

# Annual Report 2017

## Mida Leasing Public Company Limited

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## Financial Summary

(Unit: THB in Million)

	2015	2016	2017
Assets			
Total assets	2,947.81	3,492.96	3,599.45
Hire-purchase receivables - Net	2,475.63	2,569.16	2,816.13
Liabilities and shareholders' equity			
Total liabilities	1,381.84	1,839.74	1,849.56
Total shareholders' equity	1,565.97	1,653.22	1,749.89
Performance			
Total revenue	513.30	545.77	588.93
Hire-purchase Income	421.53	413.49	443.15
Total expenses	384.76	397.55	445.98
Net profit	102.87	118.22	112.52
Profitability ratio			
Interest income** (%)	12.71%	11.69%	11.68%
Interest expense (%)	5.22%	4.78%	5.01%
Interest spread (%)	7.49%	6.90%	6.67%
Net profit (%)	20.04%	21.66%	19.11%
Earning per share (THB/share)	0.11	0.12	0.11
Return on Equity (%)	6.78%	7.34%	6.61%
Efficiency ratio			
Return on asset (%)	3.65%	3.67%	3.17%
Asset turnover	0.18	0.17	0.17
Financial policy ratio			
Debt to equity ratio (times)	0.88	1.11	1.06
Loan to borrowing ratio	2.77	2.38	2.24
Dividend payment ratio (Baht)	0.30	0.50	0.45
Doubtful account to total loan ratio (%)	1.94%	2.49%	2.69%

Remark\*\* Interest income (%) is calculated by dividing interest income receivable by average Net Hire - purchase receivables.

**Message from President**

For the past year 2017 was a challenging year for the private sector to overcome with various negative factors affected by economic of the year 2016 throughout the present. Over the years, economic growth of continuous regression the growth rates of only 3.1% as a result of the mourning of the King Rama 9 stretches up to the end of the 2017 which affect business sectors inevitably.

According to such the overall global economy, that the reversal of the currency of various countries, whether the United States or European countries. All contribute to businesses around the world recession has inevitably. Thailand; however, by the government of Gen, Prayuth Chan-Ocha was trying to encourage business sector. The public investment in major projects, such as rail services. Including distribution into the provinces continued in the state. New car sales business sectors in the year 2017, it receives the aftermath from Government policy, thus in effect, car sales have increased by 870,748 cars from the year 2016 that total sales were by 767,788 cars or 13.26%. For the used car market is car market continuously from the new car market. As a result, the used car market is growing as well. In addition, financial institutions and NON-BANK business groups has offered new and used auto loan. All growth is good. Despite the negative economic impact continuously. For the company in 2017 net profit of 112.52 million baht, with 5.70% decline from the year 2016 with a net profit of 118.22 million baht.

Finally, the board of directors and me, including executive through all employees will dedicatedly support in driving the company's business to transcend the year 2018 has great potential as the economy is expected to grow in a better situation from the previous year 2017.



Mr. Wisood leosivikul

President

<b>Type and Nature of Business</b>
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### 1. Business Overview

Mida Leasing Public Company Limited is in the business of leasing service focuses mainly on second-hand vehicles (both personal vehicle and pickup trucks) that are of highly marketable brands and models, such as Toyota, Isuzu, Nissan, Mitsubishi, and Honda. As of 31 December 2017, the company's hire-purchase lending portfolio comprises of personal cars and pick-up trucks in the proportion of 9.22% and 90.78%, respectively. The Company provides the services in Bangkok and other provinces through its 17 branches with cover servicing areas in 74 provinces all over Thailand.

The Company has increased the hire-purchase lending portfolio by providing hire-purchase services to new vehicles and taxi-meters and to taxi-meters operators to increase sales of the Company. In addition, the Company provides hire-purchase lending services under the "Floor Plan Loan Scheme" to second-hand car dealers as their working capital. This thus creates good business relationships with those operators, and establishes potential hire-purchase loan customer based. Moreover, the Company provides re-finance services for all types of automobiles. Customers who are in need of money can request for re-finance credit with the Company and must clearly specify the usage of the loan.

In addition to the aforementioned services, the Company provides after-sales services, which consist of the renewal of vehicle registration, car insurance policy, and third-party car insurance. These service offerings not only provide convenience to the customers and also a source of revenues of the Company.

The Company concentrates its current and future operation in providing hire-purchase loan for second-hand vehicles (all types of vehicles such as personal cars and all types of truck exclude of motorcycles). However, Mida Assets Public Company Limited, as major shareholders of the Company, will determine the future policy and the scope of business operation between itself. This is to ensure that each company will not conduct business in conflict or directly competing with one another but will operate business that will provide synergy to one another.

## 2. Revenue Structure

Revenue Structure of the company according to the financial statement as of 2015– 2017

Revenue	2015		2016		2017	
	Million THB	%	Million THB	%	Million THB	%
New Contracted Hire-purchase Portfolio	1,844.14		1,859.81		2,178.66	
Hire –Purchase Receivables	1,211.68		1,256.86		1,448.53	
1. Revenue from Hire-purchase						
Personal vehicles	18.59	3.62	21.04	3.86	27.31	4.64
Pickup trucks	402.94	78.50	392.45	71.90	415.84	70.61
Total Revenue from Hire-purchase	421.53	82.12	413.49	75.76	443.15	75.25
2. Other Revenue						
- Interest income	6.24	1.21	14.63	2.68	42.80	7.27
- Car transfer registration	12.95	2.52	12.65	2.32	13.90	2.36
- Commission from auto insurance	15.25	2.97	16.84	3.09	22.00	3.73
- Penalty & Late Payment Fees	18.09	3.53	19.28	3.53	15.79	2.68
- Bad debt recovery	7.62	1.49	6.48	1.19	6.59	1.12
- Operation fee income	6.71	1.31	12.07	2.21	14.86	2.52
- Debt collection income	6.32	1.23	5.51	1.01	5.98	1.02
- Seized car transferred income	4.58	0.89	3.97	0.73	2.52	0.43
- Gain on sale of investment in securities	0.58	0.11	20.05	3.67	0.08	0.01
- Others	13.42	2.62	20.79	3.81	21.26	3.61
Total other revenue	91.77	17.88	132.28	24.24	145.78	24.75
Total revenue	513.30	100.00	545.77	100.00	588.93	100.00

Revenue classification by vehicle type of the Company

Revenue from Hire – purchase	2015		2016		2017	
	Million THB	%	Million THB	%	Million THB	%
- New car	7.27	1.73	6.77	1.64	5.16	1.16
- Second hand car	414.26	98.27	406.72	98.36	437.99	98.84
Total revenue from Hire – purchase	421.53	100.00	413.49	100.00	443.15	100.00

## 3. Business Operation of Each Product Line

### Nature of services

1. The company operates business of offering four main types loan services as follows:

- 1) Automobile Hire-purchase Service.
- 2) Working Capital Loan for Second-hand Car dealer ('Floor Plan Loan').
- 3) Re-financing services for all types of automobiles.

4) Additional Services such as renewal of Annual Vehicle Duty, transfer of car registration, car insurance policy, and third-party car insurance.

2. The company operates business of managing non-performing debt

Major source of income of the Company is from automobile hire-purchase service, which account approximately from 75.25% to 82.12% of total revenue from 2015 until present.

#### 4. Market Situation & Competition

In the year 2017, new car market has sold a total of 870,748 cars in Thailand (exceeds the estimated 830,000 cars) compared to total sales, with total sales in 2016 of 768,788 cars. Growth rate has increased by 13.26% while the car seat (Sedan) has the highest growth rate at 23.47%

The return is the direction the expansion of cars sold the domestic market and gradually regaining export market since 2017 to support manufacturers and distributors (dealer) have better outcomes. But there will be a risk that intense competition situation. Car manufacturer: expected outcomes in year 2018 will recover, regaining a direction as to the recovery in both domestic and export markets, manufacturers of passenger vehicles and one-ton pick-up trucks, earnings forecast will improve markedly from the year 2018. Driven by the domestic and export markets could grow by its exports Eco-car under the terms of the BOI cars and versatile (PPV) increased its popularity. The top selling new cars a year 2017 details are as follows.

Car sales data (separated by type): year 2017

	Sales 2016 (no. of cars)	Sales 2017 (no. of cars)	% Change (comparing to 2016)
Personal cars	278,827	345,501	23.47%
Commercial cars	488,961	525,247	7.42%
Pick-up truck 1 ton (Include personalized pick-up)	394,127	424,282	7.65%
Pick-up truck 1 ton (Exclude personalized pick-up)	333,447	364,706	9.37%
Total quantity sales	767,788	870,748	13.26%

In the second-hand car market, dealer began to see signs of recovery are improved. The used car entrepreneur expected revenue recovery according to the direction of the old cars price past the lowest point. The demand for cars would increase as the economic recovery bring about inventory turnover rate has been better. However, market competition is fierce due to expected supply of used cars in 2018 will accelerate increase. As a result of old cars in the first car projects, some will be sold into the market after the car in the project were fully 5 years under the terms of the authorities. There is also a new operator in the market. This condition can affect SME entrepreneurs are still at risk of further liquidity problems.

## Analysis of Financial Position and Operating Performance

### Operating Performance

Mida Leasing Public Company Limited is in the business of providing hire-purchase credit facilities for both new and used cars but mainly focusing on the used car sector. The Company first began business with its first office in Bangkok in 2000 and began its expansion. Currently, the Company has 17 branches (included head office).

### Revenue

For the fiscal year 2017 the Company had revenue of Baht 588.93 million, increased from year 2016 at Baht 545.77 million, or increasing rate 7.91%. As a result of the increased from facilities extended for Floor Plan ,Insurance brokerage income and operation fee income.

	2015		2016		2017	
	Million THB	%	Million THB	%	Million THB	%
Hire Purchase Receivables	1,211.68	(2.03)	1,256.86	3.73	1,448.53	15.25
Hire Purchase Income	421.53	2.66	413.49	(1.91)	443.15	7.17

The Company had increased the size of its lending portfolio by 15.25% in 2017 which effected to portfolio decreased and hire-purchase interest income increased. Interest revenue decreased from Baht 413.49 million in 2016 to Baht 443.15 million in 2017, or 7.17% increase. Moreover, the interest revenue generated in 2017 includes those from leasing facilities provided since 2013 – 2016 and some from facilities extended in 2017.

As for other revenue, including commissions earned from insurance policies, penalty fees, revenue from facilities extended for Floor Plan, and etc in fiscal year 2017, total revenue amounted to Baht 145.78 million, an increased from Baht 132.28 million in fiscal year 2015 or equivalent to 10.21% increased. As a result of the increased revenue from facilities extended for Floor Plan , insurance brokerage income and operation fee income.

### Expenses

In fiscal year 2017, the Company had operating expenses in Baht 445.98 million, increased from Baht 397.55 million in fiscal year 2016. The Company's expenses consist of 3 parts, including of selling and administrative expenses, bad debts and doubtful accounts and finance cost. The details of the expenses are outlined below:

- The Company had selling and administrative expenses for fiscal year 2017 in the amount of Baht 298.78 million, increased from the year 2016 of Baht 275.64 million



- The Company had bad debt and doubtful accounts for the fiscal year 2017 in the amount of Baht 62.43 million, decreased from the year 2016 which was Baht 50.88 million due to better debt collection management compared to year 2016.
- The Company had finance cost for the fiscal year 2017 in the amount of Baht 84.77 million, increased from Baht 71.03 million for fiscal year 2016 of Baht 13.74 million as a result of interest rates rising from 2016

#### **Net profit**

The Company had net profit after tax of Baht 112.52 million for the fiscal year 2017, decreased from Baht 118.22 million in fiscal year 2016, or by 4.82 % due to increased selling expenses .

#### **Dividend payment Policy**

The Company's dividend payment policy is not less than 30% of net profit after tax of each year. Nevertheless, the Company also considered the dividend payment with other factors, such as operating performance, financial status, liquidity, company's expansion or other factors, which are relevant to the company's operation.

### **Financial Position**

#### **Total Assets**

As of years 2017 and 2016, the total assets of the company amounted to Baht 3,599.45 million increased by Baht 106.49 million from the year 2016 which is Baht 3,492.96 million; as a result of the growth of the loan portfolio due to the expansion of the business.

#### **The quality of the debtors and appropriateness of the doubtful accounts.**

Hire purchase receivables are stated at the outstanding balances less unearned hire purchase interest income and allowance for doubtful accounts. Allowance for doubtful accounts is provided for the estimated collection losses that may incur in collection of receivables. The allowance is based on collection experience and current financial status of receivables outstanding at the balance sheet date. For fiscal years 2016 to 2017, the Company had provisioned 2.49%, and 2.69%, respectively; which is a result of allowance for doubtful account.

In any event, after careful consideration and analysis, the Company strongly believes that it has a strong potential to collect on all accounts and that the provisions made are sufficient.

#### **Total liabilities**

For fiscal year 2017, the Company had total liabilities of Baht 1,849.57 million increased from Baht 1,839.74 million in fiscal year 2016, or a 0.53%. The increasing of liabilities in 2017 as a result the company had bank overdraft of Baht 3.93 million.

#### **Shareholders' equity**

In fiscal year 2017, the Company had a Shareholders' Equity of Baht 1,749.89 million, increased from Baht 1,653.22 million in fiscal year 2016, or by 5.85% due to the profit of the Company's operating result.

### Liquidity and investment structure

In fiscal year 2017 and 2016 the Company had a Debt-to-Equity ratio of 1.06 and 1.11 respectively.

Structure and source of fund in 2016 and 2017

	2016		2017	
	Million THB	%	Million THB	%
Shareholders' equity	1,653.22	49.37	1,749.89	50.86
Short - term loan	-	-	3.93	0.12
Long-term loan				
- Current portion	5.77	0.17	6.13	0.18
- Long-term loan	22.09	0.66	15.95	0.46
Debentures	1,667.77	49.80	1,664.70	48.38
Total loan	1,695.63	50.63	1,690.71	49.14
Total	3,348.85	100.00	3,440.60	100.00

As at 31 December 2017, the Company had installment receivables in the amount of Baht 3,731.30 million which divided into portion as follows:

(In Million Thai Baht)

Current Portion of Hire purchase receivables (due within one year)	1,382.05
Long-term Portion of Hire purchase receivables (due over one year)	2,349.25

The current portion of the long-term outstanding loans as at ended of year 2017 was Baht 1,690.71 million while interest receivables for year 2018 is equivalent to Baht 6.13 million and debentures Baht 199.91 million . Therefore, there is sufficient liquidity from future cash flow to cover the outstanding debt due.

### Main factors and influence which may affect the future operational performance and financial position

#### Effects from Interest rates

Hire purchase business generates revenue from the spread between interest receipt and interest expense. Changes in the prevailing hire purchase market rate and interest rate charged by financial institution affect the operations of the company.

The company as a matter of policy shall mitigate risk arising from interest rate volatility by sourcing fixed rate funding with low rate of interest rate.

### Effects from expanding branches to outside Bangkok

The Company management has policy to expand leasing portfolio to outside Bangkok increasingly due to the competition is lower than in Bangkok and a few of other entrepreneurs. The Company can increase continually customer base in outside city and reach new customers. However, the competitive situation may become strongly if indirect competitors would increase do leasing services for second hand cars in the province.

### Business Goals

In 2018, the company continues to focus on pick-up hire purchasing loan, in which mainly are TOYOTA, ISUZU, NISSAN, MITSUBISHI, MAZDA, and FORD. Mainly due to there are low risk by also co-working with second hand car tents, constant partners with its long-standing and close more than 2,000 cases. And it will consider opening branches in appropriate provinces, to enhance the services provided to customers to cover more areas. The financial services offered to customers directly (Direct Marketing) continues to focus on targeted growth rate of 30% of total lending through leasing overall project "Mida Easy Loans" products in the project as follows.

1. "MIDA OK" as a cash loan to existing customers who have good repayment records by providing a "ONE STOP SERVICES" through introduction from staff; or customers who is still under the loan obligation with the company and needs a credit limit. They are eligible and not need to do any transfer of the registration document.
2. "MIDA AUTO FOR CASH" or "MAFC" a car hires purchase loan and cash loan and cash loan to second-handed cars through direct recommendation by the company employees.
3. "MIDA TAXI METER" – hire purchase loan to public taxi meter, i.e. "Yellow green" private taxi and "Yellow" cars in the form of Mida Leasing Plc. to individuals who want to be private owner.
4. Credit "Pawn" (Parking) is a project to customers by the car-free load as collateral.
5. Credit, "floating" is a registered project cash loans to customers the booklets registration and other documents as collateral.

## Risk Factors

Risk factors that may occur and affect the operation performance of the Company from providing automobile hire-purchase leasing are as follows:

### Risk from leasing second hand cars

Hire-purchased service for second hand cars faces risk in term of the quality of the debtors and the quality of the cars used as collateral. However, the return from second hand car hire-purchase service is higher than that of new car. As of the 31 December 2017, the proportion of hire-purchased service revenues from second cars and from new cars was 98.84%: 1.16% respectively.

### Risk from Non-performing loans (NPL)

The credits do not pose a risk are coupled assembling business. That the lessee is unable to repay under the legal conditions which might be caused by its internal factors such as the customer's use of the money to health care, maintenance vehicles on the installment, etc., as well as the problems from external factors such as the economic problem of oil price rise. The problem of being unemployed or quit, natural disasters, etc. These issues The company aims to focus on credit quality, effective control of debt collection, and a good internal control system. And includes strict lending policies, to limit credit risk in which affect to the company's overall operation. The company has a process to manage the credit risk as follows.

**1 . Quality control of lending** By check payment behavior of customers, from the National Credit Bureau Limited (NCB) and the introduction of the credit system SCORING used to evaluate the quality of customers applying for car leasing.

**2. Effective control of debt collection.** Using the information to control the number of outstanding contracts coupled with strict policy to follow debt. The overdue return to the normal status as much and as quick as possible. The measures are as follows: In case of default 1<sup>st</sup> installment will send official warning letter no. 1 along with the authorities to track down and call customers. In case of default the 2<sup>nd</sup> and 3<sup>rd</sup> installment authorities to send warning letters to accelerate the introduction and monitoring customer demand and the guarantor if the customer does not contact or payment. The company will have staff on the ground to meet the customer immediately. In case of default more than 3 installments, the Company will issue to terminate the lease agreement, by the time the 30-day maturity period. If customers do not contact, the company will continue to press and seize the car back. If the company cannot keep track of confiscated cars have been restored or if the auction sale of confiscated vehicles but have insufficient funds to pay outstanding debts. The company will take legal action against the customer and the guarantor. It is a lawsuit in order to get the most debt.

### Risk from sale assets foreclose

When a client defaults payment or payments not taken unpaid accumulated since 3 consecutive periods. The company will terminate the contract and take the car back. The car taken will be sold by auction method. In which the company will use the time average of once a month. The Company will use the proceeds from the auction, auto debt outstanding. If the proceeds from the sale of cars seized not enough to pay the debt. The company also claims the absence from the debtor and the guarantor. The seized vehicle

auction company found a net loss decreased steadily. This is the result of second-hand cars with the rebound from the lowest point since mid-2015, and by the year 2016 will find that used car sales are increasing continuously. The used car tents from a car auction to keep rising in stock, which comes from several factors, including.

1) New car is expensive. Affect the behavior of the customers buying a second hand car increases steadily.

2) Used car prices that some groups have shifted from increasing the excise tax structure, especially in the midsize car segment. On mutual effects on credit port, which makes purchasers certain popular large vehicles but limited buying power may turn to buying a used car instead.

3) Many used-car entrepreneurs have banded together to create a standard warranty to build credibility. As well as cooperation with financial institutions for the sale promotion, reducing interest rates. Increase the amount of the loan to some car models or customers with a good history with financial institutions.

#### **Risk from marketing and competition**

Domestic sales of the year 2017 are totaling at 870,748 cars or 13.3% increase from the previous year 2016. This is the result of the automotive market has recovered continuously since the middle of last year. which is a consequence of the economic direction recovery. Along with the first car project gradually matured since 2016, consumers decide to change the new car increasingly.

The second-hand car market in 2018, is expected to have grown up from the price of new cars has risen. The first car is at maturity simultaneously, becoming into the market car continuously.

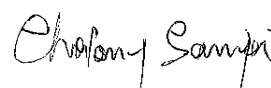
Used car leasing business is likely to grow in line with the recovery of the domestic auto market is expected to benefit from the economic recovery. Provider and dealers from financial institutions enter competition in the price increase. In which we will not enter into the competition in price to compete with financial institutions. But will focus on the loans through the tent than existing partners with 2,000 cases. In additions, we will focus on expanding its customer base through more loans DIRECT MARKETING, because the company can screen for quality, to reduce the risk to a certain extent. Besides, the Company develops product to meet the needs of all groups of customers, along with the development of service channel through the WEBSITE company and SOCIAL MEDIA in order to facilitate customers.

**Report from the Audit Committee**

The Audit Committee of the Company consists of three independent directors who have all qualifications determined by the Stock Exchange of Thailand, to perform duties and responsibilities in accordance with the rules and regulations of the Stock Exchange Commission and the Stock Exchange of Thailand. The Audit Committee reports directly to the Board of Directors of the Company. During the fiscal year 2017, the Audit Committee held 4 meetings to examine the following issues (every audit committee members attended every meeting).

- 1) Review and provide opinions on the quarterly financial statement and annual financial statement of the Company with auditors, accounting and finance department, and internal audit department prior to presenting those financial statement to the Board of Director
- 2) Review the internal control plan of 2016 of the internal audit department and recommend the set up of detailed manual of audit committee to ensure the effectiveness of the internal control system and monitor the control to be in accordance with the plan.
- 3) Review and examine the Company to perform by laws, government rules, and the Company's regulations.
- 4) Review the regulations of Related Transaction and disclosure of the information in accordance with the rules and regulations of the Stock Exchange of Thailand.

The Audit Committee gives an opinion that in 2017, the Company has an adequate corporate governance and internal control system. The preparation of and the disclosure in the financial statement are accurate and in compliance with the generally accepted accounting principles, in which the Audit Committee had reported the performance to the Board of Directors of the Company.



Pol.Lt.Gen. Chalongsamjai

Audit Committee Chairman



## INDEPENDENT AUDITOR'S REPORT

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### To the Shareholders of Mida Leasing Public Company Limited

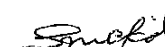
#### *Opinion*

I have audited the consolidated financial statements of Mida Leasing Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statements of profit and loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Mida Leasing Public Company Limited (the "Company"), which comprise the separate statement of financial position as at 31 December 2017, and the separate statements of profit and loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and consolidated financial performance and cash flows for the year then ended, and present fairly the separate financial position as at 31 December 2017, and separate 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 Group in accordance with the Federation of Accounting Professions' *Code of Ethics for Professional Accountants* that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, are of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole in forming my opinion thereon I do not provide a separate opinion on these matters.

The Key audit matters based on my judgement, and summary of my audit procedures in response to each key audit matter are as follow:

### Consolidated and separate financial statements

The key audit matter	Summary of responding audit procedures
<p><b>Allowance for doubtful accounts receivable - hire purchases</b></p> <p>As at 31 December 2017, the Company had balance of receivables - hire purchases of Baht 2,924 million (representing 78 percent of total assets) as at 31 December 2017 with allowance for doubtful accounts of Baht 107 million. The estimation of allowance for doubtful accounts of these receivables was based on the estimated possible losses from non-collection, from consideration of the status of outstanding receivables and various assumptions. The management is required to exercise considerable judgment in determining the assumptions to be used in estimating allowances for losses that are expected to incur should the Company not be able to collect money from debtors, and determining the timing of the recognition of such allowances. Furthermore, the estimation of allowance for doubtful accounts is significant. I therefore put emphasis on the audit for adequacy of the allowance for doubtful accounts.</p> <p>The Company disclosed allowances for doubtful accounts for receivables in Note 7 to financial statements and significant accounting policies.</p>	<p>I made an understanding of the internal control relevant to the recording of transactions, collection of debts and receipt of payment from debtors, and the procedures for the estimation of the allowance for doubtful accounts by making enquiry of the responsible executives, gaining an understanding of the control and selecting representative samples to test the operation of the designed control. I assessed the method applied by the Company in calculating the allowance for doubtful accounts by reviewing the credibility of key information to its sources, performing comparative analysis of the assumptions that the management used and the historical and outsourced data. In addition, I evaluated the consistency of the application of assumptions, sample tested the completeness and correctness of the data used in the calculation of the allowance for doubtful accounts, and tested, on a sampling basis, the aging of outstanding debts and the calculation of allowance for doubtful accounts.</p>







The key audit matter	Summary of responding audit procedures
<p><b>Revenue recognition – Financial service income on hire - purchase</b></p> <p>In 2017, the Company has financial service income on hire-purchase contracts in financial statements of Baht 443 million which represents a major core business of the Company. Financial service income on hire-purchase was derived from hire-purchase agreements with a large number of customers, most of whom are retail customers, and recognition is reliant on data processing by information technology systems. I therefore have to emphasize that the financial service income on hire-purchase business was made with fair amounts in the proper period.</p> <p>The Company disclosed the recognition of interest income on hire-purchases in significant accounting policies.</p>	<p>I assessed and tested the Company's computer - based controls and its internal controls relating to the loan granting, loan instalment collection and financial service income on hire-purchase recognition processes by making enquiry of responsible executives, obtained an understanding of the controls and selecting representative samples to test the operations of the designed controls. In addition, I applied a sampling method to select hire - purchase agreements to assess whether the recording of hire purchase receivable and the revenue recognition are consistent with the conditions of the relevant agreements and are in compliance with the Company's policy. In addition, I performed analytical procedures on the recognition of financial service income on hire-purchases throughout the year, the cessation of interest income recognition and applied a sampling method for accounting entries related to financial service income on hire - purchase recognition that are made through journal vouchers.</p>





The key audit matter	Summary of responding audit procedures
<p><b>Revenues recognition on investments in accounts receivable</b></p> <p>As at 31 December 2017, the Group has Investments in accounts receivable of Baht 189.26 million, of which Baht 9.26 million is not covered with collaterals. The management is required to exercise considerable judgment in the determination of discounted cash flows from the collection of debts in the future for income recognition. I therefore have to put emphasis on the examination of income recognition on the collection of uncollateralized receivables that are made up with variable small customers which income recognition is based on effective interest rates from budgeted collection periods that may cause the risk on the correctness of income recognition.</p> <p>The Group disclosed revenue recognition from investments in accounts receivable in Note 12 to financial statements and significant accounting policies.</p>	<p>I examined the revenues recognition on investments in accounts receivable by testing the budgeted discounted cash flows from collections of purchased receivables and the determination of the effective interest rates for income recognition on a sampling basis. Determined whether the applied basis conforms to the Group's income recognition policy or not. I also verified documents supporting collection for each period on a test basis comparing with schedule of pre-determined table of collection for adjustment of income recognition. In addition, I performed analytical procedures on revenue from collection by considering the rate of actual cash flows from collection comparing with estimated cash flows to determine unusual transaction that may occur during the period.</p>

#### Other Information

Management is responsible for the other information which comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available for my review after the date of this auditor's report.

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





In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to request management and those charged with governance of the Company to correct the material misstatement.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.





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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group'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 Group'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 consolidated and separate 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance of the Company 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 of the Company 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 consolidated and separate 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.



**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Grant Thornton Limited

Bangkok

28 February 2018

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2017	31 December 2016	31 December 2017	31 December 2016
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	42,907,765	96,169,209	42,859,134	96,158,862
Deposit for securities trading		816	30,074,972	816	30,074,972
Investments in trading security	6, 33	54,996	84,846,868	54,996	84,846,868
Other and hire - purchase receivable					
Current portion of hire - purchases receivable	7.1	969,312,356	964,142,027	969,312,356	964,142,027
Other receivables - general customers - net	7.2	40,295,611	96,073,817	40,295,611	96,073,817
- related company	8	214,000	214,000	667,110	215,725
Short - term loan to related company					
and interest receivable	8	25,556,055	-	195,385,075	161,635,192
Current portion of loans to other parties	9	146,555,100	96,552,753	146,555,100	96,552,753
Inventories		1,706,168	2,325,754	1,706,168	2,325,754
Assets foreclosed - net	10	23,406,526	28,554,006	23,406,526	28,554,006
Other current assets		348,630	238,697	348,660	233,245
<b>Total current assets</b>		<b>1,250,358,023</b>	<b>1,399,192,103</b>	<b>1,420,591,552</b>	<b>1,560,813,221</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposit with bank	11	110,889	109,910	110,889	109,910
Investments in accounts receivable	12	189,255,959	200,604,643	9,255,959	20,604,643
Hire - purchases receivable - net	7.1	1,846,821,683	1,605,020,972	1,846,821,683	1,605,020,972
Loans to other parties - net	9	62,323,085	102,991,021	62,323,085	102,991,021
Property, plant and equipment - net	13	109,040,802	103,495,046	109,040,802	103,495,046
Investment properties	14	45,228,462	42,728,462	45,228,462	42,728,462
Assets with restriction on sale	15	49,575,000	-	49,575,000	-
Investments in subsidiary company	16	-	-	24,999,970	24,999,970
Deferred income tax asset	17	46,067,353	38,064,181	46,067,353	38,064,181
Other non - current assets		672,100	757,000	672,100	757,000
<b>Total non - current assets</b>		<b>2,349,095,333</b>	<b>2,093,771,235</b>	<b>2,194,095,303</b>	<b>1,938,771,205</b>
<b>TOTAL ASSETS</b>		<b>3,599,453,356</b>	<b>3,492,963,338</b>	<b>3,614,686,855</b>	<b>3,499,584,426</b>

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2017	31 December 2016	31 December 2017	31 December 2016
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short - term loans					
from financial institutions	18	3,933,130	-	3,933,130	-
Trade accounts and other payables	19	114,799,447	106,632,586	114,709,132	106,607,436
Other payable - related companies	8	138,609	210,203	138,609	210,203
Current portion of long - term loans	20	6,134,660	5,771,518	6,134,660	5,771,518
Income tax payable		17,235,075	20,879,628	17,235,075	20,879,628
Current portion of debentures	21	199,910,164	599,667,167	199,910,164	599,667,167
Other current liabilities		9,929,389	5,679,862	9,929,389	5,679,862
<b>Total current liabilities</b>		<b>352,080,474</b>	<b>738,840,964</b>	<b>351,990,159</b>	<b>738,815,814</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans - net	20	15,952,979	22,087,537	15,952,979	22,087,537
Debentures - net	21	1,464,792,906	1,068,100,979	1,464,792,906	1,068,100,979
Employee benefits obligation	22	16,740,690	10,713,764	16,740,690	10,713,764
<b>Total non - current liabilities</b>		<b>1,497,486,575</b>	<b>1,100,902,280</b>	<b>1,497,486,575</b>	<b>1,100,902,280</b>
<b>TOTAL LIABILITIES</b>		<b>1,849,567,049</b>	<b>1,839,743,244</b>	<b>1,849,476,734</b>	<b>1,839,718,094</b>

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2017	31 December 2016	31 December 2017	31 December 2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital : ordinary share, Baht 0.50 par value					
Registered 1,597,194,466 shares					
(2016 : 1,451,996,755 shares)	23	798,597,233	725,998,378	798,597,233	725,998,378
Issued and fully paid-up 1,064,796,636 shares					
(2016 : 967,997,837 shares)		532,398,318	483,998,919	532,398,318	483,998,919
Premium on share capital	24	165,220,048	165,220,048	165,220,048	165,220,048
Retained earnings					
Appropriated for statutory reserve	25	53,300,000	48,400,000	53,300,000	48,400,000
Unappropriated		998,967,941	955,601,127	1,014,291,755	982,247,365
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,749,886,307</b>	<b>1,653,220,094</b>	<b>1,765,210,121</b>	<b>1,659,866,332</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>3,599,453,356</b>	<b>3,492,963,338</b>	<b>3,614,686,855</b>	<b>3,499,584,426</b>



**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)					
		Consolidated F/S		Separate F/S	
	Notes	2017	2016	2017	2016
REVENUES					
Income from hire - purchase business		443,154,257	413,490,306	443,154,257	413,490,306
Interest income	8	42,802,388	14,628,707	50,826,157	21,364,937
Other income	8, 28	102,975,402	117,649,660	103,425,402	117,649,660
Total revenues		588,932,047	545,768,673	597,405,816	552,504,903
EXPENSES					
Selling expenses	29	78,730,432	54,022,844	78,730,432	54,022,844
Administrative expenses	8, 29	220,046,395	221,620,463	219,842,588	221,490,220
Bad debts and allowance for doubtful accounts	29	62,430,417	50,875,400	62,430,417	50,875,400
Finance cost	8	84,771,699	71,033,141	84,771,699	71,168,550
Total expenses		445,978,943	397,551,848	445,775,136	397,557,014
Profit before income tax		142,953,104	148,216,825	151,630,680	154,947,889
Income tax	17	(30,433,905)	(29,992,438)	(30,433,905)	(29,992,438)
Net profit for the year		112,519,199	118,224,387	121,196,775	124,955,451
Other comprehensive income for the year					
Item not to be reclassified subsequently to profit or loss					
Actuarial loss - net of tax		(6,173,055)	-	(6,173,055)	-
Total comprehensive profit for the year		106,346,144	118,224,387	115,023,720	124,955,451
ATTRIBUTION OF NET PROFIT FOR THE YEAR :					
The Company's shareholders		112,519,199	118,224,387	121,196,775	124,955,451
Non-Controlling interests in subsidiary		-	-	-	-
		112,519,199	118,224,387	121,196,775	124,955,451
ATTRIBUTION OF COMPREHENSIVE PROFIT FOR THE YEAR :					
The Company's shareholders		106,346,144	118,224,387	115,023,720	124,955,451
Non-Controlling interests in subsidiary		-	-	-	-
		106,346,144	118,224,387	115,023,720	124,955,451
Basic earnings per share					
Net profit (Baht per share)		0.11	0.11	0.11	0.12
Weighted average number of ordinary shares (Unit : share)	30	1,064,796,636	1,064,796,636	1,064,796,636	1,064,796,636

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

## Equity attributable to shareholders of the Company

		Issued and fully	Retained earnings		Total equity of	Non-controlling	Total shareholders'	
Notes	paid - up	Premium on	Statutory	Unappropriated	the Company's			interests' equity
	share capital	share capital	reserve		shareholders			
<b>Consolidated F/S</b>								
Balance as at 1 January 2016		483,998,919	165,220,048	48,400,000	868,351,419	1,565,970,386	-	1,565,970,386
Cash dividend payment	26	-	-	-	(30,974,679)	(30,974,679)	-	(30,974,679)
Transactions with shareholders		-	-	-	(30,974,679)	(30,974,679)	-	(30,974,679)
Profit for the year		-	-	-	118,224,387	118,224,387	-	118,224,387
Comprehensive income for the year		-	-	-	118,224,387	118,224,387	-	118,224,387
Balance as at 31 December 2016		483,998,919	165,220,048	48,400,000	955,601,127	1,653,220,094	-	1,653,220,094
Balance as at 1 January 2017		483,998,919	165,220,048	48,400,000	955,601,127	1,653,220,094	-	1,653,220,094
Capital increase from stock dividend	23	48,399,399	-	-	(48,399,399)	-	-	-
Appropriated for statutory reserve	25	-	-	4,900,000	(4,900,000)	-	-	-
Cash dividend payment	26	-	-	-	(9,679,931)	(9,679,931)	-	(9,679,931)
Transactions with shareholders		48,399,399	-	4,900,000	(62,979,330)	(9,679,931)	-	(9,679,931)
Profit for the year		-	-	-	112,519,199	112,519,199	-	112,519,199
Other comprehensive loss for the year		-	-	-	(6,173,055)	(6,173,055)	-	(6,173,055)
Comprehensive income for the year		-	-	-	106,346,144	106,346,144	-	106,346,144
Balance as at 31 December 2017		532,398,318	165,220,048	53,300,000	998,967,941	1,749,886,307	-	1,749,886,307

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

		issued and fully		Retained earnings		
		paid - up	Premium on	Statutory		
	Notes	share capital	share capital	reserve	Unappropriated	Total
<u>Separate F/S</u>						
Balance as at 1 January 2016		483,998,919	165,220,048	48,400,000	868,266,593	1,565,885,560
Cash dividend payment	26	-	-	-	(30,974,679)	(30,974,679)
Transactions with shareholders		-	-	-	(30,974,679)	(30,974,679)
Profit for the year		-	-	-	124,955,451	124,955,451
Comprehensive income for the year		-	-	-	124,955,451	124,955,451
Balance as at 31 December 2016		483,998,919	165,220,048	48,400,000	962,247,365	1,659,866,332
Balance as at 1 January 2017		483,998,919	165,220,048	48,400,000	962,247,365	1,659,866,332
Capital increase from stock dividend	23	48,399,399	-	-	(48,399,399)	-
Appropriated for statutory reserve	25	-	-	4,900,000	(4,900,000)	-
Cash dividend payment	26	-	-	-	(9,679,931)	(9,679,931)
Transactions with shareholders		48,399,399	-	4,900,000	(62,979,330)	(9,679,931)
Profit for the year		-	-	-	121,196,775	121,196,775
Other comprehensive loss for the year		-	-	-	(6,173,055)	(6,173,055)
Comprehensive income for the year		-	-	-	115,023,720	115,023,720
Balance as at 31 December 2017		532,398,318	165,220,048	53,300,000	1,014,291,755	1,765,210,121

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED 31 DECEMBER**

	<b>Consolidated F/S</b>		<b>Separate F/S</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>				
Profit before income tax	142,953,104	148,216,825	151,630,680	154,947,889
<b>Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities</b>				
Depreciation	4,998,080	4,984,101	4,998,080	4,984,101
Loss from sales of investments in trading securities	1,448,116	(20,047,841)	1,448,116	(20,047,841)
Loss (gain) on changed value of investment in trading security	(5,247,524)	5,247,524	(5,247,524)	5,247,524
Bad debts and allowance for doubtful accounts	62,430,417	50,875,400	62,430,417	50,875,400
Gain on disposal of fixed assets	(28,216)	(1,394,889)	(28,216)	(1,394,889)
Loss from disposal of assets foreclosed	34,636,199	42,791,016	34,636,199	42,791,016
Reversal of allowance for impairment of assets foreclosed	(1,715,827)	(3,721,967)	(1,715,827)	(3,721,967)
Provision for employee benefits obligation	2,588,890	1,330,492	2,588,890	1,330,492
Dividend income	(2,304,000)	(2,204,850)	(2,304,000)	(2,204,850)
Interest income	(42,802,388)	(14,628,707)	(50,826,157)	(21,364,938)
Interest expense	84,771,699	71,033,140	84,771,699	71,168,550
<b>Cash provided from operating activities before changes in operating assets and liabilities</b>	<b>281,728,550</b>	<b>282,480,244</b>	<b>282,382,357</b>	<b>282,610,487</b>
<b>Decrease (increase) in operating assets</b>				
Hire - purchases receivable	(334,216,422)	(180,936,122)	(334,216,422)	(180,936,122)
Other receivables	62,604,056	(72,595,335)	62,152,671	(72,497,060)
Investment in accounts receivable	2,217,701	(178,921,746)	2,217,701	1,078,254
Inventories	619,586	2,317,081	619,586	2,317,081
Assets foreclosed	5,147,480	2,608,825	5,147,480	2,608,825
Other current assets	(109,933)	(187,748)	(115,415)	(185,543)
Other non - current assets	84,900	105,200	84,900	105,200
<b>Increase (decrease) in operating liabilities</b>				
Trade and other accounts payable	9,095,440	24,609,122	9,030,275	24,643,972
Other payable - related companies	(71,594)	131,524	(71,594)	131,524
Other current liabilities	(578,260)	(146,922)	(578,260)	(146,922)
Employee benefits paid	(171,410)	-	(171,410)	-
<b>Cash provided from (used in) operating activities</b>	<b>26,350,094</b>	<b>(120,535,877)</b>	<b>26,481,869</b>	<b>59,729,696</b>
Cash paid for interest	(88,044,440)	(68,421,047)	(88,044,440)	(68,641,049)
Income tax paid	(40,538,367)	(28,170,181)	(40,538,367)	(28,148,975)
<b>Net cash used in operating activities</b>	<b>(102,232,713)</b>	<b>(217,127,105)</b>	<b>(102,100,938)</b>	<b>(37,060,328)</b>

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Interest received	29,237,193	13,959,988	29,237,134	14,061,024
Dividend received	2,304,000	2,204,850	2,304,000	2,204,850
Purchases of investment in trading securities	(248,675,000)	(1,145,929,935)	(248,675,000)	(1,145,929,935)
Proceeds from sales of investments in trading securities	367,340,436	1,136,464,151	367,340,436	1,136,464,151
Increase in restricted deposits with bank	(979)	(1,080)	(979)	(1,080)
Decrease (increase) in loans to related companies	(25,500,000)	48,500,000	(25,670,000)	(106,500,000)
Payment for assets with restriction on sales	(2,490,389)	-	(2,490,389)	-
Payment for loans to other parties	(244,774,000)	(243,055,652)	(244,774,000)	(243,055,652)
Proceeds from loans to other parties	193,563,844	80,018,966	193,563,844	80,018,966
Purchases of assets	(11,098,889)	(6,197,533)	(11,098,889)	(6,197,533)
Proceeds from disposal of assets	583,269	1,406,262	583,269	1,406,262
<b>Net cash provided from (used in) investing activities</b>	<b>60,489,485</b>	<b>(112,629,985)</b>	<b>60,319,426</b>	<b>(267,528,947)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short - term loan				
from financial institutions	3,933,130	(39,815,678)	3,933,130	(39,815,678)
Repayment for loan from subsidiary company	-	-	-	(24,900,000)
Proceeds from issuance of debentures	600,000,000	1,070,000,000	600,000,000	1,070,000,000
Repayment for debentures	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)
Repayment for long - term loans	(5,771,415)	(9,539,905)	(5,771,415)	(9,539,905)
Cash dividend payment	(9,679,931)	(30,974,679)	(9,679,931)	(30,974,679)
<b>Net cash provided from (used in) financing activities</b>	<b>(11,518,216)</b>	<b>389,669,738</b>	<b>(11,518,216)</b>	<b>364,769,738</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(53,261,444)</b>	<b>59,912,648</b>	<b>(53,299,728)</b>	<b>60,180,463</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>96,169,209</b>	<b>36,256,561</b>	<b>96,158,862</b>	<b>35,978,399</b>
<b>Cash and cash equivalents at end of year</b>	<b>42,907,765</b>	<b>96,169,209</b>	<b>42,859,134</b>	<b>96,158,862</b>
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Receipt of foreclosed assets transferred from hire - purchases				
receivable	151,005,322	177,739,652	151,005,322	177,739,652
Capital increase from stock dividend	48,399,399	-	48,399,399	-
Transfer of loans to other parties to assets with restriction on sales	40,516,041	-	40,516,041	-
Transfer of accrued interest income to assets with restriction on sales	6,563,440	-	6,563,440	-
Transfer of loans to other parties to investment properties	1,359,705	-	1,359,705	-
Receipt of investment properties transferred from hire - purchases				
receivables and accrued interest income	1,061,064	-	1,061,064	-

**MIDA LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2017 AND 2016**

1. GENERAL INFORMATION

Mida Leasing Public Company Limited (“the Company”) was incorporated in Thailand and has its registered office at 48/2-5, Soi Chaengwattana 14, Chaengwattana Road, Thungsonghong, Lak si, Bangkok, Thailand. As of 31 December 2017, the Company has 17 branches in Bangkok and in the provinces.

The Company has listed its shares for trading on the Stock Exchange of Thailand since 19 August 2004.

The Company’s major shareholder is Mida Assets Public Company Limited., a listed company on the Stock Exchange of Thailand, that holds 46.98% of the Company’s shares capital.

The Company has its own operations in Thailand and is principally engaged in providing financial services for used cars hire-purchasing and management of non-performing assets.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Statement of compliance

The accompanying financial statements have been officially prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to another language should conform to the official report in Thai.

The Federation of Accounting Professions has issued new and revised TFRS which adoption is effective for annual accounting periods beginning on or after 1 January 2017. The initial adoption of these new and revised TFRS has resulted in changes in certain Company’s and subsidiary’s accounting policies. These changes have no material effect on the financial statements.

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company’s operations, which become effective for annual financial periods beginning on or after 1 January 2018, are set out below. The Group do not plan to early adopt these TFRS.

TFRS	Topic
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 12 (revised 2017)	Income Taxes
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities

The Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and does not expect material impact on the financial statements in the period of initial adoption.

(b) Basis of consolidation

The consolidated financial statements include the accounts of Mida Leasing Public Company Limited and subsidiary, Mida Asset Management Company Limited, for which it owns 99.99% of capital shares.

The percentage of subsidiary's total asset as at 31 December 2017 and 2016 and total revenue for the years ended 31 December 2017 and 2016 as included in the consolidated of financial statement are as follow:

	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
			For the years ended 31 December	
	2017	2016	2017	2016
<u>Subsidiary Company</u>				
Mida Asset Management Company Limited	5.00	5.15	-	0.02

Significant inter-company transactions with subsidiary included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared with the same accounting policies as for the separate financial statements for the same accounting transactions or accounting events.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all fiscal periods presented in these financial statements.

#### Revenues

##### *Financial service income on hire - purchase*

The Company accounts for financial service income on hire-purchase business as Unearned Interest Income at the date the transaction is execution, and recognizes it as income based on the installments due with the effective interest rate method. Income from each installment is recognized on an accrual basis (based on the due date of the installment irrespective of actual collection). The Company ceases recognizing income when the receivables are overdue for 4 consecutive installments. When there is an indication that its customers will not be able to pay the balance, the income recognition is ceased immediately.

##### *Revenues recognition on investments in accounts receivable.*

The Group recognize revenues from investments in accounts receivable by using effective interest rates (expected return on debts collection) calculated from outstanding investments in accounts receivable. If actual cash flows from collection exceed calculated revenues, the remaining cash collection will be deducted from the value of investments in accounts receivable for each period. If investments in receivable are fully deducted, the Group will recognize such cash collection as revenues and recognizes loss on impairment immediately when there is an indication of significant decrease in cash flows.

##### *Services income*

Service income is recognized when services have been rendered.

##### *Interest income*

Interest income is recognized in the statement of comprehensive income on an accrual basis.

#### Cash and cash equivalent

Cash and cash equivalents include cash on hand and cash at bank with maturity of less than three months without restriction of usage or obligation.

Restricted deposits with financial institutions are presented under non - current assets in the statement of financial position.

#### Investment in trading security

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss. The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.



#### Hire-purchases receivable and allowance for doubtful accounts

Hire-purchase receivables are stated at net realizable value based on the net carrying book value less unearned interest income and allowance for doubtful accounts. Allowance for doubtful accounts is provided for the estimated losses that may incur in collection of receivables. The allowance is generally based on collection experiences and the consideration of debtor aging. The percentages of allowance for doubtful accounts are as follows :

Ages	Percentage of allowance for doubtful accounts
Not yet due	1
Past due	
1 - 3 periods	2
4 periods	20
5 - 6 periods	25
7 - 9 periods	75
Over 9 periods	100

#### Inventories

Inventories are stated at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the normal course of business less estimated costs to sell.

#### Assets foreclosed

These represent assets repossessed from debtors under hire purchase agreements. These are stated at the lower of cost or estimated net realizable value, whichever is lower.

The Company sets up allowance for possible loss on foreclosed vehicles on hand at the end of year at 25% of cost.

#### Investments in accounts receivable

The investments in accounts receivable represent the Company's investments in non-performing receivables of financial institutions and credit service companies at discounted values from bidding for debts management and collection. Under the purchase contracts at the discounted values of receivables, the Company takes all the risks in the collection without recourse. Such investments in accounts receivable are carried at purchase cost less amortized costs and allowance for impairment (if any). The Company recognized loss on impairment of investment when it anticipates discounted cash flows to the present values of receivables are lower than book value.

## Property, building and equipment, and depreciation

### Recognition and measurement

#### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is an integral of the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment are significant with different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised at net amount as other income in profit or loss.

#### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit and loss on a straight-line basis over the estimated useful live of each component of property, plant and equipment. The estimated useful lives are as follows:

Building and building improvement	5 - 20	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### *Impairment*

The carrying amounts of the Company's and subsidiary's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

#### Investment property

Land that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs, and subsequently carried out at cost less any accumulated impairment (if any).

#### Operating leases

Leases of assets which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of income on a straight – line basis over the lease year. When an operating lease is terminated before expiry date of the lease, any payment required to be made to the lessor by way of penalty is recognized as an expense in the year in which termination takes place.

#### Impairment

At the end of the year, the Group assess whether there is an indication that any asset may be impaired. If any such indication exists, the Group make estimates of the asset recoverable amounts. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

#### Investments in subsidiary company

Investments in subsidiary company's shares are accounted for in the separate financial statements by the cost method. Such investments are 100% owned by the Company under the control of the Company's management. When there is an indication of impairment on investment, the Company will recognize loss from impairment as expense out-rightly in the statement of profit or loss.

#### Debentures

Debentures are recognized initially at fair value less related transaction charges. Subsequent to initial recognition, debentures are presented at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the debentures at an effective interest basis. Gains or losses on early redemption are recognized in the statement of profit or loss upon redemption.

## Employee Benefits

### *Short-term employee benefits*

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognised as expenses when incur based on the accrual basis.

### *Post-employment benefit (Defined contribution plan)*

The Company and its employees have jointly established a provident fund plan to which monthly contributions are made by employees and by the Company. The fund's asset is held in a separate trustee fund from the Company's assets. The Company contribution to the fund is recognized as expenses when incur.

### *Post-employment benefit (Defined benefit plan)*

The Company has obligation in respect of the severance payment they must make to employees Upon retirement under the labour law.

The obligations under the defined benefit plan are determined by the actuarial technique computed by a qualified independent actuary, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits are presented under other comprehensive income.

## Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or other comprehensive income.

### *Current income tax*

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

### *Deferred income tax*

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts of corresponding items used for income tax computation purpose. Deferred income tax is measured by applying the tax rate to the temporary differences which are expected to be reversed, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

#### Related parties

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

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

#### Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Financial instruments

Financial assets shown in statement of financial position comprise cash, cash equivalent hire-purchases receivable and loan to other parties. Financial liabilities shown in statement of financial position comprise bank overdraft and short - term loan from financial institution, trade accounts payable and borrowings. The accounting policy for each item is disclosed in separate notes.

#### Segment reporting

Segmental results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### Share premium

The Company recorded cash received in excess of the par value of the shares issued as share premium in the statement of financial position, share premium is netted of transaction costs associated with the issuing of shares and related income tax benefits.

#### Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

#### Basic earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted by treasury stock.

#### Use of accounting estimates

The preparation of the financial statements in accordance with Thai Financial Reporting Standards requires management to make estimates and assumption that affect the reporting amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The actual results may differ from those estimates.

#### Provisions for liabilities and expenses, and contingent assets

Provisions are recognized in the financial statements when the Group have legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent asset will be recognized as separate asset only when the realization is virtually certain.

### 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT

#### 4.1 Critical accounting estimates, assumption and judgments

##### 4.1.1 Impairment of receivables

The Group account for allowance for doubtful accounts to reflect impairment of receivables that may result from non-collection of customer accounts. The estimated losses are based on historical collection experiences and review of outstanding receivables at reporting date.

##### 4.1.2 Estimated cash in - flow from investment in accounts receivable

The Group estimate future cash collection from investments in accounts receivable based on quality, type, aging of receivables and historical information of debt collection. The total estimated future cash collection shall not exceed anticipated initial cash in - flows which management had expected in bidding. The Company assesses the periods of collection of investments in accounts receivable for 4 - 5 years.

##### 4.1.3 Property, plant and equipment

Management regularly determine the estimated useful lives and residual values for building and equipment of the Company and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in use.

#### 4.1.4 Impairment of investments

The Group treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or when other objective evidence of impairment exists. The determination of what is “significant” or “prolong” requires management judgment.

#### 4.1.5 Leases

In determining whether a lease is to be classified as an operating lease finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

#### 4.1.6 Impairment of assets

The Group considers allowance for impairment of assets whenever there is an indication that an asset may be impaired. If such indication exists with a significant decline in the fair value below its cost, the Company makes an estimate of the asset recoverable amount for comparison with the recorded value. The determination of recoverable amount requires management judgment.

#### 4.1.7 Post-employment benefit under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial techniques. Inherent within these calculations are assumption as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality table for the country. Actual post-retirement costs may ultimately differ from these estimates.

#### 4.1.8 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

### 4.2 Capital risk management

The Company’s objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust dividend payment policy, issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

5. CASH AND CASH EQUIVALENTS

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash on hand	1,023	1,021	1,023	1,021
Cash in - transit	19,460	17,486	19,460	17,486
Savings Accounts	18,143	71,183	18,094	71,173
Current Accounts	4,282	6,479	4,282	6,479
<b>Total</b>	<b>42,908</b>	<b>96,169</b>	<b>42,859</b>	<b>96,159</b>

As at 31 December 2017, savings accounts with banks bear interest at the rates 0.10 - 0.40% per annum. (31 December 2016 : 0.10% - 0.40% per annum).

6. INVESTMENT IN TRADING SECURITIES

	(Unit : Thousand Baht)					
	Consolidated and separate F/S					
	2017			2016		
	Cost	Fair value	Unrealized gain (loss)	Cost	Fair value	Unrealized gain (loss)
<b>Investments in trading securities</b>						
Investments in trading security	-	-	-	47,700	42,350	(5,350)
Krungsri Star Plus Fund	55	55	-	42,395	42,497	102
<b>Total</b>	<b>55</b>	<b>55</b>	<b>-</b>	<b>90,095</b>	<b>84,847</b>	<b>(5,248)</b>

Movements in trading securities for the year ended 31 December 2017 and 2016 are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Net carrying amount as at 1 January	84,847	90,656	84,847	90,656
Purchase of securities	248,675	1,145,930	248,675	1,145,930
Sale of securities	(338,715)	(1,146,491)	(338,715)	(1,146,491)
Unrealized gain (loss) on revaluation	5,248	(5,248)	5,248	(5,248)
<b>Net carrying amount as at 31 December</b>	<b>55</b>	<b>84,847</b>	<b>55</b>	<b>84,847</b>



7. OTHER AND HIRE - PURCHASES RECEIVABLE – NET

## 7.1 HIRE – PURCHASE RECEIVABLE - NET

(Unit : Thousand Baht)

	Consolidated and separate F/S							
	Current portion due within one year		Long – term portion due over one year but not over five years		Long – term portion due after five years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Hire – purchases receivable	1,382,053	1,377,111	2,345,915	1,995,492	3,334	3,174	3,731,302	3,375,777
<u>Less</u> Unearned hire – purchases interest income	(354,284)	(363,025)	(453,320)	(353,632)	(168)	(164)	(807,772)	(716,821)
Balance	1,027,769	1,014,086	1,892,595	1,641,860	3,166	3,010	2,923,530	2,658,956
<u>Less</u> Allowance for doubtful accounts	(58,457)	(49,944)	(48,890)	(39,656)	(49)	(193)	(107,396)	(89,793)
Net	969,312	964,142	1,843,705	1,602,204	3,117	2,817	2,816,134	2,569,163

As at 31 December 2017 and 2016, the balances of receivables under hire - purchase contracts (net of unearned hire - purchase interest income) and allowance for doubtful accounts, classified by ages of outstanding receivables are as follows:

(Unit : Thousand Baht)

	Consolidated and separate F/S							
	Hire – purchases receivable		Percentage of allowance for doubtful accounts		Allowance for doubtful accounts		Hire – purchases receivables – net	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Hire-purchases receivable</b>								
Not yet due	1,818,949	1,687,661	1	1	18,237	16,936	1,800,712	1,670,725
:Past due								
1 – 3 periods	960,449	847,222	2	2	19,209	16,944	941,240	830,278
4 periods	57,247	48,497	20	20	11,449	9,700	45,798	38,797
5 – 6 periods	28,754	29,473	25	25	7,189	7,368	21,565	22,105
7 – 9 periods	27,275	29,035	75	75	20,456	21,777	6,819	7,258
Over 9 periods	30,856	17,068	100	100	30,856	17,068	-	-
Total	2,923,530	2,658,956			107,396	89,793	2,816,134	2,569,163

On 30 April 2004, the Federation of Accounting Profession (FAP) with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby full allowance for doubtful accounts is to be recorded, and recognition of revenue is to discontinue, for accounts receivable which are overdue by more than 3 periods, and general allowance is to be provided for accounts receivable which are overdue not more than 3 periods. Should the Company follow this accounting guideline, without considering general allowance, the Company had to increase its allowance for doubtful accounts as at 31 December 2017 of Baht 36.74 million (31 December 2016 : Baht 34.28 million) and reduced the amount of revenue recognized for the years ended 31 December 2017 by Baht 9.08 million (31 December 2016 : Baht 11.31 million).

However, this accounting guideline provides an alternative for application should the basis of allowance policy be not in compliance with the guideline. Whereby, such other method can be used by the Company with clear disclosure of the reasons. To follow this guidance, the Company sets a policy to cease recognizing revenue from hire purchases receivable which has been overdue for more than 4 periods and to set up allowance based on consideration of the current status of debtors, their ability to make payment, past experiences and historical data on actual losses on collection. As at 31 December 2017, allowance for doubtful accounts has been set aside at an average rate of 5.57% of hire - purchases receivable before deducting collateral values, which is higher than an average actual bad debt on the statistic information for the past 3 years (2014 - 2016).

As at 31 December 2017, balance of hire - purchases receivable which have been overdue for more than 3 consecutive periods but the Company still recognizes revenue amounted to Baht 57.25 million (31 December 2016 : Baht 48.50 million).

According to the accounting standard No. 17 – “Lease”, the Company recognizes the financial lease income, net of direct costs for each year, using effective interest rate method on hire - purchase contracts executed on or after 1 January 2008. For hire - purchase contracts executed before 1 January 2008, the income is recognized on the sum-of-the digits method until the contracts expire. The balance of such old contracts as at 31 December 2017 and 2016 are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	2017	2016
Hire - purchases receivable	3	306
<u>Less</u> Unearned interest on hire - purchase	-	-
Hire - purchases receivable - net	3	306

During the year, movements of allowance for doubtful accounts receivable are as follow:

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
Balance as at 1 January	89,793
Additional allowance during in the year	53,050
Reversal of allowance or bad debts written off during in the year	(35,447)
Balance as at 31 December	107,396

## 7.2 OTHER RECEIVABLE - NET

(Unit : Thousand Baht)

	Consolidated and Separated F/S	
	2017	2016
Penalty fees receivable	40,304	37,867
Interest receivable from loan to other parties	9,229	2,559
Advanced insurance premium for customers	4,166	2,437
Accounts receivables from sale of investments in securities	-	67,940
Other	1,190	59
Total	54,889	110,862
<u>Less:</u> Allowance for doubtful accounts	(14,593)	(14,788)
Net	40,296	96,074

8. TRANSACTIONS WITH RELATED PARTIES

The financial statements include the transactions with related parties which have been reflected on the basis agreed upon between the Company and the related companies which basis might be different from the basis used for transactions with unrelated persons or juristic persons as follow:

Name of Companies	Type of business	Type of relationship
Mida Assets Public Company Limited	Sales and hire purchase of electric appliances and real estate development business	Parent company
Mida Asset Management Company Limited	Asset management from transferred non-performing asset of financial institution	Subsidiary
Mida Property Co., Ltd.	Real estate development	Co directors
Top Elements Co., Ltd.	Hotel operations	Co directors
Mida Ad Co., Ltd.	Billboard rental	Co directors
Mida Hotel and Resort Co., Ltd.	Golf course operations and real estate development	Co directors
The Retreat Hua Hin Co., Ltd.	Real estate development and hotel operations	Co directors
Mida Development Co., Ltd.	Real estate development	Co directors
Max Hotel Co., Ltd.	Hotel operations	Co directors
Mida Agency and Development Co., Ltd.	Real estate agency	Co directors
MD Adrenaline (Thailand) Co., Ltd.	Advertising, public relation and events services	Co directors
Mida Security Guard Co., Ltd.	Private security activities	Co directors
Bangkok Charan Asset Management Co., Ltd.	Asset management from purchases of non-performing receivables of financial institutions	Co directors

Name of Companies	Type of business	Type of relationship
Tropical Beverage Corporation Co., Ltd.	Producing alcoholic beverages.	Co directors
MD Media Global Co., Ltd.	Rental space for advertising signage	Co directors
Phuket Beer (Thailand) Co., Ltd.	Wholesale Alcoholic Beverages	Co directors
SW Health Club Group Co., Ltd.	Rental, sale, purchase and operate Hotel, resort and properties	Co directors
Solace River View Co., Ltd.	Hotels and resort hotels	Co directors
Baansaensuk Nakhonpathom Co., Ltd.	Rental guesthouses	Co directors
Unique Development Co., Ltd.	Buying and selling of on own account of non-residential buildings	Co directors
Thanodom Co., Ltd.	Wholesale of ferrous and non-ferrous metal ores	Co directors
Naga Heritage Co., Ltd.	Rental and carry on real estate owned or leased for non-residents.	Co directors

Pricing policies for each transaction are as follows:

Type of transactions	Pricing policy
Interest income	Interest rates of 5.10 – 5.50 per annum
Other income	Contract price
Other expenses	At agreed price
Financing Cost	Interest rates of 5.50 per annum

The significant transactions with related parties for the years ended 31 December 2017 and 2016 are as follows:

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<b>Transactions with parent company</b>				
Interest income	0.34	1.81	0.34	1.81
Other expenses	1.12	1.29	1.12	1.29
Finance cost	0.04	-	0.04	-
<b>Transactions with related parties</b>				
Interest income	-	-	8.02	6.74
Other income	0.20	0.21	0.65	0.21
Other expenses	0.41	0.38	0.41	0.38
Finance cost	-	-	-	0.14

(Unit : Million Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Key management personnel compensation				
Current employment benefits	16.66	15.89	16.66	15.89
Post-employment benefits	0.66	0.16	0.66	0.16
Total	17.32	16.05	17.32	16.05

The balances with related companies as at 31 December 2017 and 2016 are as follows:

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
<u>Other receivables – related companies</u>				
MD Adrenaline (Thailand) Co., Ltd.	214	214	214	214
Mida Assets Management Company Limited	-	-	453	2
Total	214	214	667	216
<u>Short - term loan to related companies and interest receivable</u>				
Mida Assets Public Company Limited	25,556	-	25,556	-
Mida Assets Management Company Limited	-	-	169,829	161,635
Net	25,556	-	195,385	161,635
<u>Other payable - related companies</u>				
Mida Assets Public Company Limited	139	117	139	117
Mida Ad Company Limited	-	85	-	85
The Retreat Hua Hin Co., Ltd.	-	8	-	8
Total	139	210	139	210
<u>Key management personnel compensation</u>				
Provision for post - employment benefits	6,719	3,425	6,719	3,425
Accrued bonus	3,076	2,922	3,076	2,922
Total	9,795	6,347	9,795	6,347

Movements in the short - term loans to parent company and short - term loans from parent company for the year ended 31 December 2017 are as follows:

(Unit : Thousand Baht)			
Consolidated F/S			
	1 January 2017	Increase Decrease	31 December 2017
<u>Short - term loan to parent company</u>			
Mida Assets Public Company Limited			
Loan	-	106,500	(81,000)
Accrued interest	-	342	(286)
Total	-	106,842	(81,286)
<u>Short - term loan from parent company</u>			
Mida Assets Public Company Limited			
Loan	-	19,500	(19,500)
Accrued interest	-	44	(44)
Total	-	19,544	(19,544)
(Unit : Thousand Baht)			
Separate F/S			
	1 January 2017	Increase Decrease	31 December 2017
<u>Short - term to related companies</u>			
Mida Assets Public Company Limited			
Loan	-	106,500	(81,000)
Accrued interest	-	342	(286)
Mida Assets Management Company Limited			
Loan	155,000	170	-
Accrued interest	6,635	8,024	-
Total	161,635	115,036	(81,286)
<u>Short - term loan from parent company</u>			
Mida Assets Public Company Limited			
Loan	-	19,500	(19,500)
Accrued interest	-	44	(44)
Total	-	19,544	(19,544)

9. LOANS TO OTHER PARTIES - NET

	(Unit :Thousand Baht)	
	Consolidated and separate F/S	
	2017	2016
Loans to other parties	208,878	199,544
<u>Less</u> Current portion due within one year	(146,555)	(96,553)
Balance	<u>62,323</u>	<u>102,991</u>

The movements in loans to other parties during the year are as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate F/S			
	1 January 2017	Increase	Decrease	31 December 2017
Loans to other parties	<u>199,544</u>	<u>244,774</u>	<u>(235,440)</u>	<u>208,878</u>

As at 31 December 2017, the Company received a transfer of 2 plots of land payment of loan receivable of Baht 40.52 million with mutual agreement as described in Note 15.

The above loans bear interest at rates of 12% - 24% per annum. The outstanding balance with collaterals as at 31 December 2017 and 2016, are as follows:

(Unit : Million Baht)			
Principal amount			
Consolidated and Separate F/S			
	2017	2016	Collateral
1)	149.34	135.96	The pledges of car registration books, share certificates of a local company, and land title deeds
2)	56.86	36.14	Personal guarantee
3)	-	24.76	Secured by transferring right of receive money from the service
4)	2.68	2.68	Secured by transferring right of rental area of 3 – floor building

10. ASSETS FORECLOSED – NET

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2017	2016	2017	2016
Vehicles	31,209	38,072	31,209	38,072
<u>Less</u> Allowance for impairment of vehicles	(7,802)	(9,518)	(7,802)	(9,518)
Net	23,407	28,554	23,407	28,554

11. RESTRICTED DEPOSITS WITH BANK

As at 31 December 2017, the Company fixed deposit with a bank of Baht 0.11 million is restricted for usage as it has been pledged as collateral for electricity usage (31 December 2016 : Baht 0.11 million).

12. INVESTMENT IN ACCOUNTS RECEIVABLE

	(Unit : Thousand Baht)			
	Consolidated F/S			
	2017		2016	
	No. of contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire purchases	412	9,256	427	20,605
Accounts receivable - Collateral	1	180,000	1	180,000
Total	413	189,256	428	200,605

	(Unit : Thousand Baht)			
	Separate F/S			
	2017		2016	
	No. of contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire purchases	412	9,256	427	20,605

The subsidiary received the transfer of right to collect Baht 180 million, which are mortgaged by 3 plots of land. The fair market value of land as appraised by independent appraiser is Baht 338.60 million.



Movements in accounts receivable - hire purchase during the year are as follows:

(Unit : Thousand Baht)

	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	200,605	20,605
<u>Less</u> Portion decreased from cash collection during the year	(2,218)	(2,218)
Balance as at 31 December 2017	198,387	18,387
<u>Less</u> Allowance for impairment of investment in receivable	(9,131)	(9,131)
Net	189,256	9,256

The Company expects to collect cash from debtors from the investments of Baht 5.25 million within one year.

### 13. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Thousand Baht)

	Consolidated and separate F/S				
	Land and land improvement	Building and improvement	Furniture, fixtures and equipment	Vehicles	Total
<b><u>Cost</u></b>					
As at 1 January 2016	76,336	27,282	20,234	14,762	138,614
Acquisitions	-	193	1,008	4,997	6,198
Disposals/ write-off	-	(609)	(3,786)	(4,334)	(8,729)
As at 31 December 2016	76,336	26,866	17,456	15,425	136,083
Acquisitions	-	131	993	9,975	11,099
Disposals/ write-off	-	(410)	(82)	(1,175)	(1,667)
As at 31 December 2017	76,336	26,587	18,367	24,225	145,515
<b><u>Accumulated depreciation</u></b>					
As at 1 January 2016	-	13,341	15,596	7,384	36,321
Depreciation charge for the year	-	1,792	1,726	1,466	4,984
Accumulated depreciation for disposal/ write-off	-	(598)	(3,785)	(4,334)	(8,717)
As at 31 December 2016	-	14,535	13,537	4,516	32,588
Depreciation charge for the year	-	1,359	1,595	2,044	4,998
Accumulated depreciation for disposal/ write-off	-	(345)	(80)	(687)	(1,112)
As at 31 December 2017	-	15,549	15,052	5,873	36,474

	Consolidated and separate F/S				
	Land and land improvement	Building and improvement	Furniture, fixtures and equipment	Vehicles	Total
<b>Net Book Value</b>					
As at 31 December 2016	76,336	12,331	3,919	10,909	103,495
As at 31 December 2017	76,336	11,038	3,315	18,352	109,041
<b>Depreciation for the year 2016</b>					
- Administrative expense					4,984
<b>Depreciation for the year 2017</b>					
- Administrative expense					4,998

As at 31 December 2017, certain building improvement and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 17.63 million (31 December 2016 : Baht 15.71 million).

The Company has mortgaged land with structures thereon with a total net book value as at 31 December 2017 of Baht 46.22 million as collaterals for credit facilities granted by domestic financial institutions as described in Note 20 (31 December 2016 : Baht 46.32 million).

#### 14. INVESTMENT PROPERTIES

The investment properties represent vacant land, land and buildings not used in operations and held for undetermined future usage. These are stated at the cost.

As at 31 December 2017 and 2016, fair value of the investment properties are Baht 52.23 million and Baht 48.83 million, respectively, appraised by independent professional qualified appraiser who hold a recognized professional qualification, and the assessment of land prices from Bangkok Metropolis land office.

The Company had mortgaged land with a value of Baht 14 million as collateral for bank overdrafts and long-term loans granted by a domestic financial institution described in the Notes 18 and 20.

#### 15. ASSETS WITH RESTRICTION ON SALE

As at 31 December 2017, the Company has land which was received from the transfer from a debtor for the settlement of loan receivable of Baht 40.52 million. Under the loan settlement agreement, the Company gave an option for the debtor to buy back such piece of land for Baht 49.58 million within 3 years as described in Notes 9.

**16. INVESTMENTS IN SUBSIDIARY COMPANY**

(Unit : Thousand Baht)

	Separate F/S					
	Paid up share capital (Baht)		Shareholding Percentage (%)		Cost	
	2017	2016	2017	2016	2017	2016
Mida Asset Management Company Limited. (Asset management from transferred non-performing asset of financial institution)	25,000	25,000	99.99	99.99	25,000	25,000

**17. INCOME TAX**

Deferred income tax asset and liability are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Deferred income tax asset	46,218	38,205	46,218	38,205
Deferred income tax liability	(151)	(141)	(151)	(141)
Deferred income tax asset - net	46,067	38,064	46,067	38,064

The movements in deferred income tax asset and liability are as follows :

(Unit : Thousand Baht)

	Consolidated and separate F/S			
	Recognized as income (expenses)			31 December 2017
	1 January 2017	Statement of income	Shareholders' equity	
<b>Deferred income tax asset</b>				
From allowance for doubtful hire – purchases Receivable	25,359	5,430	-	30,789
From allowance for doubtful other accounts receivables	2,958	(39)	-	2,919
From allowance for doubtful short - term loans receivable - other companies	3,532	-	-	3,532
From allowance for doubtful investment in accounts receivable	-	1,826	-	1,826
From allowance for devalued assets foreclosed	1,904	(343)	-	1,561
From allowance for employee benefits obligation	3,402	662	1,543	5,607
From allowance for decline value of investment in trading security	1,050	(1,066)	-	(16)
<b>Total</b>	<b>38,205</b>	<b>6,470</b>	<b>1,543</b>	<b>46,218</b>
<b>Deferred income tax liability</b>				
Difference of depreciation between accounting and tax bases	(141)	(10)	-	(151)

	Consolidated and separate F/S			
	Recognized as income (expenses)			31 December 2016
	1 January 2016	Statement of income	Shareholders' equity	
<b><u>Deferred income tax asset</u></b>				
From allowance for doubtful hire – purchases Receivable	20,774	4,585	-	25,359
From allowance for doubtful other accounts receivables	2,451	507	-	2,958
From allowance for doubtful short - term loans receivable - other companies	2,344	1,188	-	3,532
From allowance for devalued assets foreclosed	2,648	(744)	-	1,904
From allowance for employee benefits obligation	3,022	380	-	3,402
From allowance for decline value of investment in trading security	-	1,050	-	1,050
<b>Total</b>	<b>31,239</b>	<b>6,966</b>	<b>-</b>	<b>38,205</b>
<b><u>Deferred income tax liability</u></b>				
Difference of depreciation between accounting and tax bases	(77)	(64)	-	(141)

Income tax expenses for the years ended 31 December 2017 and 2016 are as follows :

	(Unit : Thousand Baht)	
	Consolidated and separate F/S	
	2017	2016
<b>Current tax expense</b>		
Current year	37,140	36,894
<b>Deferred tax expense</b>		
Movements in temporary differences	(6,460)	(6,902)
<b>Total income tax expense</b>	<b>30,680</b>	<b>29,992</b>

## Reconciliation of effective tax rate

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2017	2016
Income before income tax	142,953	148,217
Tax rate (percentage)	20	20
Income tax using corporation tax rate	28,591	29,643
Income tax of items allowed as expenses under Revenue Code	(393)	(269)
Income tax of expenses not deductible for tax purposes	501	(729)
Deferred income tax assets not recognised	1,735	1,347
Income tax expense	30,434	29,992
Effective tax rate (percentage)	20.07	19.36

18. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2017	2016
Bank overdrafts	3,933	-

As at 31 December 2017 and 2016, the Company has credit facilities and the related interest rate as follows:

	2017	2016
Overdraft credit facility (Unit : Million Baht)	20	20
Interest rate for normal limits (Percent per annum)	MOR - 0.5	MOR - 0.5
Interest rate for the excess limits. (Percent per annum)	18	18

As at 31 December 2017 the Company has unutilized credit facilities of Baht 16.07 million ( 31 December 2016 : Baht 20 million)

The above credit facilities are collateralized by the mortgage of land of the Company as disclosed in Note 14 to the financial statements.

19. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLES

	Consolidated F/S		(Unit : Thousand Baht)	
	Separate F/S			
	2017	2016	2017	2016
Trade accounts payable	45,918	44,778	45,918	44,778
Accrued bonuses	20,193	18,637	20,193	18,637
Accrued insurance premium	16,829	13,678	16,829	13,678
Accrued interest	10,403	11,332	10,403	11,332
Accrued expenses	7,875	7,281	7,785	7,256
Other payables	13,581	10,927	13,581	10,927
Total	114,799	106,633	114,709	106,608

20. LONG - TERM LOANS

Balance of long - term loans as at 31 December 2017 and 2016 are as follows :

Loan	Consolidated and separate F/S		(Unit : Thousand Baht)	
	Interest rate		Term of payment	
	2017	2016	(% per annum)	
Loan for land purchasing	22,088	27,859	MLR - 0.50% p.a.	Monthly installments with interest at least Baht 610,000 and repayable within 2 July 2021
Total	22,088	27,859		
<u>Less</u> Current portion	(6,135)	(5,771)		
Long - term loan - net	15,953	22,088		

As at 31 December 2017, the Company has credit facility with financial institution for purchasing of land total Baht 40 million. These loan bear interest rate ranging MLR - 0.5 per annum. These loan is repayable by monthly installments of Baht 0.61 million. These loan is collateralized by the Company's land and construction thereon (Note 13)

## 21. DEBENTURES

### 31 December 2017

(Unit : Thousand Baht)					
Debenture	Duration	Date of issue	Maturity date	Interest Rate (% p.a.)	Consolidated and separate F/S
1	3 years and 1 day	19 May 2016	20 May 2019	4.30	169,906
2	2 years 1 day	29 September 2016	1 October 2018	4.50	199,910
3	3 years	24 November 2016	24 November 2019	5.00	699,000
4	2 years 1 month 16 days	5 April 2017	21 May 2019	5.10	198,637
5	2 years 1 month	21 April 2017	21 May 2019	5.10	397,250
Total					1,664,703
<u>Less</u> Current portion					(199,910)
Long - term loans – net					1,464,793

### 31 December 2016

(Unit : Thousand Baht)					
Debenture	Duration	Date of issue	Maturity date	Interest Rate (% p.a.)	Consolidated and separate F/S
1	2 years and 1 month	19 March 2015	10 April 2017	5.00	199,896
2	2 years	24 April 2015	24 April 2017	5.00	399,771
3	3 years 1 day	19 May 2016	20 May 2019	4.30	169,838
4	2 years 1 day	29 September 2016	1 October 2018	4.50	199,791
5	3 years	24 November 2016	24 November 2019	5.00	698,472
Total					1,667,768
<u>Less</u> Current portion					(599,667)
Long - term loans - net					1,068,101

Movements in debentures during the years ended 31 December 2017 and 2016 are as follows :

(Unit : Thousand Baht)		
Consolidated and separate F/S		
	2017	2016
Balance as at 1 January	1,667,768	1,197,334
Newly issued debentures	600,000	1,070,000
Redemption during the period	(600,000)	(600,000)
Underwriting costs	(6,220)	(2,025)
Amortization of underwriting costs	3,155	2,459
Balance as at 31 December	1,664,703	1,667,768

The Company issued unsubordinated, unsecured, with no trustee debentures to individuals and financial institutions. The interest on these debentures is payable every 3 months. The Company uses the proceeds from this issuance of debentures to repay debts and/or for working capital required to fund business expansion. In addition, the debentures were issued with covenants relating to various matters, such as the decrease in share capital, the merger, the payment of dividend and limitations on the execution of new loan obligation.

## 22. EMPLOYEE BENEFITS OBLIGATION

Movements in employee benefit obligations for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	2017	2016	2017	2016
Balance as at 1 January				
Portion due within one year	4,730	2,777	4,730	2,777
Employee benefits obligation – net	10,714	10,768	10,714	10,768
Current service costs	2,589	1,330	2,589	1,330
Interest on obligation	721	569	721	569
Actuarial gain recognized under shareholders' equity	7,716	-	7,716	-
Benefit paid	(171)	-	(171)	-
Total	26,299	15,444	26,299	15,444
<u>Less</u> Portion due within one year	(9,558)	(4,730)	(9,558)	(4,730)
Balance as at 31 December	16,741	10,714	16,741	10,714
Total	26,299	15,444	26,299	15,444

Principal actuarial assumptions are as follows:

Discount rate	3.11%
Salary increase rate	6.82%
Mortality rate	Thai Mortality Table 2017
Normal retirement ages (years)	60 years



### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		(Unit : Thousand Baht)	
		Consolidated and separate F/S	
		Increase 0.5%	Decrease 0.5%
<b>Discount rate</b>			
Increase (decrease) in the employee benefits obligation		(564)	598
<b>Future salary growth</b>			
Increase (decrease) in the employee benefits obligation		629	(598)
<b>Employee turnover</b>			
Increase (decrease) in the employee benefits obligation		(703)	744

As at 31 December 2017, expected maturity of employee benefits obligation before discount are as follow

		(Unit : Thousand Baht)
		Consolidated and separate F/S
Within one year		9,558
Between 2 - 5 years		7,406
Between 6 - 10 years		14,989
Between 11 - 15 years		10,341
Total		42,294

## 23. SHARE CAPITAL AND WARRANTS

On 27 April 2017, an Annual General Meeting of Shareholders meeting of the Company passed a resolution approving as follows:

- 23.1 To approve for right adjustment of warrant no.1 (ML-W2) exercise due to dividend payment by the exercise price from Baht 3.50 per share to Baht 3.182 per share with adjustment for the exercise ratio of 1 unit of warrant for 1 ordinary share, to 1 unit of warrant to 1.10 ordinary shares. This caused the increase of the registered ordinary share to support the right adjustment of ML-W2 of 48,397,928 shares. Therefore, the total amount for right of warrant will be in increased from 483,979,280 shares to 532,377,208 shares.

- 23.2 To approve the increase of registered capital share to support the stock dividend and right adjustment of exercising warrant no. 1 for warrant to purchase new share capital of the Company no.2 (ML-W2) for the increased share capital of Baht 72,598,856, from previously registered of Baht 725,998,378 to Baht 798,597,233, by issuing new 145,197,711 ordinary shares at the par value of Baht 0.50 for stock dividend payment and right adjustment of exercising warrant no.2 (ML-W2)

As at 31 December 2017, the warrants are excluded from the computation of diluted earnings per share as the exercised price is higher than the fair value of the ordinary shares.

On 28 April 2016, the Annual General Meeting of Shareholders meeting of the Company passed a resolution approving as follows:

- To approve the decrease for authorized share capital from Baht 483,999,930.50 to Baht 483,998,918.50 by reducing the number of shares from 967,999,877 shares to 967,999,837 shares with a par value of Baht 0.50 each.
- To approve the increase in its registered share capital from Baht 483,998,918.50 (967,997,837 ordinary shares of Baht 0.50 per share) to Baht 725,998,377.50 (1,451,996,755 ordinary shares of Baht 0.50 per share) by using 483,998,918 new ordinary shares with a par value of Baht 0.50 each. The Company registered the increase of share capital on 11 May 2016 with the Ministry of Commerce.
- To approve the issuance of warrants ("ML-W2") not over 483,998,918 warrants, free of charge, to the shareholders. The exercise ratio is 2:1. The warrants can be converted to ordinary shares within three years from the issuance date with the exercise price of Baht 3.50 per share.

#### 24. PREMIUM ON SHARE CAPITAL

Under Section 51 of the Public Companies Act B.E. 2535, the Company is required to set aside share subscription money received in excess of the par value of the share as a reserve account ( " Share premium on share capital" ) . Premium on share capital is not available for dividend distribution.

#### 25. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Company Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 26. DIVIDEND PAYMENT

At the Annual General Meeting of Shareholders meeting held on 27 April 2017, the shareholders passed certain resolutions to approved the dividend payment for operations of the year 2016 for ordinary shares into 2 categories as follows:

- 1) Paid dividend in from of 96,799,783 ordinary shares of the Company at par value of Baht 0.50 to the current shareholders at the ratio of ten (10) shares per one (1) share dividend, totally not exceeding Baht 48,399,892 or shall be converted to dividend payment of Baht 0.05 per share. In case that any indivisible share remaining after such allocation, the dividend shall be paid by cash at Baht 0.05 per share.
- 2) Paid cash dividend at the rate of Baht 0.01 per share, amounted to Baht 9,679,978.

At the Annual General Meeting of Shareholders on 28 April 2016, the shareholders passed resolutions to approve the dividend payment for operations of the year 2015 for 967,958,737 ordinary shares dividend rights into cash dividend at the rate of Baht 0.032 per share, totalling Baht 30,974,679

## 27. PROVIDENT FUNDS

The Company and its employees have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, employee has to contribute to the fund at the specific rate and will be entitled to receive the fund when he is no longer member in accordance with regulation of the Fund. The Company's contribution to the Fund for the years 2017 amounted to Baht 1.27 million (2016 : Baht 1.14 million)

## 28. OTHER INCOME

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	2017	2016	2017	2016
Penalty income	15,789	19,278	15,789	19,278
Income from transferring of car registers	13,899	12,652	13,899	12,652
Insurance brokerage income	22,004	16,842	22,004	16,842
Operation fee income	14,863	12,073	14,863	12,073
Seized car transferred income	2,523	3,973	2,523	3,973
Gain on sale of investments in securities	77	20,047	77	20,047
Bad debt recovery	6,595	6,484	6,595	6,484
Debt collection income	5,981	5,506	5,981	5,506
Others	21,244	20,795	21,694	20,795
Total	102,975	117,650	103,425	117,650

29. EXPENSES BY NATURE

	Consolidated F/S		(Unit : Thousand Baht)	
	2017	2016	2017	2016
Salaries, wages and other employee benefit	96,918	101,889	96,918	101,889
Commission expense	47,571	37,081	47,571	37,081
Bad debt and doubtful accounts	62,430	50,875	62,430	50,875
Loss from disposal of assets foreclosed	34,636	44,870	34,636	44,870
Insurance premium	23,275	10,840	23,275	10,840
Management benefit expense	16,660	15,893	16,660	15,893
Depreciation	4,998	4,984	4,998	4,984
Changes in inventory	620	2,317	620	2,317

30. EARNING PER SHARE

As discussed in Note 26, the Company had declared the payment of stock dividend to existing shareholders that increased the number of shares from 967,997,837 shares to 1,064,796,636 shares. Under the Accounting Standard No. 33, this increase in share capital from stock dividend is considered as if the number of shares has been changed since prior period. The Company therefore retroactively adjusted the computation of earnings per share for the previous period based on revised number of shares.

31. SEGMENTAL FINANCIAL INFORMATION

The Company's business is confined to the two business segments of hire purchase financing for used cars and non – performing receivable management business. However, the revenue arising from non – performing receivable management business is immaterial. The Company, therefore does not present segmental financial information. Major businesses are carried in Thailand. All revenues, operating profits and assets reflected in these financial statements are therefore pertaining to the aforementioned industry and geographic area.

*Major Customer*

The Company does not have major customer under its operations to generate major income under hire-purchase agreements and does not have risk of loss of major customer.

32. FINANCIAL INSTRUMENTS*Financial risk management*

The Company's financial instruments principally comprise cash and cash equivalents, restricted deposits with bank, hire-purchases receivable, loans, bank overdrafts and short - term loans from financial institutions, long-term loans and debentures. The Company has risks associated with these financial instruments. They are managed as described below.

*Credit risk*

The Company has exposure to credit risk primarily with respect to hire-purchases receivable and loans. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, it does not have high concentration of the credit risk since it has a large customer base diversified across many areas. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

*Interest rate risk*

The Company's exposure to interest rate risk relates primarily to its cash at banks, hire – purchases receivable, short-term loans and long – term loans which bear interest. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2017 and 2016 classified by type of interest rates are summarized below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the reprising date ( if this occurs before the maturity date) as follows;

(Unit : Million Baht)

	Consolidated F/S					
	2017					
	Fixed interest rates			Non-		Effective
	Within	Over 1	Floating	interest		interest rate
	1 year	to 5 years	interest rate	bearing	Total	(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	18.14	24.77	42.91	0.10 - 0.40
Hire - purchases receivable – net	969.31	1,846.82	-	-	2,816.13	18.00
Short - term loan to parent company	25.50	-	-	-	25.50	5.50
Restricted deposit with bank	-	0.11	-	-	0.11	0.90
Short - term loans to other parties - net	146.56	62.32	-	-	208.88	12.00 - 24.00
	<u>1,141.37</u>	<u>1,909.25</u>	<u>18.14</u>	<u>24.77</u>	<u>3,093.53</u>	
<b>Financial Liabilities</b>						
Bank overdrafts	-	-	3.93	-	3.93	MLR - 0.50
Long - term loans from bank	-	-	22.09	-	22.09	MLR - 0.50
Debentures	199.91	1,464.79	-	-	1,664.70	4.30 - 5.10
	<u>199.91</u>	<u>1,464.79</u>	<u>26.02</u>	<u>-</u>	<u>1,690.72</u>	

(Unit : Million Baht)

	Consolidated F/S					
	2016					
	Fixed interest rates		Floating	Non-		Effective
	Within	Over1	Floating	interest		interest rate
	1 year	to 5 years	interest rate	bearing	Total	(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	71.18	24.99	96.17	0.10 - 0.40
Hire - purchases receivable – net	964.14	1,605.02	-	-	2,569.16	18.26
Restricted deposit with bank	-	0.11	-	-	0.11	0.90
Short - term loans to other parties - net	96.55	102.99	-	-	199.54	12.00 - 24.00
	<u>1,060.69</u>	<u>1,708.12</u>	<u>71.18</u>	<u>24.99</u>	<u>2,864.98</u>	
<b>Financial Liabilities</b>						
Long - term loans from bank	-	-	27.86	-	27.86	MLR - 0.50
Debentures	599.67	1,068.10	-	-	1,667.77	4.30 - 5.00
	<u>599.67</u>	<u>1,068.10</u>	<u>27.86</u>	<u>-</u>	<u>1,695.63</u>	

(Unit : Million Baht)

	Separate F/S					
	2017					
	Fixed interest rates			Non-		Effective
	Within	Over1	Floating	interest		interest rate
	1 year	to 5 years	interest rate	bearing	Total	(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	18.09	24.77	42.86	0.10 - 0.40
Hire - purchases receivable - net	969.31	1,846.82	-	-	2,816.13	18.00
Short - term loan to related company	180.67	-	-	-	180.67	5.10 - 5.50
Restricted deposit with bank	-	0.11	-	-	0.11	0.90
Short - term loans to other parties - net	146.56	62.32	-	-	208.88	12.00 - 24.00
	<u>1,296.54</u>	<u>1909.25</u>	<u>18.09</u>	<u>24.77</u>	<u>3,248.65</u>	
<b>Financial Liabilities</b>						
Bank overdrafts	-	-	3.93	-	3.93	MLR - 0.50
Long - term loans from bank	-	-	22.09	-	22.09	MLR - 0.50
Debentures	199.91	1,464.79	-	-	1,664.70	4.30 - 5.10
	<u>199.91</u>	<u>1,464.79</u>	<u>26.02</u>	<u>-</u>	<u>1,690.72</u>	

(Unit : Million Baht)

	Separate F/S					
	2016					
	Fixed interest rates		Floating	Non-		Effective
	Within	Over1	Floating	interest		interest rate
	1 year	to 5 years	interest rate	bearing	Total	(% p.a.)
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	71.17	24.99	96.16	0.10 - 0.40
Hire - purchases receivable – net	964.14	1,605.02	-	-	2,569.16	18.26
Short - term loan to related company	155.00	-	-	-	155.00	5.10
Restricted deposit with bank	-	0.11	-	-	0.11	0.90
Short - term loans to other parties - net	96.55	102.99	-	-	199.54	12.00 - 24.00
	<u>1,215.69</u>	<u>1,708.12</u>	<u>71.17</u>	<u>24.99</u>	<u>3,019.97</u>	
<b>Financial Liabilities</b>						
Long - term loans from bank	-	-	27.86	-	27.86	MLR - 0.50
Debentures	599.67	1,068.10	-	-	1,667.77	4.30 - 5.00
	<u>599.67</u>	<u>1,068.10</u>	<u>27.86</u>	<u>-</u>	<u>1,695.63</u>	

*Fair value financial instrument*

The financial asset and liability are mainly reclassified in the type of short term by natures. Long-term loan from merchant bank bears interest rate under the same basis as the market. The management believes that book value of such financial asset and liability reflect value materially indifferent from fair values.

33. FAIR VALUE MEASUREMENT

As at 31 December 2017, the Group has financial assets measured at fair value in the statement financial position are grouped into levels of a fair value hierarchy as follows.

(Unit : Thousand Baht)

	Consolidated and separate F/S			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment in trading security	-	55	-	55

### 34. COMMITMENTS

As at 31 December 2017, the Company has commitment for building rental and services agreement obligation under lease agreements as follow:

	(Unit : Million Baht)	
	Consolidated F/S	Separate F/S
Payment:		
Within 1 year	2.45	2.45
2 - 5 years	1.98	1.98
Total	4.43	4.43

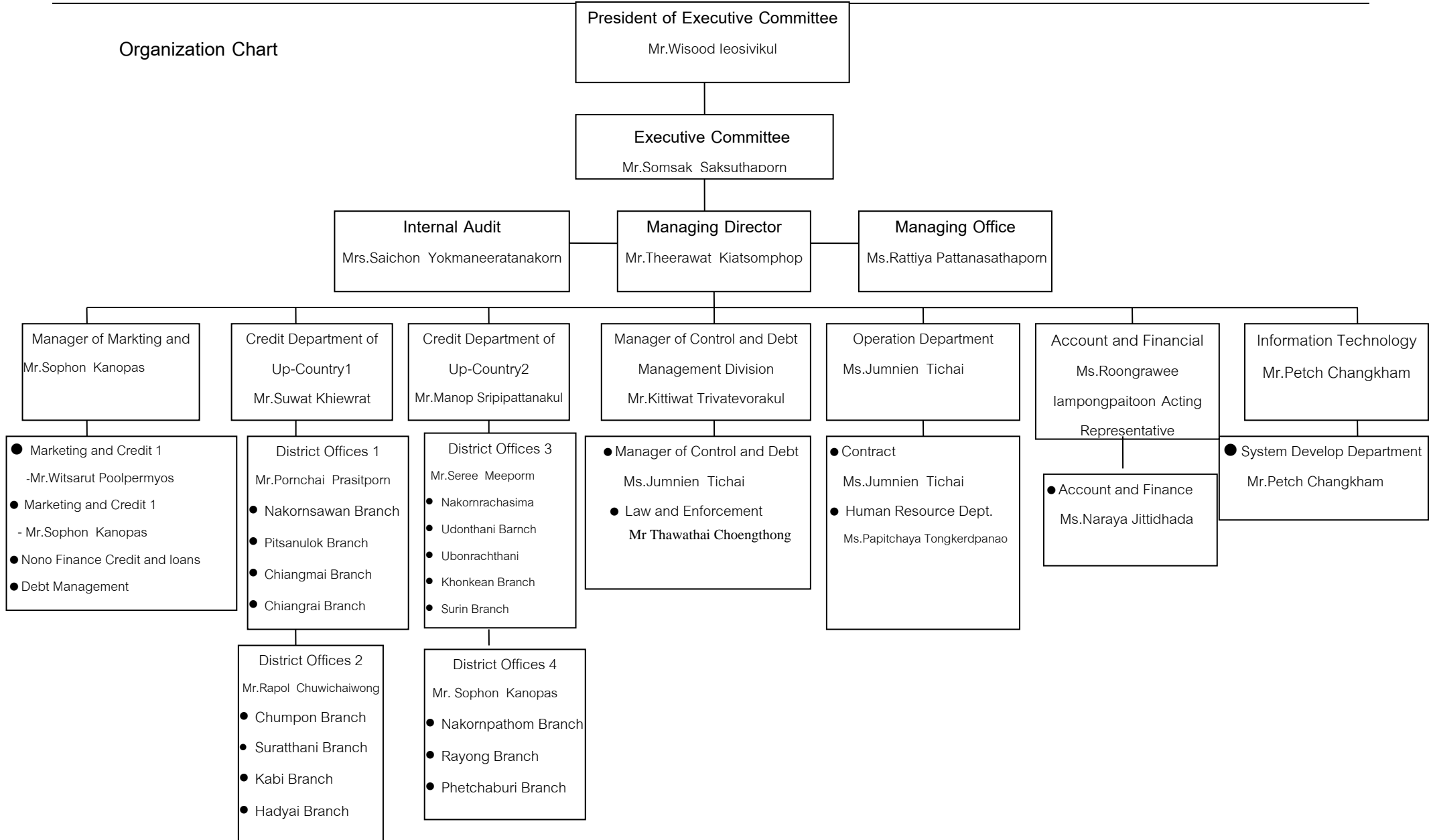
### 35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2018.





## Organization Chart



## Capital and Management Structure

List of major shareholders of the Company as of December 21, 2017

<u>No.</u>	<u>Name</u>	<u>No. of Share</u>	<u>% of paid-up capital</u>
1	Mida Assets Public Company Limited	500,214,000	46.98
2	Ms. Chitwadee leosivikul	44,608,234	4.19
3	Mr. Thatveep Ruangral	41,231,960	3.87
4	Ms.Tippawan Panyajirawut	29,220,627	2.74
5	Thai NVDR Co.,LTD	18,115,970	1.70
6	Mr.Virun Jaiyindee	15,825,555	1.49
7	Ms. Chawanluck leosivikul	15,611,681	1.47
8	Mr. Nipon Nattawut	13,517,455	1.27
9	Mr. Thaned Dirosakayavitoon	12,691,296	1.19
10	Mr.Suwatchai Payajirawut	11,251,910	1.06
<b>Total</b>		<b>702,288,688</b>	<b>65.96</b>

\*\*\* Per value is 0.50 baht

Management structure of the Company consists of Board of Directors, Audit Committee, Executive Committee, and management. List and duties and responsibilities of the directors and managements of the Company are as follows:

### Board of Directors

Board of Directors of the Company as of December 31, 2017 consists of nine directors, who had all completed the Directors Accreditation Program (DAP).

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Wisood leosivikul	President of Board Director
2.	Mr. Somsak Saksuthaporn	Director
3.	Ms. Roongrawee lampongpaithoon	Director
4.	Mr. Sorasak leosivikul	Director
5.	Mr. .Akachai leosivikul	Director
6.	Ms.Tippawan Panyajirawut	Director
7.	Pol.Lt.Gen Chalong Sonjai	Independent Director and Chairman of Audit committee
8.	Mr. Kiattiporn Sirichaisakul	Independent Director and Audit committee member
9.	Ms.Pinnapa Ngansujarit	Independent Director and Audit committee member

Ms. Roongrawee lampongpaithoon is the secretary for the Board of Directors.

Currently the Company has 9 directors, of which 5 directors are representatives of major shareholders, namely, Mr. Wisood leosivikul, Mr. Somsak Saksuthaporn, Ms. Roongrawee lampongpaithoon, Mr. Sorasak leosivikul, Mr. .Akachai leosivikul Director. Audit Committee members are Pol.Lt.Gen Chalong Sonjai, Mr. Kiattiporn Sirichaisakul, Ms. Pinnapa Ngansujarit

#### Authorized Directors

Authorized Directors of the Company are Mr. Wisood leosivikul, Mr. Somsak Saksuthaporn, Ms. Roongrawee lampongpaithoon, Mr. Sorasak leosivikul, Mr. .Akachai leosivikul two of five directors co-sign together with the Company's seal.

#### Scope of duties and responsibilities of the Board of Directors

Board of Directors shall utilize their knowledge, capability and experiences in operating the company's business in compliance with the law, objectives and articles of association of the Company as well as resolutions of the shareholders' meeting. Board of Directors shall specify policy for business operation, financial management, risk management and have effective internal control system and internal audit based on the best benefits of shareholders. Board of Directors shall also govern and control the executive to operate business under the specified policy with efficiently and effectively, and shall not operate, nor be a partner and not be a director of business that has the same nature as or in competition with that of the Company.

In addition, Board of Directors has the authority to appoint some directors to be the executive directors to perform the specific one or many duties. Board of Directors agree to appoint authorized directors to operate all businesses except the following operations should be approved by the shareholders' meeting

- 1) All operations compliance with law must be approved by shareholders' meeting
- 2) All operations that a director has an interest and specified by law or by the regulations of the Stock Exchange of Thailand that should have the resolution from shareholders.

However, the transaction must not be authorized by directors may have a conflict of interest or other conflict with the company or its subsidiaries, me.

#### Audit Committee

Audit Committee of the Company as of December 31, 2017 consists of three directors as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Pol.Lt.Gen Chalong Sonjai	Chairman
2.	Mr. Kiattiporn Sirichaisakul	Member
3.	Ms. Pinnapa Ngansujarit	Member

Ms. Roongrawee lampongpaithoon is the secretary of the Audit Committee.

### Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duty and responsibilities according to the regulation imposed by the Stock Exchange Commission and the Stock Exchange of Thailand and reports directly to the Company's Board of Directors.

- 1) To review the Company's financial reporting process to ensure accuracy and adequacy by coordinating with auditor and management who responsible for preparing quarterly and yearly financial statement as well as recommend the auditor in the necessary transactions that should be concern.
- 2) To ensure that the Company has suitable and efficient internal control system and internal audit by working with auditor and internal auditor.
- 3) To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of SET or laws that relating to business of the Company.
- 4) To consider, select, nominate and recommend remuneration of the Company's external auditor.
- 5) To review the disclosure of information of the Company and to infer in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness and completeness.
- 6) To prepare a report on monitoring activities of the audit committee and disclose it in an annual report of the Company, and have such report signed by the chairman of the audit committee. The report should provide the following information:
  - The inference of correctness in financial reporting process and disclosure information in the financial statement.
  - The inference of the adequacy and sufficiency of internal control system.
  - The reason to support that the auditor is suitable to be appointed for further one term.
  - The reference of the Company's compliance with securities and exchange, regulations of SET and the laws relating to the Company's business.
  - The other information that should be disclosed to shareholders and investors under the scope of power and duties delegated by Board of Directors.
- 7) To perform any other act as assigned by the Board of Directors with approval of the audit committee.

### Executive Committee

As of December 31,2017 the Company has two executive directors as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Wisood leosivikul	President of Executive Committee
2.	Mr. Somsak Saksuthaporn	Executive Committee

Ms. Roongrawee Iampongpaithoon is the secretary for the Executive Committee.

### Scope of duties and responsibilities of the Executive Committee

The Board of Directors has delegated authorization to Executive Directors to operate business under the following condition:

- 1) Authorization in managing the Company's business in compliance with the objectives, articles of association of the Company as well as the resolutions of the shareholders' meeting and Board of Director's meeting.
- 2) Authorization in approval the Company's normal business operation as the acquisition of products, vehicles and hire purchase sales approval with the limit of each transaction not more than THB 50 million.
- 3) Authorization in approval for important investments that is determined in the annual budget, which are delegated from the Board of Directors or already approved by the Board of Directors.
- 4) Authorization in approval the Company's borrowing and investing as the purchase/sale of permanent assets with the limit of each transaction not more than THB 50 million or equivalent.
- 5) Authorization in establishing organization structure, management and management committee by covering the detail of recruitment, training, employment and unemployment.
- 6) Authorization in appointment and withdrawal all employees with the position below managing director.
- 7) Authorization in preparing, recommendation and establishing business policy as well as business strategy to Board of Directors for approval.
- 8) Authorization in setting business plan, management authority, approval annual budget and operate business under the business plan and strategy approved by Board of Directors.
- 9) Perform other special functions as delegated from Board of Directors.

The authority of the Executive Committee does not include the approval of any transactions that may be deemed conflict or transactions that executive members and related person may have any conflict of interest or other benefits that may conflict with that of the Company or its affiliate companies in accordance with the regulations of the Stock Exchange of Thailand. The approval of those transactions shall be presented to the Board of Directors' meeting and/or shareholders' meeting for consideration and approval in accordance with the articles of association of the Company and other related regulations.

## Management

As of December 31, 2017 the Company has 6 managements as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Theerawat Kiatsomphob	Managing Director
2.	Mr. Manop Sripipattanakul	Operation Division 2 Dept. Manager
3.	Mr. Suwat Khiewrat	Operation Division 1 Dept. Manager
4.	Mr. Kittiwat Trivatevorakul	Manager Control and debt Management Division
5.	*Ms. Roongrawee lampongpaiboon	Finance & Accounting Director
6.	Mr. Petch Changkham	Information Technology Manager

\* Ms. Sukhothai Natasiri resigned on November 30, 2016 Ms. Roongrawee lampongpaiboon (Acting Representative)

## Scope of duties and responsibilities of Managing Director

The Managing Director is authorized to manage and control the normal business operation and to approve the normal business transaction such as the purchasing of products, vehicles, materials, tools and equipments as well as the expenses approval, and consultants hiring with the limit of each transaction not exceed 20 million baht and the

approval of hire-purchase with the limit of each transaction not exceed THB 1 million. For the approval of borrowing and investing such as buying-selling investments or permanent assets shall be approved by the Executive Directors.

The Managing Director shall perform in accordance with the delegation of Board of Directors or Executive Directors and he can delegate to the appropriated person to perform on behalf of him by under his consideration.

All the above authorities shall comply with the articles of the association of the Company and the authority shall not be delegated to Managing Director nor to his delegation whom has interest or conflict of interest with the company or the affiliation.

#### Nomination Committee

The Company does not have nominating committee to perform the selection and appointment directors. In addition the directors of the Company will be elected by Board of Directors considering from the working experiences, knowledge and should be qualified to criteria in Public Limited Company Act B.E. 2535 and the announcement of SEC. The procedure for the appointment of directors can be summarized as follows:

- 1) One Shareholder has one vote per one share
- 2) Shareholder vote on candidate by candidate
- 3) The candidates who get the highest scores follow by consequence one will be elected to be the director until complete to total number of appointed directors. In case of tied votes, the chairman of the meeting shall be entitled to a casting vote.

#### Remuneration for management

##### a. Monetary remuneration

##### Directors

##### Directors' Remuneration 2017

No.	Name	Position	Directors' fees	Representation fees
1.	Mr. Wisood leosivikul	Chairman and President of Board Director	200,000.00	20,000.00
2.	Mr. Somsak Saksuthaporn	Director	100,000.00	20,000.00
3.	Ms. Roongrawee lampongpaithoon	Director	100,000.00	20,000.00
4.	Ms. Sorasak Leosivikul	Director	100,000.00	20,000.00
5.	Mr. .Akachai leosivikul	Director	100,000.00	20,000.00
6.	Ms.Tippawan Panyajirawut	Director	100,000.00	20,000.00
7.	Pol.Lt.Gen Chalong Sonjai	Independent Director and Chairman of Audit committee	200,000.00	20,000.00
8.	Mr. Kiattiporn Sirichaisakul	Independent Director and Audit committee member	100,000.00	20,000.00
9.	Ms. Pinnapa Ngansujarit	Independent Director and Audit committee member	100,000.00	20,000.00

**Management**

Remuneration (THB)	2015	2016	2017
No. of Management	6	6	7
- Salary	7,676,890	9,324,939	12,303,949
- Bonus	3,516,285	4,274,892	4,593,831
- Other such as Board allowance and Transportation and telephone expenses	626,900	587,507	505,858
Provident Fund	153,538	175,522	229,785
<b>Total</b>	<b>12,189,362</b>	<b>14,362,860</b>	<b>17,633,423</b>

**b. Other remuneration**Directors

- None -

Management

- None

## Management Profile

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
1. Mr.Wisood leosivikul	- Chairman of the Board - President of Executive Committee	59	<u>Bachelor Degree in</u> Community Development Rajabhat Institute Nakornpatom Training DAP 16/2004	<u>Old Brother</u> Mr. Sorasak leosivikul Mr.Eakachai leosivikul <u>Brother</u> Mrs.Tipapawan Panyajirawut	0.53	Apr'2017 – Present	Director	Mida Security Guard Co.,Ltd.
						Jul'2015 – Present	Director	Mida Asset Management Co.,Ltd
						Nov'2015 – Present	Director	Bangkok Charan Asset Management Co.,Ltd.
						Sep'2015 – Present	Director	MD Media Global Co.,Ltd.
						2015 – Present	Director	Phuket Beer (Thailand) Co.,Ltd.
						2014 - Present	Director	MD Adrenarine (Thailand) Co.,Ltd.
						Nov'2013 – Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2013 – Present	President and Managing	Mida Leasing Pcl.
						2013 – Present	President and Managing	Mida Assets Pcl.
						2012 – Present	Director	Mida Agency&Development Co.,Ltd.
						2011 – Present	Director	Mida Development Co.,Ltd.
						2009 – Present	Director	Mida(Lao) Financing Co.,Ltd.
						2009 – Present	Director	Max Hotel Co.,Ltd.
						2009 – Present	Director	Mida Ad Co.,Ltd.
						2009 – Present	Director	The Retreat Hua-Hin Co.,Ltd.
						2009 – Present	Director	Mida Hotel and resort Co.,Ltd.
						2006 – Present	Director	Mida Property Co.,Ltd
						2006 – Present	Director	Top Elements Co.,Ltd.



Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
2. Mr.Somsak Saksuthaporn	- Excutive Committee	64	High School - Sitabudt Bumrung School - Training DAP 50/2006		-	Nov'2015 –Present	Director	Bangkok Charan Asset Management Co,Ltd.
						Oct'2015 -Present	Director	Mida Asset Management Co.,Ltd.
						2004-Present	Director	Mida Leasing Pcl.
						2004-Present	Director	Mida Assets Pcl.
3.Ms.Roongrawee lampongpaition	- Director - The secretary for the Board of Director	50	Master Degree in Accounting - Thammasart University Diploma in Auditing Thammasart University Bachelor Degree in Accounting(Honorable) - Thammasart University - Training DAP 16/2004,143/2017		-	Nov'2015 –Present	Director	Bangkok Charan Asset Management Co,Ltd.
						Sep'2015 - Present	Director	MD Media Global Co.,Ltd.
						Jul'2015 – Present	Director	Mida Asset Management Co.,Ltd.
						2015 – Present	Director	Mida Development Co.,Ltd.
						2015 – Present	Director	Mida Ad Co.,Ltd.
						Nov'2013 –Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2012 - Present	Director	Eastern Power Group Pcl.
						2012 - Present	Director	JKR Energy Co.,Ltd
						2012 - 2017	Director	Ecpo Green Power Plus Co.,Ltd.
						2012 - 2017	Director	Aquatist Energy Co.,Ltd.
						2012 - 2017	Director	Lopburi Solar Co.,Ltd.
						2012 - Present	Director	Mida Agency&Development Co.,Ltd.
						2011 - Present	Director	Eastern Printing Pcl.
						2009 - Present	Director	Mida Hotel and resort Co.,Ltd.
						2005 – Present	Director	Mida Assets Pcl.
						2004 - Present	Director	Mida Leasing Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
4. Mr.Sorasak leosivikul	- Director	53	<u>Certificate</u> - Vocational Certificate in Accounting Chetupon Commercial College - Training DAP 16/2004	<u>Brother</u> Mr.Wisood leosivikul Mr.Eakachai leosivikul Mrs.Tipapawan Panyajirawut	-	Nov'2015- Present	Director	Bangkok Charan Asset Management Co.,Ltd
						May'2015– Present	Director	Mida Leasing Pcl
						2014 - Present	Director	MD Adrenarine (Thailand) Co.,Ltd.
						2012– Present	Director	Mida Agency And Development Co.Ltd.
						2009– Present	Director	Max Hotel Co.,Ltd.
						2009– Present	Director	The Retreat Hun Hin Co.,Ltd.
						2006– Present	Director	Mida Hotel and Resort Co.,Ltd.
						2006– Present	Director	Top Elements Co.,Ltd.
						2002– Present	Deputy Managing Director	Mida Assets Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
5. Mr.Akachai Ieosivikul	- Director	56	Certificate - Diploma in Business and Marketing Rajabhat Institute Nakornpatom	Brother Mr. Wisood Ieosivikul Mrs.Tipapawan Panyajirawut Old Brother Mr. Sorasak Ieosivikul	-	Apr'2017 - Present	Director	Mida Security Guard Co.,Ltd.
						Nov'2015 - Present	Director	Bangkok Charan Asset Management Co.,Ltd
						2016– Present	Director	Mida Leasing Pcl
						2015– Present	Director	Phuket Beer (Thailand) Co.,Ltd.
						2015– Present	Director	MD Media Global Co.,Ltd.
						2013– Present	Director	Top Elements Co.,Ltd.
						2013– Present	Director	Mida Hotel and Resort Co.,Ltd.
						2013– Present	Director	Max Hotel Co.,Ltd
						2013– Present	Director	The Retreat Hun Hin Co.,Ltd
						2013– Present	Director	Mida Development Co.,Ltd.
						2013– Present	Director	Mida Agency And Development Co.Ltd.
						2013– Present	Director	Mida Property Co.,Ltd
						2013 - Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2012 - Present	Director	Mida Ad Co.,Ltd.
						2004– Present	Deputy Managing Director	Mida Assets Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
6. Mrs.Tipapawan Panyajirawut	- Director	60	<u>Certificate</u> - Diploma Accounting in Rajabhat Institute Nakornpatom	<u>Old Sister</u> Mr. Wisood leosivikul Mr. Sorasak leosivikul Mr.Eakachai leosivikul	2.74	Apr' 2017- Present	Director	Mida Security Guard Co.,Ltd.
						2016- Present	Director	Mida Leasing Pcl
						2015- Present	Director	MD Media Global Co.,Ltd.
						2015- Present	Director	Phuket Beer (Thailand) Co.,Ltd.
						2014- Present	Director	Tropical Beverage Corporation Co.,Ltd.
						2013- Present	Director	MD Adrenarine (Thailand) Co.,Ltd.
						2013- Present	Director	Mida Development Co.,Ltd.
						2013- Present	Director	Max Hotel Co.,Ltd
						2013- Present	Director	Mida Ad Co.,Ltd
						2013- Present	Director	Mida Property Co.,Ltd
						2015- Present	Director	The Retreat Hun Hin Co.,Ltd
						2005- Present	Audit Manager	Mida Assets Pcl.
7. Mr. Theerawat Kiatsomphob	- Managing Director	60	<u>Master Degree</u> - EX-MBA University of the Thai Chamber of Commerce - Bachelor Degree in Liberal Arts (Political Science ) Ramkhamhaeng University		-	Dec'14 - Present	Director	Mida Leasing Pcl.
						2001- Dec'14	Executive Committee and Managing Director	Mida Leasing Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
8. Pol.Lt.Gen Chalong Sonjai	- Independent Director - President of Auditing Committee	69	<u>Master Degree</u> Graduate School of Administration National Institute of Develop Administration		-	Dec'2015 –Present  2011 -2014	Director and President of Auditing Committee  Vice Minister for Interior	Mida-leasing Pcl.
9. Ms. Pinnapa Ngansujarit	- Independent Director - Audit Committee	49	<u>Master Degree</u> Master of accounting Chulalongkorn University <u>Bachelor Degree</u> Faculty of Economics and business administration Accounting(Honorable) Kasetsart University		-	May'15 – Present  2008 -2013	Independent Director and Audit Committee  Director and Audit Committee	Mida Leasing Pcl.  Green Resources Pcl. (Form Mida Medalist Entertainment Pcl.)
10. Mr.Kiattiporn Sirichaisakul	- Independent Director -Audit Committee	50	<u>Bachelor Degree</u> - Accounting Thammasart University		-	2017 - Present  2014 - 2016 2011 – Present  2009 – 2015 2006 - Present  1992- Present	Member of the Nomination and Remuneration Committee , Member of the Enterprise Risk Management Committee  Director  Director and Audit Committee  Director  Independent Director and Audit Committee  Auditor	Filtervision Pcl.  Marachi Co.,Ltd Filtervision Pcl.  Piyavate Pcl. Mida Leasing Pcl.  Finer Coopers

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
11. Mr. Kittiwat Trivatevorakul	Manager Control and debt Management	53	<u>Bachelor Degree</u> - Faculty of Law Sripathum University		-	2017- Present	Manager Control and debt Management	Mida Leasing Pcl.
						2016	Manager of Credit Department 2	Mida Leasing Pcl.
						2015	Manager of Credit Department 1	Mida Leasing Pcl.
						2014	Manager of Credit Department 2	Mida Leasing Pcl.
						2012 – 2013	Manager of Credit Department 1	Mida Leasing Pcl.
12. Mr. Manop Sripipattanakul	Operation Division 2 Dept. Manager	66	<u>Bachelor Degree</u> - Faculty of Political Science Ramkhamhaeng University		-	2017 – Present	Manager of Credit Department 2	Mida Leasing Pcl.
						2016	Manager of Credit Department 1	Mida Leasing Pcl.
						2015	Manager of Credit Department 1	Mida Leasing Pcl.
						2014	Manager of Credit Department 1	Mida Leasing Pcl.
						Dec '08 -2013	Manager of Credit Department 2	Mida Leasing Pcl.

Name	Position	Age (yrs)	Education Background	Relationship with other Mgt	Share holding %	Working Experience		
						Period	Position	Company name
13. Mr. Suwat Khiewrat	Manager of Credit Department 1	55	<u>Bachelor Degree</u> - Faculty of Political Science Ramkhamhaeng University		-	2017 – Present	Manager of Credit Department 1	Mida Leasing Pcl.
						2012– 2016	Manager of Control and Debt	Mida Leasing Pcl.
14. Mr. Petch Changkham	Information Technology Manager	51	<u>Bachelor Degree</u> Computer Science Ramkhamhaeng University		-	2010– Present	Senior managers Department	Mida Leasing Pcl.

\*\*\* Share holding as of December 31, 2017 \*\*\*

**Internal Control**

The Board of Directors meeting of Mida Leasing Public Company Limited no. 4/2017, held on 14 November 2017, attended by three audit committee members. The Board of Directors assessed the internal control of the Company by means of conducting inquiries with the management and concluded from the assessment of the internal control system in five areas, namely, control environment, risk assessment, control activities, information and communication, and monitoring to protect directors, managements, major shareholders or related parties as mentioned above that it is sufficient.

As for the internal control in other aspects, in practice, the Company has an appropriate credit approval procedure. Credit officer, credit review officer and Account Receivables Department officers are independent from one another and can be monitored, in which they report directly to each of their department supervisor. Moreover, the internal control department randomly checks the correctness and completeness on the information of the customers and carefully monitors the credit approval process to ensure the sufficient monitoring system.

The Board of Directors opines that Mida Leasing Public Company Limited has an adequate and appropriate internal control system and that the monitoring process on the operation of the Company can protect the Company from any misuse by the management without authorized authority.

**Governance of the usage of inside information**

The Company has a policy to protect directors and managements from directly or indirectly disclosing inside information of the Company for their own and others benefits no matter their will receive compensation or not. In addition directors and managements who receive financial information of the Company must not exploit such information prior to the disclosure to the public. The Company also educates directors and managements the responsibilities in reporting the possession of securities of himself/herself, his/her spouse, and his/her minor children to the Stock Exchange Commission. The Company has determined the penalty on person who exploits the Company's inside information for their own benefit or disclose to public lead that may damage the Company. The Company shall review each case suitably. However, early prevention measures include verbal warning, written notice, sanction and termination of employment (if it deems appropriate).



## Report on the Good Corporate Governance

The Board of Directors has adopted the Code of Best Practices stipulated for executives of the listed companies and in compliance with the guidelines of the SET.

Good governance practices as adopted by the Company is as follows:

### 1. Policy on Corporate Governance

The Company is aware of the importance of good corporate governance for the long-term benefits and sustainability of the Company, stakeholders, clients and employees. The Company has thus mapped out the policy and directions regarding the internal control, internal audit, risk management and so that the management can operate the business in accordance to policy efficiently with the purview of the laws and the code of business ethics.

### 2. Rights of Shareholders and Shareholders' Meeting

In early 2004, the Company was still a private limited company. The Company has arranged for Shareholders' Meeting by sending Notice summoning the meeting and meeting documents to the shareholders in line with the Company's Bylaws. The Company also provides an opportunity for the shareholders to have their questioned answered, and suggestions and opinion addressed. Once the Company changed its status to a public limited company and became one of the listed companies on the Stock Exchange of Thailand, the Company also offers an alternative to the shareholders who are unable to meeting to appoint the Independent Directors as their proxies. The Company is aware of the importance of disseminating the information regularly and on the fair basis to all shareholders.

### 3. Rights of Stakeholders

The Company is fully aware of the importance of the rights of all groups of stakeholders such as employees, executive management, creditors, competitors, and the society. The Company thus complies with the law and regulations to ensure that all stakeholders are duly taken care at the most.

### 4. Leadership and Vision

The Board of Directors of the Company considered and put in place the Company's visions, missions, strategies, targets, business plans and budget plans as proposed by the management team, as well as monitoring the implementation of the above. The Board also put in place effective internal control system, internal audit system and risk management measures. Moreover, the Board also considers the segregation of duties and responsibilities, as well as the authorization of credit approval of that of, the Board of Directors, the management and that of the Managing Director.

### 5. Conflicts of Interests

The Board of Directors will take a prudent action in the transactions of cross over entries and may create conflict of interests, for an example, should any of the directors is a conflicting party in any board meeting, he shall not exercise his vote and details will be recorded in the meeting minute accordingly. The Company has also established

procedure to prevent possible conflict in the future. Any connected transactions or those that are deemed conflicting must seek acknowledgment from the Audit Committee. The above matters might have to be obtained by an approval from the board's and/or shareholders should it be deemed necessary. In essence, the Company will duly comply with the regulations and the requirements by the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand. The details of the transaction in terms of value, agreement parties, rationale and necessity will be disclosed in the annual report and Form 56-1 accordingly.

## 6. Business Ethics

The Company has established its missions and business objectives with business ethics as its utmost importance. The Company, therefore, put in writing the Code of Best Practices for the directors, management and employees to adhere to ensure that directors, management and employees perform their duties with integrity, transparency and fairness to the Company, all groups of stakeholders and the public. Compliance guidelines and disciplinary punishment measures are also established.

## 7. Balance of Power from the Non-Management Directors

The Board of Directors is composed of nine members, as detailed below:

<i>Name</i>	<i>Management</i>	<i>Non-Management</i>	<i>Independent Directors</i>	<i>Audit committee</i>
1. Mr. Wisood leosivikul	✓	-	-	-
2. Mr. Somsak Saksuthaporn	✓	-	-	-
3. Ms. Roongrawee Iampongpaithoon	-	✓	-	-
4. Mr. Sorasak leosivikul	-	✓	-	-
5. Mr. Akachai leosivikul	-	✓	-	-
6. Mrs. Tipapawan Panyajirawut	-	✓	-	-
7. Pol. Lt. Gen. Chalongsong Sonjai	-	✓	✓	✓
8. Mr. Kiattiporn Sirichaisakul	-	✓	✓	✓
9. Ms. Pinnapa Ngansujarit	-	✓	✓	✓
<b>Total</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>3</b>

- No. of Management Directors: 2 (out of 9 directors)
- No. of Non-Management Directors: 7 (out of 9 directors)
- Independent Directors: 3 (all of which are in the Audit Committee or one-third of all directors)

## 8. Consolidation and Segregation of Power

In order to segregate the policy making from business supervision and routine administration, the President and the Managing Director shall not be the same person. Besides, the authorization of each position is clearly defined and neither one of them has the absolute power. In addition, a balance of power to monitor the management is ensured by the appointment of three independent directors in the audit committee in the Board of Directors.

## 9. Remuneration of Directors and Executives

With the approval from the Shareholder's meeting, the total director's remuneration shall not exceed two million baht per annum. The executives' remuneration is as detailed in earlier section. The above remuneration will be commensurate with the appropriateness and responsibilities of each director and executives, as well as it should be at competitive level to attractive capable directors and executives for the Company.

## 10. Board of Directors' Meetings

The Board of Directors' Meetings will be held on a regular basis and the extra meetings as deemed necessary. A notice together with the agenda and documents summoning the meeting will be sent at least 7 days in advance. Every meeting minute will be recorded in writing and later prepared in form of a report for examination the directors and related persons. In 2017 there are altogether 12 th board of directors' meetings being held.

## 11. Sub Committee

The Company has various subcommittees as follows:

- Executive Committee

The Executive Committee, consist 3 directors, was appointed as of January 3,2006 and having 2-year term of office.

- Audit Committee

The Audit Committee, consist 3 independent directors, was appointed as of January 16,2006 and having 2-year term of office.

- Allocation Committee

In the mean time, the Company does not have a remuneration committee but has planned to set up this committee in the future. At present, the Company's remuneration is compatible with that of similar businesses of the same size and business performance.

## 12. Internal Control and Audit System

Internal control and audit system is always of major concern to the Company. To ensure the effectiveness and independence of the internal audit, the internal audit department directly reports the audit result to the Managing Director and Audit Committee. The Audit Committee regularly evaluates the adequacy and appropriateness of the internal audit system as well as following up the corrections of the weaknesses based on the result of the inspections so as to minimize the risk involved. The Company has also clearly defined in writing the power and duties of the operating staffs and supervisors to ensure appropriateness internal check and balance. Additionally, the Company also gives importance to the comments as given by the external auditors so as to ensure the effectiveness of the internal control system.

### 13. The Board of Directors Report

The Board of Directors is entirely responsible for the approval of the annual Financial Statements of the Company and for the financial information disclosed in the annual report. After its careful consideration, the Board of Directors is of the opinion that the Financial Statements were prepared in accordance with generally accounting standards having sufficient disclosure of information in the notes to the Financial Statements. According to the General Meeting of the Shareholders No: 1/2017, the Audit Committee, which comprised of independent directors were appointed to oversee the quality of the financial reports and the internal control system.

### 14. Relationship with investors

The Company is aware of the importance of reporting accurate and complete information within the prescribed time period to all shareholders and related parties. The Company therefore will set up the investor relation division to answer all questions raised by shareholders and responsible for preparing all information that will be released to SET and shareholders in the timely manner.

### 15. Corporate Social Responsibilities: CSR

Mida Leasing Plc. has the principle in doing business for its growth on the basis of good governance and sustainable social & environment responsibility. The Company has a focus on CSR both within the organization and outside the organization. Starting from create culture building for the staff to recognizing the value creation alongside social and environmental value creation in the business for sustainable growth. The company has introduced sustainable management as its key component these are then deployed into action for business process for continuous practice and to achieve maximum efficiency which comprises the following 8 principles.

#### 15.1 Operations with fairness

The Company operates with business competencies and ethics. The company conducts its business with honesty. By adhering to the corporate social responsibility and all stakeholders according to the principle of supervision to ensure the company's policy is define the responsibilities and guidelines to take appropriate action as follow;

- The company is committed to conducting business to create satisfaction and maximum benefit to the shareholders and investors. Moreover, the Company has a policy to treat all the shareholders and investors equally.
- The company has focused on the development and support of human resources. Both in terms of knowledge and interests of employees. The company treats every employee equitably
- The company focuses on providing quality service to customers both before and after the sale.
- The Company strictly follows the rules of competition, avoids any inappropriate or corrupted methods or destroy competitors' reputation, which has been established and disclosed in the Company's Code of Business Conduct towards its Competitors.

## 15.2 Anti-corruption policies

The management of the Company regard the importance of anti-corruption by stipulates corruption policy as guidelines of business operating and therefore directors, management and all employees have to follow the implementation. The policy was clearly defined sanctions for violators to reduce fraud, to create transparency and to aware of moral and ethical which is summarized as follows;

15.2.1 No such behaviors of grafting acts within stakeholders for the wrongful benefits are allowed

15.2.2 Procurement process must be done through the regulations of the Company to ensure transparency.

15.2.3 Neither action related to internal politics nor using of company resources to deal with the politics can be acceptable. The Company committed to be politically neutral and encourage compliance with the law. There would be no policy for political support, either direct or indirect.

15.2.4 Employees shall not ignore or neglect the situation when exposed to the action or behavior deemed as corruption. Employees must notify their supervisors or the responsible person in case of facing any offense against the moral or company code of conduct. Should there be any questions or inquiries, employees should consult with their supervisors or the persons responsible in compliance with this policy

15.2.5 The Company recognizes the importance of publicity, education, counseling and understanding its employees and also those concerned with the anti-corruption act.

15.2.6 Policies against corruption covers personnel administration from the selection, promotion, training, evaluation of the performance of employees and compensation. All supervisors are required to communicate and make understanding with their employees.

15.2.7 The company has established a system of internal controls to ensure operational efficiency and to reduce exposure to the business. It is a tool that helps to reduce opportunities and motivation for abuse and corruption to a minimum, such as segregation of duties between employees who authorized the payment and employees who pay cheque. The Company also set tracking process to promptly report to management about the causes of defects or irregularities situation. The system can improve the preventive appropriately in assessing the internal control system. Internal Audit Department is an important part of the process.

## 15.3 Respect for human rights

The company has a written policy on human rights. The company treats their employees and community stakeholders with respect for their human values. Taking into account of living, caring and helping each other in suffering time as the basic of subsistence, the company maintains the privacy of employees' information and encourages employees to exercise their rights as good citizens constitutionally and legally

## 15.4 To treat all labor forces fairly

Because employees are a key part of the business to grown sustainably. The company treats every employee equitably. The employees shall receive reasonable compensation based on their wages including reasonable overtime pay. They shall have weekly holidays, annual vacation as well as maternity leaves so that employees can work to their full potential and also have more time for family. The company provides freedom in making comments or complaints by setting up communication channels. The company is concerned with employees' health and safety protection by making the office atmosphere to be a nice work place that enhances productivity. The Company used a bulletin board to share

knowledge to employee moreover, The Company has held a morning meeting to exchange experience in the operation, discuss problems to find suitable solution together. We encourage our employees to be lecturer in training inside the company to develop their skills as an expert and creating a knowledge sharing culture in the Company

#### 15.5 Consumer Responsibility

The Company has a policy in treating all customers in the areas of credit facilities and after-sales service. The company pays attention to a good service with an aim to give customers the maximum benefit and satisfaction by providing speedy and efficient customer service. Moreover, the Company also maintains customers' confidentiality and never abuses the information for the benefit of the customer itself or its associated persons. With regard to the car price, the company reasonably offers the car prices and giving sufficient information about the realistic characteristics and quality of the car to buyers so that they could have more sufficient information for their decision making.

#### 15.6 Environmental care

The Company encourages employees to have more a concern in using of office equipment, water supply, electricity, telephone, air-conditioning, papers save and cost-effectively. The company improves employees' uniform that suits the climate change by using of environmentally friendly products so that the employees have been involved in the natural environment conservation campaign The Company has prepared projects and activities as follows:

The company has cultivated the habit of saving energy and resources to employee, such as turning off lights and air conditioning when not in use. The Company has reduced unnecessary paper use by e.g. printing double sided used recycle paper, giving fabric bags to employee in order to support the abolition of plastic bags, limited car parking to reduce used of private car as indirect energy savings. Moreover, the Company also saves energy such as use energy saving light bulbs.

#### 15.7 Community development or social

The company has a policy of social and community responsibility as a whole. The company regularly organizes recreation activities so as to contribute to the better quality of life of the community, either on its own arrangement or joining hands with the government and the community. The company has a quick and effective response to any situation that has an impact on the environment; and always gets full cooperation from the community as well as related agencies.

The company always supports creative social activities. The employees should have a sense of social contribution. As well, the company also promotes education, religion, ethics and good health. The company recognizes the importance of the quality of children and youth of the country; and gives scholarships and equipment to schools in Ban Nong Ngu Lueam (Prajaraath Bamrung) School, Muang Nakhon Pathom ,Nakhon Pathom province so at to promote and encourage the youth to have a better quality of education. The company recognizes the importance of education and has continuous policy in supporting the education of the youth in the future. The quality of growing youth population will result in Thailand moving forward firmly.

15.8 The innovation and the dissemination of innovation derived from social, environment and stakeholder responsibility.

The company's hire purchase business is concerned with social development in term of enhancing the quality of life of people in the society by the financial support to the population so as to have more chance to buy a car with their

ability to pay the installment. The Company has reviewed the work process and more effective service. The company jointly works with the insurance company, the business partners and encourages customers to buy car insurance, i.e. to protect the car that has to be repaired or replaced when having an accident. Moreover, the insurance can cover the car hire purchase facilities, whereas the insurance company will be responsible for payment of all remaining lease amount on behalf of customers in case of disability or death. The company also jointly works with commercial banks so as to reduce the use of checks by means of using electronic funds transfer system. The work procedures has been developed successively and finally become the standard operations of the Company. This is considered as the innovation that helps enhance the quality service to society and add value to the company.

## Related Transaction

## 1. Summary of related transaction between the Company and related person who may have conflicts as of 2015, 2016, and 2017.

Related person who may have conflicts of interest	Relationship	Description	Pricing policy	Value of Transaction (THB)			
				2015	2016	2017	Outstanding creditor/debtor 2017
1. Mida Asset Public Co., Ltd.	Major shareholders of the Company and have common Management and Directors *	1. The Company purchased air conditions, office equipment, and computer system from MIDA to install at the office and branches of the Company and Expenses on stationary, building insurance, and advertising etc.	Actual purchase price as market price	662,322	1,219,902	1,122,114	138,608
		2. Guarantee fees 1,000 million Baht	Rate of 0.25% per annum	208,330	-	-	-
		3. Short term loan.	Interest rate of 6.4 -7.5% p.a.	-	-	-	-
		4. Interest	Actual interest rate as market price	293,137	-	-	-
		5. Short term loan.	Interest rate of MLR+0.25% p.a.	48,500,000	-	25,500,000	25,500,000
		6. Interest receivable	Actual interest rate as market price	1,608,811	1,815,013	342,318	56,055
2. Max Hotel Co. Ltd.	- Common Directors and Management, Mr. Wisood leosivikul	Accommodation fee and food & beverage	Market price	115,652	12,523	52,523	-
3.Mida Add Co.Ltd.	- Common Directors and Management, Mr. Wisood leosivikul	Advertising expense	Market price	-	320,000	160,000	-
4.The Retreat huahin Co.,Ltd.	Common Directors and Management, Mr. Wisood leosivikul	Accommodation fee	Market price	2,336	36,830	202,206	-



Related person who may have conflicts of interest	Relationship	Description	Pricing policy	Value of Transaction (THB)			
				2015	2016	2017	Outstanding creditor/debtor 2017
5. Mida Asset Management Co., Ltd.	A Subsidiary Mida Leasing Held 99%	1. Short term loan.	Rate of 5.2% per annum	24,900,000	155,000,000	155,170,000	155,170,000
		2. Interest	Rate of 5.2% per annum	409,315	135,410	8,023,828	14,659,020
		3. Interest receivable	Rate of 5.2% per annum	-	101,574	-	-
		4. fees	Market price	-	-	3,110	3,110
		5. Consultant Fee	Contract price	-	-	300,000	300,000
		6. building lease fees	Contract price	-	-	150,000	150,000
6. MD Adrenaline (Thailand) Co.,Ltd.	Common Directors and Management, Mr. Wisood leosivikul	Service revenue	Contract price	200,000	200,000	200,000	214,000

Note: \* The Company and Mida assets Pcl. have 5 co-management and directors, which are (1) Mr.Wisood leosivikul (2) Mr.Somsak Saksuthaporn (3) Ms Roongrawee lampongpaiboon ,(4) Mr.Sorasak leosivikul

(5) Mr.Eakachai leosivikul in which the first 2 Directors are co-management.

\*\*Update December 31, 2017

## 2. Necessity and reasonableness of the transactions

The related transactions described above are considered necessary and reasonable as those are determined by normal business practice, based on the market price, and are not considered as special conditions between the Company and related parties. The fee is determined in accordance with normal rate that is comparable to other non-related parties. The Company anticipates these transactions to continue in the future.

## 3. Measures or approval process for the related transactions

The Board of Directors of the Company reviewed and approved all related transactions in the past, even though the Company had not determined the approval process for the related transactions, as it was a limited company. However, the Board of Directors considered the entering into related transactions based on the best interest of the Company.

For any future related transactions, the Company has the policy of having the Audit Committee of Mida Leasing Public Company Limited reviews and approves the transactions prior to the occurrence of related transactions. Member(s) who may have conflict of interest shall not be involved in providing opinions on the related transactions.

However, the related transactions will be performed based on the rationales and necessity of the Company, in which the compensation should be in accordance with the fair market price and the Audit Committee shall provide opinion on those transactions.

## 4. Policy on the related transactions

The type of related transactions anticipated to occur in the future are the office space sub-contract from the sales commission paid to Mida Assets Public Company Limited in introducing customers to the automobile hire-purchase services of the Company. In case of future related transactions, the Company has the policy to operate as a normal business practice. The Company will request Audit Committee or external auditor or independent expert to review and provide opinion on the reasonableness of the price and the necessity and reasonableness of the transactions.

Board of Directors of the Company shall comply with the law governing securities and securities exchange and the provisions, notifications, orders or regulations, of the Stock Exchange of Thailand relevant to the related transactions and the acquisition and disposal of assets of the Company and its subsidiary according to the Thai Accounting Standards and the Institute of Certified of Accountants and Auditors of Thailand.

If the Company is to perform any related transaction with persons who may have conflict of interest or may have conflict of interest in the future, the Audit Committee will provide opinion on the necessity and reasonableness of that transaction. In case the audit committee has no expertise in such transaction, the Company will arrange for an independent expert or external auditor to provide opinions, which will be used as a basis for decision-making by the Board of directors or the shareholders, as the case may be. The Company will disclose all related transactions in notes of the financial statements audited by the external auditor.

Other Relevant Information
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<b>Name</b>	: Mida Leasing Public Company Limited
<b>Nature of Business</b>	: Automobile hire-purchase services and management of non-performing assets
<b>Head Office</b>	: 48/2-5 Soi Changwattana 14 Changwattana Rd. Thungsonghong Laksi Bangkok 10210
<b>Company's Registration No.</b>	: 0107574700532
<b>Telephone</b>	: 0-2574-6901
<b>Fax</b>	: 0-2574-6902
<b>Registered Capital</b>	: 1,597,194,466 ordinary shares as of 31 December 2017  Issued 1,064,796,636 shares and paid-up share capital 532,398,318 baht per value is Baht 0.50
<b>Registrar</b>	: Thailand Securities Depository Co., Ltd.  93, 14th Floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
<b>Auditor</b>	: Mr. Somckid Tiatragul  Certified Public Accountant Registration No. 2785  Grant Thornton CO.,LTD.  18th Floor Capital Tower, All Season Place, 87/1 Wireless Road, Lumpini, Bangkok 10330.

## Address and Contact Information of Head Office and Branch offices

HQ/ Branch Office	Address & Contact Information
Head Office	Add: 48/2-5 Soi Changwattana 14 Changwattana Rd. Thungsonghong Laksi Bangkok 10210 Tel: 0-2574-6901 Fax: 0-2574-6902
Nakorn Pathom Branch	Add: 35/8-9 Moo.5 Petkasem Rd. Iujphaya Maung Nakornpathom 73000 Tel: (034) 244-250-1 Fax: (034) 244-252
Nakorn Sawan Branch	Add: 132/2 Moo 10 Phahon Yothin Rd. Nong Krot Maung Nakornsawan 60240 Tel: (056) 200-770 Fax: (056) 200-771
Nakornrachasima Branch	Add: 1015 Moo.4 rajsima - pakthongchai Rd. nongjabok Maung Nakornrachasima 30000 Tel: (044) 357-101-3 Fax: (044) 357-106
Rayong Branch	Add: 222/10 Moo4. Bypass Rd. 36 Choengnoen Maung Rayong 21000 Tel: (038) 018-640 Fax: (038) 018-641
Chumpon Branch	Add: 59/6-7 Moo.11 Chumpon – Ranong Rd. Wangpai Maungchumpon Chumpon 86000 Tel: (077) 658-757,658-759 Fax: (077) 658-758
Udonthani Branch	Add: 419/15-16 Moo 7 Robmaung Rd. Markkang Maung Udonthani 41000 Tel: (042) 230-112-4 Fax: (042) 230-115
Pitsanulok Branch	Add: 59/10 Moo 7 Pitsanulok - wangthong Rd. samorkae Maung Pitsanulok 65000 Tel: (055) 320-045 Fax: (055) 320-046
Chiangmai Branch	Add: 236/91 Moo1 Mahidol Rd. Nonghoi Maung Chiangmai 50000 Tel: (053) 140-211-3 Fax: (053) 140-214
Ubonrachathani Branch	Add: 1-3 Soi Chayangkool 36 Chayangkoo Maung Ubonrachathani 34000 Tel: (045) 317-555-7 Fax: (045) 317-558
Khonkean Branch	Add: 588/13-14 Moo.5. Maungkao Maung Khonkean 40000 Tel: (043) 340-336-7 Fax: (043) 340-338
Surat Thani Branch	Add: 16/27 Moo.3 Liangmuang Rd. Bangkung Maung Suratthani 84000 Tel: (077) 310-188 Fax: (077) 310-189
Krabi Branch	Add: 16/12-13 Moo 11 Phetkasemt Rd. Krabinoi Maung Krabi Krabi 81000 Tel: (075) 650-606 Fax: (075) 650-607
Hadyai Branch	Add: 142/29 Moo.7 Lopburirames Rd. thachang bangklam Songkla 90110 Tel: (074) 536-581-2 Fax: (074) 536-580
Chiangrai Branch	Add: 8/9-10 Moo.22 Wiengburapha Rd. Robwieng Maung Chiangrai 57000 Tel: (053) 602-768 Fax: (053) 602-769
Phetchaburi Branch	Add : 60 Moo.2 Petkasem Rd. Raisom Maung Phetchaburi 76000 Tel : (032) 402-427-8 Fax: (032) 402-429
Surin Branch	Add: 259/8 Moo.7 Surin-Sikhoraphum Salakdai Maung Surin 32000 Tel: (044)530-831-2 Fax: (044)530-833