)	-
Actuarial (gain) loss arising from		
Demographic assumption changes	1,846	1,178
Financial assumption changes	(1,277)	703
Experience adjustments	810	1,927
Ending balance of provision for long-term employee benefits	21,884	18,122

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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2016	2015
Current service cost	1,925	1,323
Interest cost	768	548
Total expense recognised in profit or loss		
(Selling and administrative expenses)	2,693	1,871



As at 31 December 2016, the weighted average duration for payment long-term employee benefits of the Company is 20 years, and the Company expected not to pay long-term employee benefits within next 1 year.

Key actuarial assumptions at the valuation date are as follows:

	2016	2015
	(% per annum)	(% per annum)
Discount rate	3.50	3.83
Future salary increase rate (depending on age of employee)	6.39	7.43
Staff turnover rate (depending on age of employee)	0 - 7	5 - 8

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below.

	2016		2015	
	Rate increase by 0.5%	Rate decrease by 0.5%	Rate increase by 0.5%	Rate decrease by 0.5%
Discount rate	Liabilities decreased by 1,023	Liabilities increased by 1,109	Liabilities decreased by 870	Liabilities increased by 940
Salary increase rate	Liabilities increased by 1,043	Liabilities decreased by 973	Liabilities increased by 881	Liabilities decreased by 825

(Unit: Thousand Baht)

23. Dividend

On 8 April 2015, the Annual General Meeting of Shareholders passed resolutions to pay an annual dividend for the year 2014 of Baht 0.03 per share to the holders of the 2,013,522,778 ordinary shares, or a total dividend payment of Baht 60 million, and distribute a stock dividend of 402,704,555 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 403 million. The Company paid the dividend to the shareholders on 29 April 2015.

On 1 April 2016, the Annual General Meeting of Shareholders passed resolutions to pay an annual dividend for the year 2015 of Baht 0.18 per share to the holders of the 2,416,227,209 ordinary shares, or a total dividend payment of Baht 435 million. The Company paid the dividend to the shareholders on 29 April 2016.

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 profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Bad debt and doubtful accounts	496,346	411,925
Salary and wages and other employee benefits	223,786	200,231
Bank charges and service fee expenses	26,110	26,918
Impairment loss on property foreclosed	-	3,242
Depreciation and amortisation	14,864	11,721
Legal fees	45,946	47,824

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, and adjusted for the proportionate change in the number of ordinary shares as a result of the issue of a stock dividend.

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 2016 and 2015.

(Unit: Thousand Baht)

For the year ended 31 December 2016			
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	1,387,301	1,067,472	2,454,773
Financial lease interest income	26,988	2,756	29,744
Other income	165,808	146,860	312,668
Unallocated other income			188,006
Total revenues	1,580,097	1,217,088	2,985,191
Operating expenses	51,459	53,359	104,818
Depreciation and amortisation			19,622
Unallocated operating expenses			315,149
Bad debts and doubtful accounts			496,346
Finance cost			946,996
Profit before income tax			1,102,260
Income tax			(221,103)
Profit for the year			881,157

(Unit: Thousand Baht)

For the year ended 31 December 2015			
	New cars	Used cars	Total segments
Revenue from external customers			
Hire purchase interest income	1,266,190	1,073,705	2,339,895
Financial lease interest income	18,282	3,320	21,602
Other income	134,143	132,095	266,238
Unallocated other income			154,149
Total revenues	1,418,615	1,209,120	2,781,884
Operating expenses	41,088	53,042	94,130
Depreciation and amortisation			16,377
Unallocated operating expenses			297,652
Bad debts and doubtful accounts			411,925
Finance cost			1,016,400
Profit before income tax			945,400
Income tax			(196,737)
Profit for the year			748,663

The following table presents segment assets of the Company's operating segments as at 31 December 2016 and 2015:

(Unit: Thousand Baht)

	As at 31 December 2016		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	21,867,819	10,879,719	32,747,538
Unallocated assets			617,331
Total assets			33,364,869

(Unit: Thousand Baht)

	As at 31 December 2015		
	New cars	Used cars	Total segments
Segment assets			
Hire purchase and financial lease receivables	18,683,301	10,236,980	28,920,281
Unallocated assets			584,393
Total assets			29,504,674

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 2016 and 2015, 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. The contributed for the year 2016 amounting to approximately Baht 5.7 million (2015: Baht 5.2 million) were recognised as expenses.



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 Plc.	Parent company
Baan Rock Garden Plc.	Have common director and shareholder
Citywood Co., Ltd.	Have common director and shareholder
Thanachart Insurance Plc.	Affiliated company

(Unit: Thousand Baht)

	For the years ended		
	31 December		Transfer pricing policy
	2016	2015	(For the year 2016)
<u>Transactions with related parties</u>			
Parent company - Thanachart Bank Plc.			
Interest income	465	744	The same rates as charged to general customers
Interest expenses	17,566	2,502	As stipulated in agreements and prospectus
Bank fee expenses	9,704	9,126	As stipulated in agreements
Premises and equipment expenses	314	299	As stipulated in agreements
Service fee expenses	8,506	9,931	As stipulated in agreements
Related parties			
Interest expenses - Baan Rock Garden Plc.	5,662	7,425	As mutually agreed
Interest expenses - Thanachart Insurance Plc.	21,700	20,611	As stipulated in prospectus
Insurance expenses - Thanachart Insurance Plc.	2,319	2,182	As stipulated in agreements
Management, directors and related persons			
Interest expenses	2,065	2,898	As mutually agreed

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Cash and cash equivalents - cash at bank		
Parent company - Thanachart Bank Plc.	68,082	133,303
Other assets - Deposit		
Parent company - Thanachart Bank Plc.	65	65
Other receivables - interest receivable		
Parent company - Thanachart Bank Plc.	8	10
Short - term loans from financial institutions		
Parent company - Thanachart Bank Plc.	3,180,000	1,210,000
Short - term loans		
Related parties - Baan Rock Garden Plc.	210,000	195,000
Management, directors and related persons	38,000	69,000
Debentures		
Related parties - Thanachart Insurance Plc.	300,000	429,400
Other payables - accrued expenses		
Parent company - Thanachart Bank Plc.	1,483	5
Related parties - Thanachart Insurance Plc.	-	35
Accrued interest		
Parent company - Thanachart Bank Plc.	329	144
Related parties - Thanachart Insurance Plc.	4,044	3,840

Movement of loans from related persons and related parties during the years are as follows:

	(Unit: Thousand Baht)			
	For the year ended 31 December 2016			
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Short-term loans from financial institutions</u>				
Thanachart Bank Plc.	1,210,000	39,110,000	37,140,000	3,180,000
<u>Short-term loans</u>				
Baan Rock Garden Plc.	195,000	795,000	780,000	210,000
Management, directors and related persons	69,000	382,000	413,000	38,000
<u>Debentures</u>				
Thanachart Bank Plc.	-	180,000	180,000	-
Thanachart Insurance Plc.	429,400	300,000	429,400	300,000



(Unit: Thousand Baht)

For the year ended 31 December 2015

	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Short-term loans from financial institutions</u>				
Thanachart Bank Plc.	-	5,100,000	3,890,000	1,210,000
<u>Short-term loans</u>				
Baan Rock Garden Plc.	180,000	570,000	555,000	195,000
Management, directors and related persons	89,000	272,000	292,000	69,000
<u>Debentures</u>				
Thanachart Bank Plc.	100	74,900	75,000	-
Thanachart Insurance Plc.	429,400	-	-	429,400

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the years ended 31 December	
	2016	2015
Short-term employee benefits	38,021	33,535
Post-employment benefits	779	548
Total	38,800	34,083

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 2016 and 2015, future minimum lease payments required under these non-cancellable operating leases contracts are as follows.

(Unit: Thousand Baht)

	31 December 2016	31 December 2015
Payable within		
Less than 1 year	4,224	4,859
1 to 5 years	1,906	1,864

30.2 Long-term service commitments

As at 31 December 2016 and 2015, the Company has commitments in respect of the agreements appointing debenture trustees and a debenture holder representatives, whereby fees payable in the future are as follows:

	(Unit: Thousand Baht)	
	31 December 2016	31 December 2015
Payable within		
Less than 1 year	483	827
1 to 4 years	142	514

30.3 The Company has commitments under support service agreement with its parent company. Service payables due within 30 September 2017 amounting to Baht 4.6 million.

30.4 Litigation

As at 31 December 2016, the Company is being sued as defendant or co-defendant in lawsuits with claims totaling Baht 2.6 million which final judgement has not yet been rendered. However, 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, 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 accounts as 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 2016 and 2015 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)

	2016					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1-5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	108	10	118
Hire purchase receivables ⁽¹⁾	11,953	20,256	8	-	1,511	33,728
Financial lease receivables ⁽¹⁾	134	302	-	-	5	441
<u>Financial liabilities</u>						
Short-term loans from financial institutions	11,049	-	-	-	-	11,049
Short-term loans	932	-	-	-	-	932
Other payables	-	-	-	-	247	247
Hire purchase and financial lease payables	3	5	-	-	-	8
Long-term loans	500	1,000	-	-	-	1,500
Debentures	7,667	6,529	-	-	-	14,196

(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)

	2015					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1-5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	151	13	164
Hire purchase receivables ⁽¹⁾	10,928	17,203	4	-	1,382	29,517
Financial lease receivables ⁽¹⁾	109	289	-	-	6	404
<u>Financial liabilities</u>						
Short-term loans from financial institutions	6,177	-	-	-	-	6,177
Short-term loans	1,144	-	-	-	-	1,144
Other payables	-	-	-	-	247	247
Hire purchase and financial lease payables	5	4	-	-	-	9
Long-term loans	83	1,400	-	-	-	1,483
Debentures	5,498	9,989	-	-	-	15,487

(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.

31.3 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 2016 and 2015 are as follows:

(Unit: Million Baht)

Transactions	2016				Total
	At call	Less than 1 year	Over 1 year	No specific maturity	
<u>Financial assets</u>					
Cash and cash equivalents	118	-	-	-	118
Hire purchase receivables ⁽¹⁾	-	11,953	20,264	1,511	33,728
Financial lease receivables ⁽¹⁾	-	134	302	5	441
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	11,049	-	-	11,049
Short-term loans	-	932	-	-	932
Other payables	-	247	-	-	247
Hire purchase and financial lease payables	-	3	5	-	8
Long-term loans	-	500	1,000	-	1,500
Debentures	-	7,667	6,529	-	14,196

(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	2015				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	164	-	-	-	164
Hire purchase receivables ⁽¹⁾	-	10,928	17,207	1,382	29,517
Financial lease receivables ⁽¹⁾	-	109	289	6	404
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	6,177	-	-	6,177
Short-term loans	-	1,144	-	-	1,144
Other payables	-	247	-	-	247
Hire purchase and financial lease payables	-	5	4	-	9
Long-term loans	-	83	1,400	-	1,483
Debentures	-	5,498	9,989	-	15,487

(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).

31.4 Fair value

As at 31 December 2016 and 2015, the Company had no assets and liabilities that were measured at fair value. However, the Company had assets and liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	2016				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	118	118	-	-	118
Hire purchase receivables	32,312	-	-	32,723	32,723
Financial lease receivables	436	-	-	438	438
Investment properties	19	-	-	32	32
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	11,049	-	11,049	-	11,049
Short-term loans	932	-	932	-	932
Other payables	247	-	247	-	247
Hire purchase and financial lease payables	8	-	8	-	8
Long-term loans	1,500	-	1,523	-	1,523
Debentures	14,196	-	14,316	-	14,316

(Unit: Million Baht)

	2015				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed					
Cash and cash equivalents	164	164	-	-	164
Hire purchase receivables	28,521	-	-	28,634	28,634
Financial lease receivables	400	-	-	402	402
Investment properties	19	-	-	32	32
Liabilities for which fair value are disclosed					
Short-term loans from financial institutions	6,177	-	6,177	-	6,177
Short-term loans	1,144	-	1,144	-	1,144
Other payables	247	-	247	-	247
Hire purchase and financial lease payables	9	-	9	-	9
Long-term loans	1,483	-	1,499	-	1,499
Debentures	15,487	-	15,685	-	15,685

Fair value hierarchy for financial assets and liabilities are presented according to notes 4.17 to the financial statements.

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase and financial lease receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For debentures, long-term loans and liabilities under hire purchase and financial lease payables carrying fixed interest, their fair value has been determined by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- Fair value of investment properties has been determined based on market price performed by an independent valuer.



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 2016, the Company's debt-to-equity ratio was 5.66:1 (2015: 5.46:1).

33. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2015 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholders' equity.

(Unit: Thousand Baht)

	For the year ended 31 December 2015	
	As reclassified	As previously reported
Selling expenses	132,796	117,492
Administrative expenses	275,363	290,668

34. Event after the reporting period

On 11 January 2017, the Company issued Baht 1,510 million of unsubordinated, unsecured, registered debentures with no trustee through private placement. The debentures have a term of 3 years and carry interest at a rate of 2.88 percent per annum, payable semi-annually.

On 20 February 2017, a meeting of the Company's Board of Directors passed a resolution to propose the following to the Annual General Meeting of shareholders for approval:

- 1) A cash dividend payment of Baht 0.21 per share to the Shareholders, or a total dividend payment of Baht 507.41 million from the net profit of 2016.
- 2) An increased budget for debentures and other debt instruments to be issued and offered during the year 2017, and cancel of the previously approved budget.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2017.



ราชนาถา ลิซซิง
Ratchthani Leasing

A Thanachart Group Company

Ratchthani Leasing Public Company Limited

77/35-36 11 UP floor Sinnsathorn Tower, Krungthonburi Road, Khlongtonsai, Khlongsarn, Bangkok 10600

Tel. 0 2431 9000

Fax 0 2431 9099

www.ratchthani.com

Registration 0107545000209