



ANNUAL REPORT 2013

G Capital Public Company Limited





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Vision

Our vision is to be the leading company that integrated loan services of agricultural machinery with a different and various services. The services are transparent, fair and meet all customers' needs, invent and integrates information and knowledge to develop staff and financial tools to expand and create the Company's business. We focus on adding more values to products and services to customers, partners and company with sustainability.

Mission

1. To integrated loan services with a different and various.
2. To invent financial innovation that expand and create the Company's business.
3. To develop services to be excellence with convenience, speed and fairness for customers' satisfaction.
4. To develop the staff with knowledge and skills to move with the current economy.



Message from Chairman and Managing Director



Mr. Yongyuth Tariyo

Chairman of the Board



Mr. Santi Hokittikul

Managing Director

The world economy in 2013 has been recovering continually but there are always fluctuations throughout the year. In particular, there are the fluctuations from Financial Crisis in United States Economy. The EU economy remains vulnerable in the past year, yet gradually recovering. While the Japanese Economy has faced Yen appreciation against Dollar in the beginning of the year, effecting export sector which is very important to Japanese economy. Anyway, around the end of 2013, the yen began to weaken, resulting in the accelerated expansion of the Japanese economy. And China's economy was likely to slow down due to slow lending and loan control system which was a result of the rising rates of the risk-bearing debts of the banks in China.

The economic, political and social situations in 2013 remain volatile and uncertain. The Bank of Thailand has assessed the overall economic growth in 2013 to be 2.9 percent, which was down from the previous year. In addition, the Office of Agricultural Economics assessed the Agricultural Economics in 2013 to be expanded about 1.1 percent, which is 3.0 percent expansion in the plant section, 1.3 percent growth in livestock, -7.2 percent in fisheries, 1.1 percent in agricultural services and 3.8 percent in the field of forestry.

Thailand's economic growth was increasing and the expansion of crop was quite in a satisfactory state in the first half of 2013 due to the government's stimulus measures, such as raising the minimum wage, refunding Tax for first car, intervention in agricultural commodity prices, water management and Agricultural Zoning, etc. But in the second half of the year, the economy has slowed down, because government stimulus gradually ended and the delay in the disbursement of government projects, affecting the debt burden of households have raised

and lacked of liquidity. The household sector was careful in spending and financial institutions have tightened their lending as well. 2013 is another year that challenges the business's operations of the Company, both in business strategies and corporate management to lead the organization to the set goals.

In the past year, the company intended to expand and enhance the leasing of agricultural machinery continually. All lending has been done with care and consideration. Also the company's receivables management, risk management, costs and operation cost management has been operated for the Company's optimum benefit. This year, the Company has stepped to further success by registering on the Market for Alternative Investment (mai) on 17 December 2013. The Company has seen the registration as a huge progress which the Company, shareholders, partners, customers and employees could be proud of. The Company used the money from the capital raise as our working capital and for business investment.

In 2013, the Company reported net profit of 42.81 million baht, rose 31 percent compared to last year, which is the highest profit since the Company has established. This superb performance demonstrated effective management and reasonable strategy planning, resulting in making the Company to satisfactorily operate among all risks and uncertainty.

In 2014, the Company has reviewed the plans, strategies and operations of the Company by focusing on discovering and developing services with creativity to meet the diverse needs of clients, to give them convenience and satisfaction during services. The Company improves processes and systems to be more effectively by bringing in appropriate technologies and innovation. The Company also develops employees to have professional knowledge and be able to keep up to changes and also raises the quality of service to move towards excellence in providing a full range of agricultural credit.

On behalf of the Board of Directors, management and employees, we would like to take this opportunity to show our commitment to our shareholders, valued customers, business partner and stakeholders who are part of our company's success. Our Company is committed in Good Governance and sustainable growth with transparency, fairness and ethical accountability in business. The Company always focuses on the benefits of shareholders and stakeholders, along with social and environment responsibility. We are ready to bring forward the agricultural development of Thailand and dedicate to build a successful career in agriculture for customers to strengthen their quality of life, family, community and society and ensure sustainable growth in the future.



(Mr. Yongyuth Tariyo)
Chairman of the Board



(Mr. Santi Hokittikul)
Managing Director

Board of Directors and Advisory for the Board



Mr. Yongyuth Tariyo
Chairman of the Board



Mr. Boonsak Chiempricha
Director and Chief Executive Director



Mrs. Wipada Tantiprabha
Independent Director and
Chairman of Audit Committee



Mr. Suvit Maesincee
Independent Director and
Audit Committee



Mr. Prameson Pisitpan
Independent Director and
Audit Committee



Mr. Tawee Khositjiranun
Independent Director and
Audit Committee



Mr.Chinavais Sarasas
Director



Mr. Nattaphon Sarasas
Director



Mr. Santi Hokittikul
Director and Managing Director



Mr. Supot Singhasaneh
Chairman of the Advisor for
the Board of Director



Mr. Boonson Janechaimahakoon
Advisor for the Board of Directors

Executives Management



Mr. Santi Hokittikul
Director and Managing Director



Mr. Chumnun Kunnaratana
Deputy Managing Director



Mr. Sutthi Sripratum
Deputy Managing Director



Mrs. Sivapun Sriampai
Vice President of Finance and Accounting



Ms. Panida Jangkit
Vice President of Marketing
Support Department



Mr. Niton Chaiyanate
Business Development Manager and
Company Secretary

Financial Information Highlight

Unit : Thousand Baht

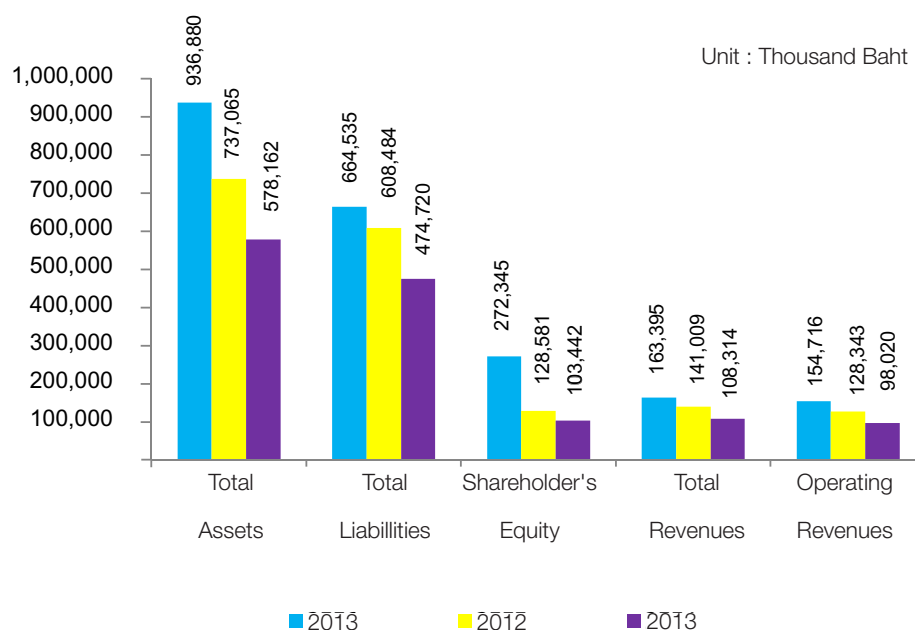
Financial Statement	2013	2012	2011
Total Assets	936,880	737,065	578,162
Total Liabilities	664,535	608,484	474,720
Total Shareholder's Equity	272,345	128,581	103,442
Total Revenues	163,395	141,009	108,314
Operating Revenues	154,716	128,343	98,020
Net Profit (Loss)	42,814	32,639	16,642
No. of employees (people)	37	33	32

Financial Ratio

Current Ratio (times)	0.78	0.50	0.69
Gross Profit Margin (%)	13.24	13.98	13.11
Net Profit Margin (%)	26.20	23.15	15.36
Return on Equity (%)	21.36	28.13	16.58
Return on Asset (%)	5.12	4.96	3.09
Debt to Equity Ratio (times)	2.44	4.73	4.59

Information of a Share

Earnings (Loss) per share (Baht)	0.28	0.22	0.11
Dividend payment per share	0.13	0.125	0.09
Book value per share (Baht)	1.36	0.86	0.69





Corporate Profile

Company Name	G Capital Public Company Limited
Stock Code	GCAP
Registration Number	0107555000031
Type of Business	Hire Purchase for Agricultural Machinery
Authorized Share Capital	100,000,000 Baht
Issued and Paid-up Capital	100,000,000 Baht
Par Value of Share	0.50 Baht per share
Head Office	161/1 SG Tower 8 th Floor, Soi Mahadlekluang 3 , Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel : 02-651-9995 Fax : 02-651-9553
Investor Relations	Tel. 02-651-9995 Ext.403 E-mail : nitanc@gcapital.co.th
Home Page	www.gcapital.co.th

Securities Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Ratchadaphisek Rd., Bangkok 10110, Thailand Tel : 02-229-2800 Fax : 02-359-1259
Auditor	Mr. Vichai Ruchitanont CPA License No. 4054 ANS Audit Company Limited 100/72, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok 10320, Thailand Tel : 02-645-0101 Fax : 02-645-0110
Internal Audit	Office of Pitisevi Company Limited 8/4 Floor 1,3 Soi Vibhavadi Rangsit 44, Vibhavadi-Rangsit Rd., Ladyao, Chatuchak., Bangkok 10900 Thailand Tel : 02-941-3584 Fax : 02-941-3658

Background and Important Developments

G Capital Public Company Limited (“the Company” formerly known as G Capital Company Limited, was found on 18 August 2004 with initial registered capital of Baht 1 million as a Shareholder’s Agreement for a hire-purchase business between Song Nam Company Limited which is a group of executives who have experience and expertise in the leasing business with Government Savings Bank. The initial aim was to run a pioneer business of hire purchase of agricultural machinery in Thailand under the concept of “Fast Loan to progress Thai Agriculture”

From the concept and vision of the management that want to financially support farmers to easily access to capital, the farmers now have up-to-date agricultural machinery to use to optimize their planting, harvesting and processing of agricultural products, resulting the better living and income that is more stable and sustainable. The concept and vision has enabled the business of the Company to expand rapidly and get support from customers continuously.

Important developments of the Company are as follows:

August 2004 - Company Incorporation With initial registered capital of Baht 1 million from the issuance of 10,000 ordinary shares at par value of Baht 100 intending to operate in hire-purchasing of agricultural machinery. The Headquartered resides at SG Tower Building, 8th Floor, 161/1 Soi Mahadlekluang 3, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330.

June 2005 - The Company increased its share capital to be Baht 25.00 million by issuing 240,000 ordinary shares of par value of Baht 100 to be used for investment for expansion. The capital was allocated to existing shareholders of 177,500 shares and the Government Savings Bank of 62,500 shares under the shareholders’ agreement resulting the Government Savings Bank shares in the Company increased to 25 percent of the paid-up capital, and Song Nam Company Limited holds 75.00 percent of the paid up capital.

October 2005 - The Company increased its share capital to Baht 50 million by issuing ordinary 250,000 shares at par value of Baht 100 to be used for investment for expansion. The Shares were allocated to existing shareholders in proportion.

January 2006 - The Company signed a memorandum of understanding for hire-purchase loan for rice combine harvester combine project with Thai Agriculture Machinery Company Limited, a major supplier in the industry. The Company was a pioneer in the business of hire-purchase of agricultural machinery in Thailand without the use of land as collateral.

July 2006 - The Company increased its share capital to Baht 75 million by issuing ordinary shares to 250,000 shares at par value of Baht 100 to use for investment for expansion. 37,500 shares was allocated to Song Nam Company Limited and 212,500 shares was allocated to the Government Savings Bank, resulting the Government Savings Bank shares in the Company increased to 45 percent of the paid-up capital, and Song Nam Company Limited holds 55 percent of the paid up capital.

March 2008 - The Company initiated multi-purpose loan project to expand customer base as well as to provide a full credit services. The project allowed customers to bring non-obligated combine harvesters to use as collateral to the Company.

September 2010 - The company has changed the structure of its shareholders as follows:

(1) Song Nam Company Limited has acquired the Shares from Government Savings Bank accounted for 10 percent of the paid up capital. The stake of Song Nam Company Limited rose from 55 percent to 65 percent of the paid up capital.

(2) The Government Savings Bank sold shares to the Government Savings Bank Mutual Fund in the proportion of 24.99 percent, and sold shares to the shareholders in proportion of 0.01 percent of the shares and sell shares to the Song Nam Company Limited of 10 percent of the paid-up capital resulting the proportion of shares held by the Bank decreased from 45 percent to 10 percent of the paid up capital.

- The company has launched “G Cap Call Center” to provide information and coordination with clients in many areas such as supplying a rice harvester harvesters, areas for rice harvest, truck for transportation a agriculture machine, providing information for rice area as well as providing consultancy services for harvest workers and so on.

February 2012 - The Company transformed to a public company and changed the par value of Baht 100 per share to 0.50 baht and 75 million baht registered capital from Baht 100 million was allocated for offering 50 million shares to the public.

November 2012 - The Government Savings Bank has sold all shares they held which were 10 percent of the paid up capital. 5 percent of the paid up capital went to The Government Savings Bank's Private Fund by UOB Asset Management (Thai) Company Limited, The other 5 percent of the paid up capital went to UOBUnited Overseas Bank's Private Fund by United Overseas Bank's Asset Management (Thai) Company Limited.

April 2013 - The Government Savings Bank Mutual Fund sold all shares of 24.99 percent of the paid up capital. 12.50 percent of the paid up capital were sold to The Government Savings Bank Private Fund by UOB Asset Management (Thailand) Company Limited, and 12.50 percent of the paid up capital were sold to UOB Private Fund by UOB Asset Management (Thailand) Company Limited, resulting both private funds' equity

November 2013 - The company sold shares to the public of 50 million shares at par value Baht 0.50 per share, representing 25 percent of the total shares

December 2013 - The company listed first trading day in mai stock market on December 17, 2013



Nature of Business

The main business of the company can be divided into 3 parts as follows:

1. Hire purchase loan
2. Multi-Purpose Loan
3. Other loan services

1. Hire Purchase Loan

The company provides hire purchase loan of agricultural machinery in a variety of categories including , Rice harvester combine, Crawling Rotavator, Farm Tractor, Wooden and Sugar cane loader, Grain Dryer , etc.

Agricultural Machinery for Hire Purchase Loan

Rice harvester combine



Crawling Rotavator



Farm Tractor



Wooden Loader



Sugar cane loader



Grain Dryers



2. Multi-Purpose loan

The multi-purpose loan is to provide credit services for working capital. The loan services are included spare parts loan, Maintenance loan, loan for new machine down payment. The clients use a multi-purpose loan by using a ownership document for apply

3. Others Services

The company provides accident insurance service for agricultural machinery and the company have "G Cap Call Center", that create a develop from database to customer service to provide information and coordination with clients such as a supplying rice harvester combine, trucks for transportation a agriculture machine, consultancy service for harvester worker.

In 2013, G Capital Public Company Limited remains focused on providing loans for the agricultural machinery. As the Company operated this business since the Company was founded; we have knowledge, expertise and experience in the business for a long period of time.

Marketing and Competition

1. Customers

The prospects of the Company are engaged in agricultural customers or operator in agricultural sector or other occupations that are involved in agriculture. Our customers will use agricultural machine for their occupations, both personal use and services

Hire Purchase Loan Providers

The providers can be divided into 3 main groups as follows:

- (1) Providers who are joint ventures of car companies
- (2) Providers who are financial institutions and companies with large capital base
- (3) General Loan Providers

According about the Bank of Thailand has set up the plans to develop financial institutions system and allow banks to provide hire purchase and leasing loans, and financial institutions have had a policy to expand the financial services, the competition in the business of hire purchase and leasing was deteriorating, which affected the pricing and the service. Decreasing interest rates and down payment are used as a competitive strategy to gain sales and market share.

However, the Company operates hire purchase loan for agricultural machinery only. Currently, the competition level is not intense as car and motorcycle loans, due to the nature of the product to be hire-purchased are agricultural machinery which the sales is lower than cars and motorcycles and our customer's base consists mostly of farmers, whose incomes depending on the agricultural production. This business needs to be carefully analyzed so the loan providers who are financial institutions and companies which have large capital base still have no policy to provide a loan services for the agricultural machinery yet. In addition, this kind of loan also requires connections through partners who are a manufacturer of agricultural machinery in the market, so the reason above is a threats of new loan provider to entering the business. The current competition is limited to a group of entrepreneurs and distributors of agricultural machinery that provide their services to customer. The customers will make their decisions based on the down payment, interest rate, installment period and the convenience of the financial services.

Competitive strategy

1. Differentiation Service Strategy

The Company has a policy for the development of financial services to have variety and diversity and integration to maintain customer base. As well as prevent a competitor in business in the future. The Company has the advantages of being a pioneer in this business; we have the insight of the behavior of customers and farmers. This enables the company to develop financial services to meet the needs of the clients as well. Throughout the period the Company has developed our integrated financial services to clients such as multi-purpose loan, maintenance loan, spare parts loan, etc.

The Service of our company is fast and convenient to the customers, we serve our service at their customer doors. Our staff will visit our customers in short time and treat them like a close relative. This approach is consistent with the behavior and characteristics of our customers, making them feel confident and comfortable. There is no need for them to travel to make financial transactions as the general financial institutions require. In addition the company has launched the "G Cap Call Center" to provide information and coordination for resolving customer issues, etc. Besides, we also provide after sales service by having our staff contact the customers to keep up with their status, problems and occupation's obstacles, so the Company can help and find solutions for them.

2. Diversify Business Strategy

The Company has a policy in diversify of agricultural machinery loan service. We have been researching on different types of agricultural machinery related to cultivation of farmers continually. Especially agricultural machinery that related with economic plants in Thailand such as rice, corn, sugarcane, cassava, oil palm and rubber in order to make the operations of the company not relying on only one type of agricultural machinery and we also find more partners to join.

However, we have to analyze and consider such factors regarding the diversify of agricultural machinery loan and operating with more partners. The factors to be analyzed are as follows:

- The consistency of trends in crop plants that is marketable on the type of agricultural machinery.
- Performance and potential to generate revenue for the farmers on the type of agricultural machinery.
- Analysis of the participating partners, they must be a manufacturer and/or distributor of products with quality standards that meet demand of customers and they must be well-known among farmers who use machinery.

3. Marketing Promotion Strategy

The Company held many marketing promotions such as event marketing, and organizing road shows with our partners to encourage customers to purchase and use the company's financial services more easily, such as giving lottery tickets from Government Savings Bank, DVD players, home theater, motorcycle, accident insurance of agricultural machinery, interest-free period, free name card to customers and expanding the loan period to the customers.

From the information we have for the past marketing activities, providing interest-free period to customers has been successful because such promotion can attract the attention of customers to use the

Company's services and meet the needs of customers.

The Company has a policy of discounting the payment at the rate of 3.00 percent per year for the payment before due. In addition, the Company also provides other incentive for customers who pay by due.

However, the Company continues to develop ideas and to promote consistent and appropriate marketing activities In order to continually increase the amount of customers who use the service and have them repeat the purchase in the future.

4. Advertising and Public Relation Strategy

Advertising and Public Relation strategies can make the customer to understand the loan service of the Company. It also enables the company to expand its customer segments to those whom never use our services and turn them to be our new customers and also to retain existing customers of the company by acknowledging them the various services the Company have been providing. In addition, implementation of Advertising and Public Relation strategies can promote a positive image to the Company.

However, PR activities of the Company must access to the target customers. The company's publicity through various media channels to reach target customers of the company, such as local radio, community radio, road show with partners, magazine advertising, billboards advertising, brochures, phone messaging, publicity through government department, etc.

5. Target Customer Strategy

Most customers who use loan services of the Company come from road show activities the Company cooperated with partners and from the previous customers whom stay in the upper and lower regions of the North of Thailand and the lower of the North East of Thailand in which the partners of the company operate their business. From 9 years of business operations and the continuing study of other types of agricultural machinery, the Company has more understanding about farmers in various areas and has more knowledge of agricultural areas in each province. There is the use of the same type of machine but different brands in some areas, or in some areas the demand of machinery is higher than the machines having in the areas. This information helps the Company to set the strategy to penetrate our customers by increasing service centers to expand new customer base and to reduce travel expense of staff. However, the factors for increasing service centers are as follows:

- The area has to have plenty of agricultural areas with the potential for crop cultivation.
- There is increasing trend of demand in the area agricultural machinery due to the previous customers demand for repeat purchase to replace the old/dilapidates machines.
- Agricultural machinery in the area is inadequate to the needs of farmers.
- The area where the demands of group of new farmers want to purchase agricultural machinery for their profession increases.
- The area within service areas of the Company
- Target area of the partners of the Company to penetrate into the market

6. Corporate Image Strategy

The Company has been providing agricultural machinery loan services since 2006 and has received warm welcome from farmers who are customers of the Company, resulting in the good reputation and trust among farmers, along with manufacturers and distributors. Corporate Image strategy needs to be operated together with PR and advertising strategy to build trust and loyalty to related parties. In the past the Company has corporate image strategy such as giving awards to customers with payment on due date, training on how to successful in rice harvesting business, "Golden Rice Harvesting Service Provider" article contest that successful customers can share their success stories. Moreover, the Company has donated money and equipment to educational institutes and hospitals and also the Company has supported youth anti-drug abuse activities.

7. Customer Relationships Strategy

The Company launch "G cap Call Center" services to coordinate and made a network in agricultural segments and service to customer in many side such as provide information and coordinate with clients for supplying a rice harvester combine, trucks for transportation and consultancy service for harvester worker, in this service is free of charge.

However, the "G Cap Call Center" is considered to be the innovative service the Company provides to customers. We adopts customer database to develop a systematic way to provide ultimate benefits to our customers which creates good relationship between the Company and the customers and the service also provide strengths to the Company.

8. Partners Relationship Strategy

To maintaining and keep a good relations with the partners is significantly importance as the partners have taken their parts in driving customer's decision to apply for loans service from our company as in the past, farmers has behavior that they accept and trust their manufacturers. Moreover, the partners give information and advices for loan services, they help matching loans with customer's requirements. In the past the Company has provided financial services to add value and loyalty to products of our partners and arrange the meetings to exchange information. The Company uses the information regarding operation problem received from the meetings to find solutions continually and are in cooperative with all activities of our partners.

9. Marketing Information Strategy

Marketing information is important in marketing operations. The customers of the Company are unique behavior and don't have a information research and study on them. Therefore, the Company focuses on finding market information directly with inquiries from customers or indirectly by using the information from the experts who work with farmers. The information will be used to improve and enhance the future services of the Company.

Pricing Policy

The Company has a policy for determining the interest rate is reasonable and fair to customers. The Company will consider the trend in interest rates in the market compare with others loan provider in the business of hire purchase with other various factors. The company will use the information to determine the down payment and installment term to payment. The factors are as follows:

1. Costs of interest rate that the Company has currently and other trends that will affect the costs, such as national economic conditions, the changing trend of interest rates in the money market, the action of government that might affect business operations of the company.
2. Costs of operations of the Company
3. Conditions of agricultural machinery that is used as collateral in the hire purchase, including the type and brand of the product, warranty and the lifetime of the product.
4. Qualifications of the customer and guarantor

Distribution Channels

To apply for hire purchase loan from the Company, customers will be contact by using these 3 following channels:

1. Directly contact to partners of the company. The partners will advice customers for loan service of the Company.
2. Contact the Company at Customer Service Center located at the offices of the manufacturers or distributors.
3. Contact the Company directly through our head quarter or the website. In the past the Company provides services through channel 1 and 2. The Company has a policy to engage in the mutual benefit of all parties to ensure that the Company can maintain a good relationship with all business partners. The Company is confident that we will be operating smoothly and building a good relationship with all the agricultural machinery companies.

As of 31 December 2013, the Company has one head quarter and 6 service centers with regular staff in the shop of our distributors. The 6 service centers are located in Phitsanulok, Chachoengsao, Khon Kaen, Surin, Ubonratchathani and Chiang Rai.

Business Overview

The Company engages in the business for hire purchase of agricultural machinery for both new and used machinery including rice harvester combine, crawling rotavator, farm tractors, wooden and sugar cane loader, grain dryer, etc. The Company provides loans primarily to customers who are individuals. In addition the Company provides multi-purpose loans to be working capital and additional services to customers who apply for the agricultural machinery hire-purchasing.

The business of loan providing loans for agricultural machinery does not operate under the supervision of the Bank of Thailand as the business of the Company cannot be applicable to loan criteria under the Civil and Commercial Code. So there is no set of maximum rate of interest. However, The Company's business is to sell products to customers which is still under the supervision of the Office of the Consumer Protection Board

which protect customer's right from being taken advantage of, so the interest rate in this document is the interest receivables that the Company expected to receive from lending hire-purchase loan of agricultural machinery and will be included in income from the rights under hire purchase contracts.

Revenue Structure of the Company

(Unit: Million Baht)

Receivables income from hire purchase contracts.	2013		2012		2011	
	Value	Percent	Value	Percent	Value	Percent
Rice Harvester Combine	139.91	85.62	112.59	79.84	86.47	79.83
Crawling Rotavator	1.30	0.79	1.17	0.83	1.25	1.15
Farm Tractor	3.42	2.09	2.34	1.66	0.52	0.48
Wooden and Sugar cane Loader	0.41	0.25	0.38	0.27	0.37	0.34
Grain Dryer	0.01	0.01	0.12	0.08	0.34	0.32
Multi-purpose loan	9.68	5.92	11.75	8.34	9.07	8.37
Total	154.72	94.69	128.34	91.02	98.02	90.50
Income from delay penalty- Hire-purchase loan	7.58	4.64	11.08	7.86	9.30	8.58
Other income	1.10	0.67	1.58	1.12	1.00	0.92
Total income	163.40	100.00	141.01	100.00	108.31	100.00

Business Goals

The company aims to become a leader in providing agricultural machinery loans to farmers. Our focus is to allow farmers to access to finance source so they can have modern agricultural machinery to increase efficiency in planting, harvesting, and processing of agricultural products. The Company has teams with knowledge, experience and understanding and also has good and effective management system to provide services that fast and convenient to farmers. The Company as well commits to conduct business ethically and transparently to ensure customer's confidence and satisfaction in the quality of services.

The company aims to grow steadily with the increase in revenue from expanding group of customers nationwide and expands the range of services in each region of Thailand, along with adding more types of loans to be more variety and integrated loan service including increasing partners and financial tools and finding new customers in businesses with growth potential in responding to customer demands.

Source of fund in the business

Source of Fund

The sources of funds of the Company are as follows:

1. Borrowings from financial institutions in Thailand
2. Equity shareholders consisting of registered capital and paid-up capital and retrained earning
3. Client's installment, after subtracting the operations cost this can be used as financial fund.

Sources of loans from financial institutions and shareholder's equity

Source of Fund	31 Dec 2013		31 Dec 2012		31 Dec 2011	
	Value	Percent	Value	Percent	Value	Percent
	(Million Baht)		(Million Baht)		(Million Baht)	
Loans	634.22	69.96	582.32	81.91	456.41	81.52
Bank overdrafts and short-term loans from financial institutions	-		338.53	47.62	320.86	57.31
Long-term loans from financial institutions due within one year	49.83	5.50	40.01	5.63	95.54	17.07
Other short-term loans	484.71	53.47	203.78	28.67	-	-
Long-term loans from financial institutions	99.68	11.00	-	-	40.01	7.15
Shareholder's Equity	272.34	30.04	128.58	18.09	103.44	18.48
Total Funds	906.56	100.00	710.90	100.00	559.85	100.00

Source: the financial statements of the company as at 31 December 2013

The Company has a policy of financing in accordance with the purpose of the money and time spent on the Company's liquidity and keep a debt to equity ratio in rightness, such as raising capital and finding loans with a period consistent with the age of receivables.

Agricultural Economic

It is forecasted that agricultural economics in 2014 will expand between 3.0% and 4.0%. The will be driven by the production of crops, livestock and fishery which expected increase continues from this year. However, there are some risks need to be monitored closely for dealing with if not may affect agriculture growth negatively, such as world economic condition, currency exchange, oil price as well as natural disasters and plant diseases.

Crop sector tends to increase in between 3.2% and 4.2% in 2014, from main cash crop production such as major rice, maize, sugarcane, rubber and oil palm. However, the water level in reservoir of Bhumipol and Sirikit dams where supply water for planting in lower Northern and Central region still be at risk for water shortage. Moreover, unusual seasons and plant diseases influenced by climate change may ruin the production of second rice, cassava, pineapple and fruits. Therefore, farm gate prices in 2012 are expected higher in this year slightly, especially rice and rubber if world economics recovers positively as expected. Furthermore, there are better economic signs of important trade countries, for instance EU, USA and Japan. This will support export of Thailand in particular agricultural products.

Livestock sector is projected to increase in the range of 2.0-3.0 percent in 2014 compared to the year 2013 because the increasing in products of broilers, eggs, swine and dairy cow. The well management in farm activities in particular disease controlling is indicators to provide the opportunity for this sector to grow. The expansion of livestock production is served for the domestic and international markets. However, the outbreak of epidemics, climate change and high costs may the sector to be at greater risk of production.

The livestock price tends to decline slightly in swine and eggs because of the increasing in production. The

broilers and raw milk prices are expected to be as the same previous year because of high production cost.

The exports of livestock products are predicted to expand because of the market demand and, quality and standard of Thailand's livestock products. The broiler products are still to export to the ASEAN and Middle East countries increasingly, but Japan might drop to import because of economic recession.

Fishery sector in 2014 is estimated to increase round 2.2-3.2 percent because the shrimp cultivation has been solved from the Early Mortality Syndrome (EMS) disease. The Department of Fisheries and the private sector have contributed this situation through promoting the cleaning up shrimp hatchery and importing high quality shrimp breeders from the U.S. and other areas. In 2014, shrimp production is expected to increase by the supported plans including good climate condition. Moreover, inland fisheries are also expected to increase in its production.

The fishery price is predicted to increase slightly in particular shrimp due to the product quality, size and market demand.

In addition, the domestic and international markets have increased in demand of Thailand's fishery products especially major importers such as U.S., EU, and Japan.

Agricultural service sector in 2014 is predicted to expand on the range of 0.8-1.8 percent. The reason is that the planted area of second rice is expected to Decline compared to the previous year due to the less supply of water from the dam. However, the expansion of some major crop areas is still going (e.g. major rice and sugar cane). Moreover, the machinery adaptation goes up is Farm Tractor , Rice Harvester Combine and Sugarcane Harvester Combine because of the shortage of agricultural labor force and higher agricultural wage.

Forestry sector in 2014 is expected to continually increase from the year 2013 by 3.0 – 4.0 percent because the target areas of Eucalyptus field cutting increased as well as the old rubber trees will be replaced by the good quality of new seedlings about 3000,000 Rai. Moreover, honey and Lac trend to increase by the growing demand from the domestic and international markets.

Growth Rates of the Agricultural Gross Domestic Products

Unit: Percent

Sectors	2013	2014e
Agriculture	1.1	3.0-4.0
Crops	3.0	3.2-4.2
Livestock	1.3	2.0-3.0
Fisheries	-7.2	2.2-3.2
Agricultural service	1.1	0.8-1.8
Forestry	3.8	3.0-4.0

Source: Agricultural Economy in 2013 and Outlook 2014, Office of Agricultural Economics

Risk Factors

Risk in business

1.1 Risk of marketing and competition

The hire purchase business for agricultural machinery is not under the supervision of the Bank of Thailand as banks and finance companies need to. This kind of business does not require much capital. Nowadays, the hire purchase business for agricultural machinery is not as competitive as hire purchase business for car and motorcycle. It may cause a risk of new competitors entering the competition in the future. However, as our main customers are farmers, this agricultural machinery leasing business requires expertise to access and understand customers enough to be able to formulate guidelines for loan approval, determine suitable loan period in accordance with the useful life of the machinery and harvesting season which is the source of money to pay the debts of farmers, etc. So the hire-purchase of agricultural machinery is not easy for large financial institutions to enter the market because they are limited by their policy. Now there is no company doing hire-purchase business for agricultural machinery focusing only on Rice harvester combine as the Company. Therefore the Company can be considered to have the highest market share in hire purchase business for agricultural machinery especially for Rice harvester combine. While the other 2-3 operators in the industry have hire purchase loan for Rice harvester combine, but the proportion of lending for rice combine harvester is low when compared to the overall revenue from lending of such companies, because those companies do not focus on lending loan for Rice harvester combine as the Company. The Company has experience of hire purchase business for agricultural machinery for more than 9 years, we have customer database which is a key factor in business. As well as the knowledge and experiences that will enable the Company to approve customer's loans quickly and efficiently, along with the network of marketing partners and network of business partners that we have. As stated before the company has the advantage to overcome hire purchase loan lender for agricultural machinery that might enter the industry in the future.

1.2 Risk of interest rate fluctuation

The core business of the company is hire purchase of agricultural machinery. The main income of the company is derived from the difference in interest receivable rates for the loan that the company defined as fixed rate and the interest rates that the Company borrows from financial institutions which is floating rate. The Company has to take risk of fluctuations in interest rates. In case of the lending rates from financial institution rise, in the long run will result in the Company's finance costs to increase due to the Company's interest rate is fixed throughout the term of hire purchase contract. Therefore, the increase of financial costs would result in the decrease of net interest margin of the Company. To reduce such fluctuations the Company has issued bonds to raise funds from the public in the form of promissory notes, bills of exchange and debentures where the interest rate remains constantly. The Company has a policy of cash flow management by taking loans from financial institutions and has cash-outflow management by using Hire purchase carefully. Moreover, the company can reduce the risk of fluctuations in interest rates on loans of a new hire purchase contract by setting interest rates for

loans reclassified to conform to the current loan rate, resulting the reducing of risk of fluctuations in interest rates at a certain level. Meanwhile, In case of interest rates of money borrowed from financial institutions are expected to decline, the revenue of the Company will increased as well.

1.3 Risk from dependence on sources of fund

The sources of fund that the Company borrows to lend to customers come from loans from financial institutions and funding from the public in the form of promissory notes, bills of exchange and debentures. If based on the Notification of the Bank of Thailand SorNorSor. 36/2008, regarding governing transactions with major shareholders or related lenders for related lending ("The Notification") about standards and ratio of transactions with major shareholders or related lending which prohibits financial institutions (Banks, finance companies and credit foncier), investing and make credit obligations for any transaction similar to credit lending more than 25 percent of the total liabilities of the Company that have related benefit. So if the Government Savings Bank follows the notification the bank must call for loan repay to down the loan level to be less than 25 percent according to the notification. The Actual loan total was in excess of 25 percent, might result the Company to be lack of finances which may affect the operation of the Company significantly. Moreover, the transfer of right under the contract of the loan agreement which the company made in addition to the bank to apply for additional long term loan facilities had identified the conditions that the Company is required to maintain a ratio of debt to equity ratio of 5:1, the Bank will charge an interest rate of MLR - 0.5 if the ratio of debt to equity of the bank is more than 5:1 The Bank will charge the interest in excess of the MLR, which as of December 31, 2013, the Company's ratio of debt to equity was 2.44 times, and if the debt to equity ratio exceeds, the Company must continue to raise capital or to pay interest rates at higher rate of interest under the contract, only for the portion that exceeds the specified rate, which may result in the increase of the Company's financing costs if the Company is unable to comply with the conditions stipulated by the contract.

However, thought the period the Company is identified as a prime customer who always repaid on the due and was never be called on to pay the loan back from GSB earlier. The Company can maintain a debt to equity share as defined by the contract. In addition, the Government savings Bank is the co-founder of the Company from the beginning and has always provided financial support to the Company. Therefore, we believe that the Company will not face the problem by borrowing from the bank. Anyway, the Company aware of such risks, so the Company has a policy to reduce the risk by providing additional sources of fund by equity capital by issuing new shares offered to shareholders and/or the public, finding the financing from other financial institutions such as issuance and offering of the debentures and the issuance of notes in a private placement. As of 31 December 2013, the Company has issued debentures, , for period not exceeding 270 days at the amount 266.65 million baht and issued notes in a private placement in an amount not exceeding 10 editions at the amount Baht 218.07 million.

1.4 The risk of the matching fund between the time period of the loan and Source of fund

The company have a 90 percent of total revenue comes from the hire purchase of agricultural machinery. Normally the lending of hire purchase loan is more than 1 year, while the funding sources of the Company are mainly revolving by issuing a financial instruments, resulting the Company may be at risk of call on or refuse to renew the financial instruments if there is an economic downturn or a change of policy from investors. However, throughout the period the Company has always renewed a financial instruments and the company has excellent financial history of payment of interest and always repaid on the due. The Company is identified as a prime customer of the financial institution and never has trouble being restored loan prematurely. To reduce the risks that may be caused by such problems, the Company has requested and has been granted a long-term loan of Baht 200 million from the Bank as additional capital resources.

Table of hire purchase receivables and liabilities from financial institutions and short-term loans from individuals and other companies

Item	Amount (Million Baht)	percentage to total assets
Receivables	414.09	44.20
Receivables beyond	477.72	50.99
Total hire purchase receivables	891.80	95.19
Short-term loans from individuals and other companies	218.07	23.28
Unsecured short debentures	266.65	28.46
Long-term loans from financial institutions due within one year	49.83	5.32
Net Long-term loans from financial institutions	99.69	10.64
Total Loans	634.22	67.70

Notes: the financial statements of the Company as at 31 December 2013

1.5 Risk from dependence on agricultural machinery partner.

The Company has income from hire purchase, which relies on major manufacturers which is Kasetphattana group of more than 80.00 percent of hire purchase loans for agricultural machinery each year. The Yokubon family, which is a major shareholder of Kasetphattana group (a group comprised of Kaset Phattana Industry Company Limited and Thai Agricultural Machinery Company Limited, a group of manufacturers of rice harvester Combine) has no relationship as directors and/or the management. People with controlling power in the Company including those related to such person are only shareholders of the Company of 2 percent (as of 3 February 2014). Now kasetphattana Group sells agricultural machinery through the Company representing approximately 40.00 percent of the total sales of agricultural machinery. The Company had a memorandum of understanding about the implementation of agricultural machinery programs, such as the Company shall be the operator of agricultural machinery loans and agreement for buy back agricultural machinery from company etc. which may cause the Company to the risk of finding products for credit lending if in the future Kasetphattana Group, the manufacturer does not want to do business with the Company, which may affect the operations of the Company as the Company's main revenue comes from the sale of machinery from the manufacturer. However, throughout the period the business of the Company has created more value and loyalty to the machinery of the manufacturer. The Company added various credit services, such as spare parts loans, loans for

maintenance of agricultural machinery, and loan for new harvester combine, etc. These diversified services from the Company are helpful and can expand the Manufacturer's customer base extensively. These business operations rely on each other, and the company and the manufacture do business together for a long time and have the same goal of doing business which is the success of our customers. This will allow the Company and the Manufacturer to be able to continue being partners in business. In addition, the Company has a policy of expanding the business and had prepared the business plan to expand the types of products for hire purchase and contact other manufacturer to expand the market.

1.6 Risk from managing a return of machinery

In case of receivable cannot payment a installment within due dates, the Company will send notice of warning and notice of penalty to them informing. Meanwhile, the Company will report the matter to customer relationship management department. The department will contact the receivable to discuss for a solution. In case of no solutions, the customer relationship management department will ask the receivable to return agricultural machinery to the Company. The receivable must sign the document of "Returning of hire purchase assets" to the company as evidence. However, in the document of return a hire purchase assets states that the receivable intends to redeem the harvesters combine within a period of 30 days or intends to have an auction.

Which the receivable is required to identify the cause of the return of the agricultural machinery. Then the Company will bring the agricultural machinery back to the the manufacturer for the auction. If the redemption period has passed, the Company shall conduct a public auction to interested parties. In case of no one purchases the returned agricultural machinery, the Company will sell it to the manufacturer. The Company trends to be at risk of selling the returned machinery lower than the receivable debt. Moreover, such machinery might be damaged during being storage. When the damage occurs while maintaining at the manufacturer's factory, the Company shall take care of primary cost of maintenance. If the cause of damage cannot be identified that such damage was caused by any person, the Company can claim the remaining debt from the receivable and/or the guarantor. In case of the company cannot claim for the remaining debt, the Company will absorb the loss of the sale of agricultural machinery. The profit or loss is dependent on the conditions, age of use, and the popularity of the machinery. However, the Company has the policy of setting the allowance for doubtful accounts to be sufficient which can reduce the risk of loss that may occur. If agricultural machinery damage does not cause by the Company, the Company can require individuals who caused damage for their responsibility afterwards.

The company's main customer base is the group of farmers which are quite honest in repayment of the loan. Therefore, the damage caused by them is relatively low. The statistics in the 2007-2013 (see the table below) states that from the total of 84 cases of foreclosure, there are 78 cases have been contacted by the Company, and the customers had returned a asset of hire purchased to the Company accounted for 92.86 percent of the foreclosure.

The table shows the expected losses from detention during 2007-2013

Year	Amount of receivable for annual expected damage in hire purchase contracts		Accumulative Amount of receivable for annual expected damage in hire purchase contracts		Total Receivables in hire purchase contracts	annual expected damage to the amount of receivable under hire purchase contracts
	Number of farmers	Million Baht	Number of farmers	Million Baht	Million Baht	Percentage of hire purchasing per year
2007	1	1.20	1	1.20	194.81	0.62
2008	19	9.56	20	10.76	262.91	3.64
2009	13	3.78	33	14.54	384.90	0.98
2010	10	0.82	43	15.36	348.65	0.24
2011	13	6.70	56	22.06	446.93	1.50
2012	21	9.07	77	31.13	660.94	1.37
2013	7	1.03	84	32.16	677.06	0.15

Note: The expected damage is the net accounts receivable with collateral (if any). The Company has set allowance for doubtful debts in full. Such damage will be decreased when the collateral are auctioned. In addition, the company also has a database to interact with customers or those who are interested to buy second hand agricultural machinery as a channel of distribution of the returned agricultural machinery

1.7 The risk from unpaid overdue liability toward the Company's operations

The company's main customer base is farmers whose incomes are from cultivation of agricultural products. Therefore, when natural disasters such as floods, droughts, outbreaks of pests happen, the ability to pay the debt may be effected. This business can be at risk of overdue payment if the loan approval and internal control not be carefully. However, the Company uses credit scoring and cash flow analysis for the internal control.

In addition, the company has a policy of setting of allowance for doubtful accounts at the rate of 2.50 percent of accounts receivable under the hire purchase loans, along with the assessment of payment histories, age of receivables and expectations regarding the future obligations of customers and the value of collateral when they are foreclosed and compared with the set criteria and will stop recognizing income on accounts receivable when the outstanding over 3 installments. As of 31 December 2013 the Company had over-3-installment-due receivables that are in process of legal action totaling Baht 60.25 million, which net accounted for about 6 percent of net accounts receivable under the hire purchase contract. While the Company set the allowance for doubtful accounts as of December 31, 2012 for Baht 81.99 billion, representing a ratio value of the allowance for doubtful accounts on net accounts receivable around 8 percent, this rate is sufficient for expected damage.

The company has strict loan approval process, including a focus on credit quality by monitoring customer information. The Company has developed a database of customer transactions in the past as well as collecting information about individuals in occupations such as information on brokers for harvester, IT database of Harvester's drivers. This helps the company to analyze the quality of receivables by checking through the

information in the system. Moreover the Company has set the business policy to prevent the risk of receivables overdue by focus on credit quality and collateral. The Company has determined the key measures of business, such as the criteria for loan approval which are clear and strict; also the Company determines the appropriate down payment to match the risk of each receivables and collateral. In addition, the company also provides a strong focus on checks and balance system that our marketing staff and loan analyst check customers' information before the credit committee can approve that to match to the standard of the company. The mentioned process helps the Company to be able to monitor recent receivables status, resulting the loan management can be operated fully to prevent overdue payment, so the Company can reduce and prevent the risk of overdue debt.

1.8 The risk of depend on staff with specialized expertise

Agricultural machinery loan has to rely on credit analysis officers and marketing staff with expertise and experience in understanding the nature of agricultural business. As well as potential customers whose characteristics are different from customers who have income from salary. If the Company loses the staff as above may affect the operations of the company in the short term. In the past year, the Company did not lose any credit analysis officers and marketing staff. There are 4 credit analysis officers as of 31 December 2013 and their average work period is 3 years and 5 months while the Company has 8 marketing officers with average work period of 4 years and 5 months.

However the company created a working system with clear operations manual for staff to follow the same standard and reduce reliance on any officer, and help new staff to work correctly in a short period of time. Moreover, the Company also provides incentives to keep personnel with the company by giving reasonable remuneration and advanced career path.

1.9 The risk of government control

The business of providing loan is directed by the Office of Consumer Protection Board ("OCPB"), which oversees the contract to be fair to consumers, and is not under the supervision of the Bank of Thailand ("BOT"). Anyway, in the future if the government is to oversee hire purchase loan providers to have the same standard, it may affect every company in hire purchase business. However, the Company has complied with the guidelines of BOT such as the criteria for classification and provisioning of financial institutions, policy to recognize revenue or stop recognize revenue, and also compliance with the guidelines of OCPB. Thus the Company believes that the supervision of the government in the future will not affect the Company's operations significantly.

Shareholding and Management Structure

The first 10 major shareholders of the Company as of 3 February 2014, which was the last closing date, were listed as follows:

No.	Name/Surname	Share Amount	Shareholding Ratio (%)
1	Song Nam Company Limited	65,000,000	32.50
2	The Government Savings Bank's Private Fund by UOB Asset Management (Thai) Limited	21,306,233	10.65
3	The United Overseas Bank's Private Fund by UOB Asset Management (Thai) Limited	21,306,233	10.65
4	MRS. TJA TJIA SIET JOEN	14,614,164	7.31
5	Mr. Pornchai Charumethee	7,315,000	3.66
6	Mr. Anurak Boonsawang	3,000,000	1.50
7	Mrs. Wilawan Toopin	2,100,000	1.05
8	Mr. Jeerasak Hirunmutraporn	2,010,000	1.01
9	Ms. Waraporn Yokubon	1,950,000	0.98
10	Mr. Kittisak Yokubon	1,900,000	0.95

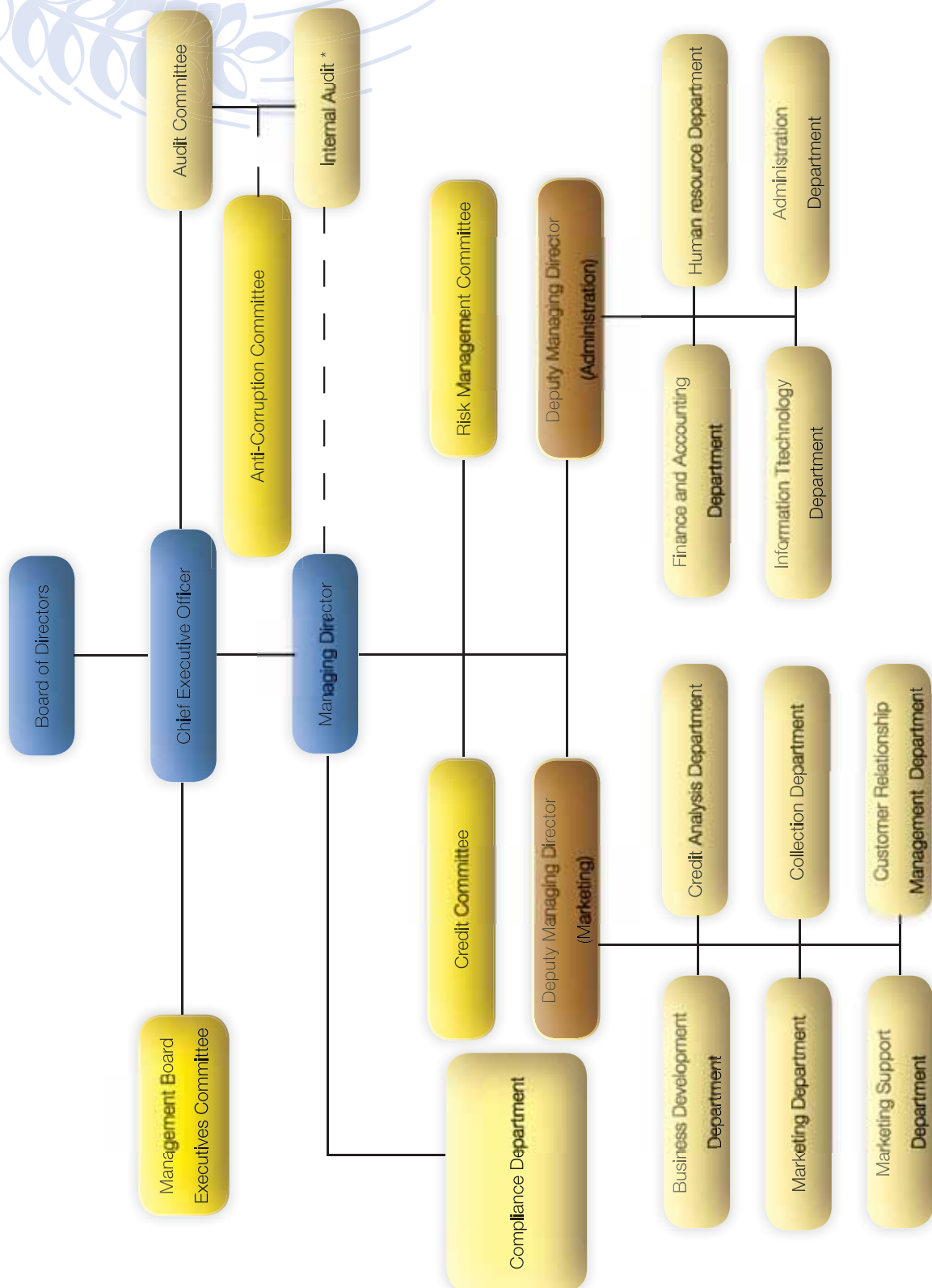
Source: List of major shareholders as of 3 February 2014 prepared by Thailand Securities Depository Co., Ltd

Dividend Policy

The Company has the policy to pay dividends at a rate of not less than 50 percent of the net profit of consolidated financial statement after the deduction of corporate tax, and after deduction of all reserves according to the law and company's policy. The dividend payment shall have no significant impact on the normal operations of the Company. The payment of dividends is subject to change based on the results of operations and financial position, liquidity, expansion plan and any necessity and appropriation in the future, and other factors involved in the management of the Company as the Board of Directors and/or shareholders of the Company deems appropriate, and such action shall cause the maximum benefit to shareholders.

Management Structure

The Company has the structure as of 18 February 2014 as follows:



* The company use a third-party outsource firm for internal audit.

The Board of Directors

The Board of Directors of the Company as of 31 December 2013 consists of 9 members as follows

Name			Position
1.	Mr. Yongyuth	Tariyo	Chairman
2.	Mr. Boonsak	Chiempricha	Director and Chief Executive Director
3.	Mr. Chinavais	Sarasas	Director
4.	Mr. Nattaphon	Sarasas	Director
5.	Mrs. Wipada	Tantiprabha	Independent Director and Chairman of the Audit Committee
6.	Mr. Suvit	Maesincee	Independent Director and Audit Committee
7.	Mr. Prameson	Pisitpan	Independent Director and Audit Committee
8.	Mr. Tawee	Khositjiranun ¹	Independent Director and Audit Committee
9.	Mr. Santi	Hokittikul	Director and Secretary of the Board of Directors

Mr. Niton Chaiyanate is the Company Secretary

Note : 1/ The Directors who have been appointed as directors on the Board of Directors' Meeting No. 2/ 2012 on 14 May 2012.

Authorized Signatory

The Directors who is appointed as the authorized signatories of the Company are Mr. Santi Hokittikul, Mr. Chinavais Sarasas and Mr. Nattaphon Sarasas. Two out of Three of the mentioned directors can co-sign with the seal of the Company.

Duties and responsibilities of the Board of Directors

The Board has the power, duties and responsibilities in the management of the company to be in accordance with laws, the objectives and regulations of the company and the resolutions of the meeting of the shareholders. In summary the duty and responsibilities are as follows:

1. Complying with the law, objectives and Articles of Association of the Company and the resolutions of the meeting of shareholders with integrity and for the benefits of the Company.
2. Determining policies, goals, plans, business strategies and annual budget.
3. Controlling, supervising and overseeing the execution of the policy and budget effectively.
4. Having the power to examine and approve policies, procedures and operational plans of the Company as has been proposed by the subcommittee or Management.
5. Delegating the power to appoint, assign or recommend the subcommittee or working group to consider or act for a specific matter as the Board of Directors deems appropriate.
6. Executing the Company's internal control system and internal audit system efficiently and manage the risk and reliability of financial reporting by providing internal audit team to track and coordination with the Audit Committee.
7. Preparing the Annual Report of the Board of Directors and responsible for the preparation and disclosure of financial statements to reflect the financial position and results of operations in recent years to propose to the shareholders' meeting.

8. Holding the annual general meeting of shareholders within 4 months after accounting period has ended.

9. Having the power to consider and approve any necessary and related issues to the Company or if they are suitable for the benefit of the Company.

In any matter in which the director has an interest or a conflict of interest with the Company, a Director who has an interest or a conflict of interest shall not be entitled to vote on the matter.

Moreover, the Board of Directors also has the duties of overseeing the Company to be in compliance with the SEC, terms of SET including related transaction, acquisition or disposition of assets under the regulations of SET, the notice of the securities of Exchange Commission, the Capital Market Supervisory Board and The laws relating to the business of the Company.

The Audit Committee

The Audit Committee as of 31 December 2013 consists of 4 members as follows:

Name – Surname			Position
1.	Mrs. Wipada	Tantiprabha	Chairman of the Audit Committee
2.	Mr. Suvit	Maesincee	Audit Committee Member
3.	Mr. Prameson	Pisitpan	Audit Committee Member
4.	Mr. Tawee	Khositjiranun	Audit Committee Member

The 4 audit committee members are qualified to be audit committee as prescribed by SET. And Mrs. Wipada Tantiprabha is an Audit Committee who has knowledge in accounting and finance. She has a master degree in MBA from Thammasat University and a master degree in MBA (Accounting) from The University of Texas of Austin, USA. Currently she holds the position of Director at Master Degree of Accounting Program, Faculty of Commerce and Accountancy, Thammasat University.

Duties and responsibilities of the Audit Committee

1. Reviewing the Company's financial reporting to be accurate and sufficient.
2. Reviewing the Company's internal controls and internal audit to be appropriate and effective and considering the independence of the internal audit as well as to approve the appointment, transferring, termination of the head of internal audit or any other working group responsible for internal audit.
3. Reviewing the Company's compliance with the law and regulations of the Securities and Exchange Commission, the regulations of SET and the laws relating to the business of the Company.
4. Considering, selecting and nominating an independent person to act as an auditor of the Company and offering the remuneration of such persons including attending meetings with the auditor, without the management in attendance with, at least one time per year.
5. Considering related transactions or any transaction that may have conflict of interests to be in accordance with the laws and regulations of SET in order to ensure that they are reasonable and beneficial to the company.

6. Having the authority to conduct inspections and investigations as required on various matters which may have a significant impact on the financial position and results of operations of the Company and report to the Board of Directors for rectification within the time that the Audit Committee deems appropriate.

7. Having the authority to seek independent comments from other professional when deemed necessary, the Company shall pay for it to support the Audit Committee to be able to work with responsibility.

8. Prepare a report of the Audit Committee to be disclosed in the annual report of the Company. Such report must be signed by the Chairman of the Audit Committee and must contain at least the following:

- (A) An opinion on the accuracy, completeness and reliability of the financial reports of the Company
- (B) Comments on the adequacy of internal controls of the Company
- (C) An opinion on the compliance with the Securities and Exchange Commission, Regulations of SET and the laws relating to the business of the Company

the laws relating to the business of the Company

- (D) An opinion on the suitability of an auditor
- (E) An opinion on the transactions that may have conflict of interests
- (F) The number of meetings of the Audit Committee and attendance of each Audit Committee Member

Member

- (G) An opinion or observations by the Audit Committee has performed its duties under the Charter

(H) Any other information that Shareholders and investors should note the scope of duties and responsibilities assigned by the Board of Directors

9. Performing other duties assigned by the Board of Directors and with the approval of the Audit Committee.

3. Executive Committee

The Executive Committee as of 31 December 2013 consists of 9 members as follows:

Name – Surname			Position
1.	Mr. Boonsak	Chiempricha	Chief Executive Officer
2.	Mr. Santi	Hokittikul	Managing Director
3.	Mr. Sutthi	Sripratum	Deputy Managing Director
4.	Mr. Chumnum	Kunnaratana	Deputy Managing Director
5.	Ms. Panida	Jangkit	Vice President of Marketing Support
6.	Mrs. Sivapun	Sriampai	Vice President of Accounting and Finance
7.	Mr. Niton	Chaiyanate	Business Development Manager
8.	Ms. Austanakarn	Khositaecho	Chief of Collection
9.	Ms. Thanasa	Kittiradanun	Compliance Assistant Manager

Duties and Responsibilities of the Chief Executive

1. Considering and/or implementing the guidelines received from the Board of Directors or Managing Director.
2. Considering and determining goals and plans in various fields.
3. Considering and monitoring the work of other agencies in the Company to ensure the compliance with the goals and plans in No. 2.
4. Setting policy in various areas to present to the Board for consideration.
5. Considering systems workflow and administration system to propose an amendment for appropriation and modernity.
6. Executing communications within the company to be appropriate and thorough to build teamwork.
7. Managing communications with outsiders include the management of advertising and Public Relations of the Company to promote the company's operations.
8. Considering projects and services and the guideline of management and updated business strategies to propose to the Board of Directors.

4. Secretary of the Board and Company Secretary

Secretary of the Board

The Board of Directors has appointed Mr. Santi Hokittikul as the Secretary of the Board to act as a consultant to advise the Committee in compliance with the law regarding the duties and responsibilities of a director, including preparation of the Board of Directors' minutes and attending every meeting of the Board of Directors.

Company Secretary

The Board of Directors has appointed Mr. Niton Chaiyanate as the Company Secretary to serve on the meetings of the Board of Directors, various committees and shareholders Including preparation of minutes of the Board of Directors, minutes of Shareholders' meeting, Annual Report, filing document in compliance with the law as well as providing advice to various committees in compliance with the related laws and regulations

5. Management

As of December 31, 2012, the Company's management consists of 5 members as follows:

Name – Surname			Position
1.	Mr. Santi	Hokittikul	Managing Director
2.	Mr. Sutthi	Sripratum	Deputy Managing Director Acting Manager of Collection and Credit Analysis Department
3.	Mr. Chumnum	Kunnaratana	Deputy Managing Director Acting Manager of Administration and Human Resources and Information Technology
4.	Ms. Panida	Jangkit	Vice President of Marketing Support
5.	Mrs. Sivapun	Sriampai	Vice President of Accounting and Finance

Duties and responsibilities of the Managing Director

The Managing Director has the power and duty to manage the company's operations as assigned by the Board of Directors and the Company's plan. This includes the operation and/or management of the Company's normal routine and the operations under the Company's policy, business plan and budget as approved by the Board of Directors. However, the Managing Director shall authorize another person to act on their duties on their behalf.

The Managing Director or a person authorized by the Managing Director would not approve his own business or would not approve, involved or join the business of any individuals that may have a conflict, gain or loss, or may have a conflict of interest with the Company.

However, the operations involving any business transactions that may pose a conflict of interest between the manager or person with a conflict of interest with the Company as defined in the laws and the notice of SEC or SET not considered to be under the jurisdiction of the Managing Director to consider and vote on such transaction, whether by his own discretion, or designate other persons acting on his behalf. In such cases, the transaction must be presented in order to obtain approval by the Audit Committee to be presented to the Board of Directors and/or the general meeting of shareholders (if applicable) as defined in the Articles of Association of the Company and the related law.

6. Credit Committee

The Board of Directors' Meeting No. 1/2011 on 28 February 2011 resolved to appoint a committee to approve loans for the purpose of performance of Loan management to be in good order, concise and effective. The Committee comprises 3 members as follows:

Credit Approval Committee	Position	Recent Member
1. Managing Director	Chairman	Mr. Santi Hokittikul
2. Deputy Managing Director	Director	Mr. Sutthi Sripratum
3. Deputy Managing Director	Director	Mr. Chumnum kunnaratana

Duties and responsibilities of the Credit Committee

1. Considering the issuance of new credit products or services in consideration of the possibilities, benefits, risks, competitiveness, and operational practices to be performed efficiently.

2. Approving loan as the credit analysis team proposes which is subject to the terms of the Company. The majority (2 out of 3 of the credit approval committee) voted to approve a loan. For a loan that exceeds Baht 350,000 of each individual debtor, the Company shall consider the customer's credit scoring, cash flow analysis and past payment history. Each debtor will receive a credit of up to Baht 5,000,000 by the credit policy of the company.

3. Approving loan as the credit analysis team proposes which is subject to the terms of the Company. At least a member of the Board of Directors shall approve a loan not exceeding baht 350,000 of each debtor by considering the criteria of a given company.

7. Risk Management Committee

The Board of Directors' Meeting No. 1/ 2011 on 28 February 2011 resolved to appoint the Risk Management Committee for the purpose of risk management analysis, tracking and reporting the risks of the Company. The Committee comprises staff from director and manager levels of every department.

Duties and Responsibilities of the Risk Management Committee

1. Defining policies for the Board of Directors to consider the issue of risk management as a whole which must cover the major risks such as credit risk, market risk, liquidity risk, operational risk, and risks affecting the reputation of the business.
2. Setting strategies in accordance with the risk management policy to monitor, evaluate and control risks of the Company at the appropriate level.
3. Reviewing the adequacy of risk management policies and systems including the effectiveness of the system and the compliance with the policies.
4. Giving suggestions on what to rectify to the Board of Directors to comply with the policies and strategies of the company.

Qualification of Executives

Executives shall be ethical, have expertise and experiences in business. They manage with integrity and care for the benefit of the Company with intention to operate continuously. They have full understanding and responsibility to the public and they are the person whose name appears in the list of management in compliance with the Notice of Capital Market Supervisory Board Tor Jor 24/2009 on the management of the Company's securities.

The Directors Nomination

The Company has no committee in particular to select directors. The person to be nominated as Directors shall be determined by The Company by the selection criteria under Section 68 of Companies Act 1992 and the Regulations of the Securities and Exchange Commission or the notice of Capital Market Supervisory Board in accordance with the related laws, including the consideration of other factors such as the combination of knowledge, skills, experiences relevant to the business and benefit to business operations of the company, etc. The rules and procedures of nomination are as follows:

-The Board of Directors Nomination

1. The Board of Directors consists of directors who are resident in Thailand not less than half of the total membership. The Directors can whether be shareholders of the company.
2. In the Board of Directors, there must be an independent director not less than 1 out of 3 of all directors. And there are at least three independent directors who hold no more than one percent of the total issued and paid-up share capital of the Company and related companies, including shares held by related parties, and qualified by the Capital Market Supervisory Board Tor Jor 28/2008 regarding the application and

approval of offer for the sale of newly issued shares dated 15 December 2008.

3. In the annual general meeting of shareholders at all times, there shall be the resignation of a number of 1 out of 3 of the total membership at that time. If the number of directors cannot be divided into three parts, the resignation should be the number nearest to one third of the directors in the first following the registration of the Company. The second years after the registration of the Company, the resignation should happen by drawing out a name of a director. The later years the directors who were in office the longest shall retire from office. However, any director who retires by rotation may be chosen to the position again.

4. The shareholders shall appoint directors by a majority vote and pursuant as follows:

4.1 One Shareholder has one vote per one share

4.2 Each Shareholder will use all his votes according to 4.1) to elect one or several Directors but they cannot separate their vote to several people.

4.3 The individuals receiving the largest numbers of votes shall be elected as a director or directors at that time depending on the number of directors the Company can have. If there are several individuals who have the same amount of votes but there is not enough position for every one of them, the Chairman will cast the final vote.

5. In case of vacancy for reasons other than retirement by rotation. The Board of Directors shall elect a person who is qualified and not disqualified under the regulations of public limited company to be the Company's directors represented at the next Board Meeting. Except the director's remaining term is less than two months. The persons who are newly appointed would be in the position for the remaining term of the Director whom he represents. Such resolution of the Board of Directors shall consist of not less than 3/4 of the votes of the remaining directors.

6. A meeting of shareholders may resolve to remove any director from office before the expiration of their term with the votes of not less than three fourth of the shareholders present at the meeting and entitled to vote, and the shares amounting to not less than half of the shares held by the shareholders present at the meeting and entitled to vote.

-Nomination of the Audit Committee/Independent Directors

The Audit Committee consists of 3 independent directors. The Audit Committee/Independent Director must have the following qualifications:

1. Holding shares not exceeding one per cent of the shares with voting rights of the Company's subsidiaries, associates, major shareholders or controlling person of the Company, including shares held by related persons.

2. Not being or has not ever been a director involving in management, employee, staff, advisor who receives salary or controlling person of the Company, its subsidiaries, associates or subsidiaries in the same level, major shareholders or of a controlling person of the Company. Unless the foregoing status has ended for more than 2 years prior to being appointed as Audit Committee Member.

3. Not being a person with a blood relationship or the legal registration as a parent, spouse, sibling, son/daughter, spouse of son/daughter of Executive Directors, major shareholders, controlling authority or persons to be nominated as executive or controlling person of the Company or its subsidiaries.

4. Not having or has not had a business relationship with the Company, Parent company, subsidiaries or associated companies, Major shareholders or controlling person of the Company in a manner that might interfere with his independent judgment. Not being or having been a shareholder or authority having control of the business relationship with the Company, parent company, subsidiaries, affiliates, shareholders or controlling person of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director. The definition of business relationship shall include items under the Notification of the Capital Market Supervisory Board Tor Jor 28/2008 regarding the application for the sale of new shares.

5. Not being or having not ever been an auditor of the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company and not as a significant shareholder, controlling authority or partner of the audit company which is the auditor of the Company, parent company, subsidiaries, associates, major shareholders or authorized under the control of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.

6. No being or has not ever been a provider of any professional includes serving as legal counsel or financial advisor which has been paid more than 2 million baht per year from the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company, and not as a significant shareholder, control authority or partner of such professional services, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.

7. Not a director who has been appointed as a representative of the Board, Major shareholders or shareholders who are related to the major shareholders of the Company.

8. Not having or has not had a business with the same nature and in competition to the business of the Company, subsidiaries or not be a partner in a partnership company or director, employee, advisor who receives a regular salary or holds more than 1 percent of the total shares with voting rights of another company which has the same nature and in competition to the business of the Company or its subsidiaries.

9. Not having any other characteristic which make him/her incapable of expressing independent opinions.

10. Not being a director appointed by the Board to decide on the operations of the Company, its subsidiaries, parent company, subsidiary, associates, subsidiaries in same level, major shareholders or controlling person of the Company.

11. Not a director of parent company, subsidiary or subsidiaries in same level which are listed as public company limited.

In addition, at least one independent director who is a audit committee member must be a person with enough knowledge and experience in accounting or finance to be able to act to ensure the reliability of financial statements, The company shall determine his qualification in other areas to consider include the experience in the business, related business expertise, and ethical qualification.

The rules and procedures for the appointment of the Audit Committee shall be in accordance with the rules and procedures for the appointment of the Directors of the Company. The audit committee who retires by rotation may be appointed to renew the position. If the Audit Committee becomes vacant due to any other reason than retirement by rotation, The Board of Directors shall appoint a person qualified as an Audit Committee to maintain the exact number of members as the Board of Directors has determined. The persons who are newly appointed would be in the position for the remaining term of the Director whom he represents. The Company shall notify SET as soon as the Audit Committee resigns or is dismissed before the end of term.

- Executive Search and Selection

Board of Directors and/or the person designated by the Board of Directors will appoint the management from personnel with experience and knowledge in managing related divisions.

Remuneration for Directors and Executives

Monetary Remuneration

The 2013 Annual General Meeting of Shareholders, held on 4 April 2013, passed a resolution that the remuneration of the Board/ the remuneration Audit Committee/ the compensation to Directors of the Company in 2013 in an amount not exceeding Baht 870,000/ 220,000 /1,500,000 per year. The remunerations were classified by meeting allowances as follows:

Chairman of the Board	Baht 25,000
Director	Baht 15,000
Chairman of the Audit Committee	Baht 25,000
Audit Committee	Baht 15,000

The remuneration to Directors in 2013 was as follows:

Directors	2013		
	Number of meeting attended		Remuneration/ Compensation (Baht) ^{5/}
	As Director	As Audit Committee	
1. Mr.Yongyuth Tariyo	5/6	-	305,000
2. Mr. Boonsak Chiempricha	6/6	-	280,000
3. Mr. Chinavais Sarasas	5/6	-	228,000
4. Mr. Nattaphon Sarasas	6/6	-	260,000
5. Mr. Santi Hokittikul	6/6	-	260,000
6. Mr. Pisit Sereewiwattana ^{1/}	0/1	-	-
7. Mrs. Wipada Tantiprabha ^{2/}	6/6	4/4	380,000
8. Mr. Suvit Maesincee ^{3/}	0/6	1/4	15,000
9. Mr. Prameson Pisitpan ^{3/}	5/6	4/4	288,000
10. Mr. Tawee Khositjiranun ^{4/}	4/4	2/2	226,000

Note : 1/ was appointed as a Director on the Board of Directors' Meeting No. 1/ 2012 on 28 February 2012 and resigned from the Board of Directors on April 5, 2013.

2/ was appointed as a director on the Board of Directors' Meeting No. 5/ 2011 on 26 December 2011.

3/ was appointed as a director on the Board of Directors' Meeting No. 2/ 2011 on 25 April 2011.

4/ was appointed as a director on the Board of Directors' Meeting No. 2/ 2013 on 14 May 2013.

5/ Total Compensation as of the date SEC visited the Company

Remuneration to executives

list	2013	
	Number of Executives (persons)	remuneration (Baht)
salary	5	10.77
Bonus	5	3.52
Contribution to provident fund	5	0.61
Employees' retirement benefits	5	0.97
Total	5	15.87

Other Remuneration

- None-

Preventing the use of inside information of the management

The Company's policies and procedures for prevent the management to use information of the Company that has not yet been disclosed to the public for personal gain including securities trading as follows:

- Educating the directors and executives from all division about the duty to report their own shares holding, and their spouse and minor children's shares holding to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand under Section 59 and penalty provisions under section 275 of the Securities and Exchange Act 1992.

- The company has determined that the Directors and Executives need to report any change of their shares holding to the Securities and Exchange Commission under Section 59 of the Securities Exchange Act 1992 within 3 business days from the date of the transaction and send copies of the report to the Company on the same day of the submission of report to the Securities and Exchange Commission.

- The Company has determined that directors, executives and related practitioners, who get inside information that significantly affects the Company's stock price, shall suspend their trading of the Company's stock before the financial statements or the information is disclosed to the public within a period of one month and should wait at least 24 hours after disclosure to the public, including prohibiting of disclosure of any significant information to others. We impose disciplinary action in case of violation inside information to use for own benefits, starting from warning in written format, wage cuts, temporary suspension without pay or force to leave work. The punishment will be determined by the intent of the action and the seriousness of the violation

Information of Directors of Company

1. Mr. Yongyuth Tariyo

Position
Shareholding Ratio
Family Relationship with Management

Chairman of the Board

-
-

Education

- MSc. In Management Information System,
DE PAUL University, Chicago, Illinois, USA.
- BSc. In Information Science,
Northeastern Illinois University, Chicago, Illinois, USA.
- Graduate Diploma in Airline Business,
School of European Alumni Association, Thailand

Training Course

- IOD Program, Thai Institute of Directors
Director Certification Program (DCP), Class 28/2003
Financial for Non-Directors (FND), Class 5/2003
Director Accreditation Program (DAP), Class 91/2011
Role of Chairman Program (RCP), Class 27/2012
- Financial Executive Class 10 by The Thai Bankers'
Association
- Chief Information Officer : CIO, Class 4th by Office of
the Civil Service Commission and National Electronics
and Computer Technology Center
- The Senior Executive Program (SEP) Class 9th by
Sasin Graduate Institute of Business Administration
of Chulalongkorn University
Postal Savings Bureau, Minister of Posts and
Telecommunication (MPT), Executive's Seminar
on Postal Saving Service" JICA, Japan
- Quality Education System (QES), Philips Crosby
Associates Inc., Florida, USA.

Experience

2009	-Present	Chairman of the Board, G Capital Public Company Limited
2013	-Present	Executive Advisor, Government Savings Bank
2010	-2012	First Senior Executive Vice President, Credit and Operational Support Group, The Government Savings Bank
2008	-2012	Director/Executive Director/Chairman of Risk Management, MFC Asset Management Public Company Limited
2008	-2010	Senior Executive Vice President, COO and CIO, Credit and Operational Support Group and IT Group The Government Savings Bank
2004	-2008	Senior Executive Vice President and COO, Branch Operation, The Government Savings Bank

2. Mr. Boonsak Chiempricha

Position

Shareholding Ratio

Family Relationship with Management

Education

Director and Chief Executive Director

-

-

- Master of Business Administration, University of Santa Clara, San Jose, CA, USA.

- Bachelor in Accountancy, Chulalongkorn University

- Diploma, National Defense College (The National Defense Course Class 4111)

Training Course

- IOD Program, Thai Institute of Directors

Director Accreditation Program (DAP), Class 19/2004

Role of the Chairman Program (RCP), Class 15/2007

Experience

2006 -Present

Director and Chief Executive Officer, G Capital Public Company Limited

2013 -Present

Finance Committee and Risk Management

2013 -Present

Committee, The Thai Bar Under The Royal Patronage
Chairman of Audit and Evaluation Committee, Ministry of Finance

2012 -Present

Director and Chairman of Audit Committee, Mahasarakham University

2012 -Present

Director and Chairman of Audit Committee, CIMB-Management Company Limited

Principal Asset

2009 -Present

Chairman of the Board, Indara Insurance Public Company Limited

2009 -Present

Chairman of the Board, MFC Advisory Company Limited

2009 -Present

Director/Chairman of Risk management committee/
Audit Committee

President Bakery Public Company Limited

3. Mrs. Wipada Tantiprabha

Position

Independent Director and Chairman of Audit Committee

Shareholding Ratio

-

Family relationship with management

-

Education

- Master of Business Administration in Accounting, Thammasat University

- Master of Business Administration in Accounting, The University of Texas at Austin, USA.

- Bachelor of Business Administration in Accounting, 2nd Class Honors, Thammasat University

Training Course

- IOD Program, Thai Institute of Directors

Director Accreditation Program (DAP), Class 97/2012

Audit Committee Program (ACP), Class 12/2013

Experience

2011 -Present

Independent Director and Chairman of Audit Committee, G Capital Public Company Limited

2011 -Present

Director and Secretary of the Sub-Committee set accounting standards, Federation of Accounting Profession Under The Royal Patronage of His Majesty The King

2008 -Present

Program Director of Master of Accounting, Department of Accounting, Thammasat Business School, Thammasat University

1985 -Present

Assistant Professor, Faculty of Commerce and Accountancy, Thammasat University

2004 -2007

Head of Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University

4. Mr. Suvit Maesincee

Position		Independent Director and Audit Committee
Shareholding Ratio		-
Relationship with Management		-
Education		<ul style="list-style-type: none"> - Ph.D. in Marketing, Kellogg Graduate School of Management, Northwestern University, USA - Master in Business Administration, National Institute of Development Administration (NIDA) - Bachelor in Pharmaceutical Science, Mahidol University
Training Course		<ul style="list-style-type: none"> - IOD Program, Thai Institute of Directors Director Accreditation Program (DAP), Class 60/2006 Audit Committee Program (ACP), Class 37/2011
Experience		
	2011 -Present	Independent Director and Audit Committee, G Capital Public Company Limited
	2011 -Present	Independent Director/Audit Committee/Nominating Remuneration Committee, Krungthai Card Public Company Limited
	2011 -Present	Director and Nominating Remuneration Committee, Siam Food Product Public Company Limited
	2008 -Present	Independent Director/Audit Committee/Nominating Remuneration Committee, Berli Jucker Public Company Limited
	2008 -Present	Director, Sasin Institute for Global Affairs (SIGA)
	2000 -Present	Director and Audit Committee Member, Thai Vegetable Oil Public Company Limited
	2011 -Present	Director, National Science Technology and Innovation Policy Office
	2008 -2012	Consultant, Market for Alternative Investment – mai

5. Mr. Prameson Pisitpan

Position

Independent Director and Audit Committee Member

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Master in Business Administration (International Banking and Finance), Joint Program between University of Thai Chamber of Commerce and University of Birmingham
- Master in Computer Science, East Texas State University
- Bachelor of Science (Business Administration), Kasetsart University

Training Course

- IOD Program, Thai Institute of Directors
- Director Accreditation Program (DAP), Class 90/2011
- Audit Committee Program (ACP), Class 36/2011
- Director Certification Program (DCP), Class 152/2011

Experience

2011 -Present

Independent Director and Audit Committee Member, G Capital Public Company Limited

2007 -2013

Executive Vice President, Information Technology Division, Bangkok Dusit Medical Services Public Company Limited

2007 -2013

Managing Director, Greenline Synergy Company Limited

2011 -2007

General Manager, Cisco Systems (Thailand) Company Limited



6. Mr. Tawee Khositjiranun

Position

Independent director and audit committee member

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Master in Corporate Law, Faculty of Law,
University of Cambridge

- Master in Business Law, Faculty of Law,
Chulalongkorn University

- Bachelor of Law, Faculty of Law (First Class Honors),
Chulalongkorn University

Training Course

- IOD Program, Thai Institute of Directors

Director Accreditation Program (DAP), Class 106/2013

Experience

2013 -Present

Independent director and Audit committee,
G Capital Public Company Limited
Director, Asia Business Guide (Thailand)
Company Limited

2005 -Present

1992 -Present

Advisor, Siam Premier International Law Office Limited

7. Mr.Chinavais Sarasas

Position

Director

Shareholding Ratio

-

Family Relationship with Management

Father of Mr. Nattaphon Sarasas

Education

- Honorable Ph.D., Management of Rural Development, Khon Kaen University
- Bachelor of Business Administration in Finance, University of Southern California, USA.

Training Course

- IOD Program, Thai Institute of Directors
Director Accreditation Program (DAP), Class 107/2014

Experience

2004	-Present	Director, G Capital Public Company Limited
2013	-Present	Director, Kai Gai Company Limited
2010	-Present	Director, Baan Sam Lom Company Limited
2009	-2011	Committee of Prime Minister's Economic Advisory Board for Prime Minister Abhisit Vejjajiva.
2009	-Present	Honorary Chairman of the Advisory, Krungthai AXA Life Insurance Public Company Limited
2003	-Present	Chairman of the Board, Pa Koh Hotel Company Limited
1999	-Present	Chairman of the Board, Song Nam Company Limited
1992	-Present	Chairman of the Board, Sam Lom Company Limited
1996	-1997	Director, Thai Airways Public Company Limited



8. Mr. Nattaphon Sarasas

Position

Director

Shareholding Ratio

-

Family Relationship with Management

Son of Mr.Chinavais Sarasas

Education

- High School, Le Rossey Institute, Switzerland
Certificate in Business Excellence,
- Columbia Business School, New York, USA.

Training Course

- IOD Program, Thai Institute of Directors
Director Accreditation Program (DAP), Class 107/2014

Experience

2009	-Present
2013	-Present
2010	-Present
2008	-Present
2007	-Present
2007	-Present
2007	-Present
2004	-Present
1992	-Present

Director, G Capital Public Company Limited
Director, Kai Gai Company Limited
Director, Baan Sam Lom Company Limited
Director, Pa Koh Residence Company Limited
Director, E.H.Y Company Company Limited
Director, Heli Phuket Company Limited
Director, U-Dox International (Thailand) Company Limited
Director, General Outsourcing Company Limited
Director, Sam Lom Company Limited



9. Mr. Santi Hokittikul

Position

Director and Managing Director

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Executive Leadership Development Program (MINI MBA), Thammasat University
- Bachelor of Business administration (Finance and Banking), Ramkhamhaeng University

Training Course

- IOD Program, Thai Institute of Directors (IOD)
Director Accreditation Program (DAP), Class 90/2011

Experience

2004 -Present

Director and Managing Director,
G Capital Public Company Limited

2011 -Present

Executive Director,
General Outsourcing Company Limited
Managing Director, Song Nam Company Limited
Managing Director, Nature Trans Company Limited
Managing Director, Nueng Din Company Limited
Managing Director, General Finance & Securities
Public Company Limited

2003 -2005

2000 -2003

1999 -2000

1994 -1997

10. Mr. Supot Singhasaneh

Position

Shareholding Ratio

Family Relationship with Management

Education

Chairman of the Advisor for the Board of Director

-

-

- Honorary Ph.D. in Accounting, Thammasat University

- Master in Business Administration (Finance),
Michigan State University, USA.

- B.Sc. in Accountancy (First Class Honors),
Thammasat University

Training Course

- IOD Program, Thai Institute of Directors

Director Certificate Program (DCP), Class 90/2007

Role of the Chairman Program (RCP), Class 18/2008

Successful Formulation & Execution of Strategy (SFE),
Class 4/2009

Experience

2011 -Present

Chairman of the Advisory for the Board of Director,
G Capital Public Company Limited

2013 -Present

Committee for Global Technology Audit Guide Book,
The Stock Exchange of Thailand

2012 -Present

Adviser Member of Financial Reporting Framework,
Thammasat University

2011 -Present

Director and Chairman of Subcommittee for Accounting
Professions Development, Federation of Accounting
Profession Under The Royal Patronage of His Majesty
The King

2011 -Present

Chairman of Subcommittee for AEC Preparation,
Federation of Accounting Profession Under The Royal
Patronage of His Majesty The King

2011 -Present

Accountancy Qualified Board Member of Developing
Courses for Bachelor of Accounting and Master of
Accounting, Thammasat Business School,
Thammasat University

2007 -Present

Specialized Committee Member for Accounting,
Thammasat Business School, Thammasat University

2006 -Present

Chairman of KPMG Phoomchai Audit Company Limited

2006 -Present

Adviser to Professional Practice Development, KPMG
Phoomchai Audit Company Limited

1973 -Present

Certified Public Accountant (Thailand)



11. Mr. Boonson Janechaimahakoon

Position

Advisor for the Board of Directors

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Master of Engineering, Industrial Engineering and Management, Asian Institute of Technology

- Bachelor of Science (Mathematics), Kasetsart University

Training Course

- IOD Program, Thai Institute of Directors

Director Certificate Program (DCP), Class 149/2011

Experience

2011 -present

Advisor for the Board of Directors,
G Capital Public Company Limited

2010 -present

Senior Executive Vice President, Information Technology Group, Government Savings Bank

2009 -2010

Executive Vice President, IT Planning and Development, Information Technology Group, Government Savings Bank

2007 -2009

Executive Vice President, Information Technology, Information Technology Group, Government Savings Bank

Information of Management

1. Mr. Santi Hokittikul

Position

Director and Managing Director

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Executive Leadership Development Program (MINI MBA), Thammasat University
- Bachelor of Business administration (Finance and Banking), Ramkhamhaeng University

Training Course

- IOD Program, Thai Institute of Directors (IOD)
Director Accreditation Program (DAP), Class 90/2011

Experience

2004 -Present

Director and Managing Director,
G Capital Public Company Limited

2011 -Present

Executive Director,
General Outsourcing Company Limited
Managing Director, Song Nam Company Limited
Managing Director, Nature Trans Company Limited
Managing Director, Nueng Din Company Limited
Managing Director, General Finance & Securities
Public Company Limited

2003 -2005

2000 -2003

1999 -2000

1994 -1997



2. Mr. Chumnun Kunnaratana

Position

Deputy Managing Director (Administration)

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Master of Business Administration (Managerial Accounting), Kasetsart University

- Graduate Diploma in Auditing, Thammasat University

- Bachelor of Accounting, Chulalongkorn University

Training Course

- IOD Program, Thai Institute of Directors

Director Certification Program (DCP), Class 67/2007

Experience

2006 -Present

Deputy Managing Director (Administration),
G Capital Public Company Limited

2006

Director of Financial Accounting and Budget,
The Support Arts and Crafts International Centre
of Thailand (Public Organization)

2001 -2006

Senior Vice President (Finance and Accounting),
Krungsri Ayuttaya Securities Public Company Limited

3. Mr. Sutthi Sripratum

Position
Shareholding Ratio
Family Relationship with Management

Education

Training

Experience

2003 -Present

2011 -Present

2009 -Present

Deputy Managing Director (Marketing)

-
-

- Master of Business Administration, Kasetsart University
- Bachelor of Law, Ramkhamhaeng University

- IOD Program, Thai Institute of Directors
Company Secretary Program (CSP), Class 41/2011
- Certificate of Business Advisor, Faculty of Economics,
Kasetsart University with FPM Certificate Limited

Executive Vice President,
G Capital Public Company Limited
Director, Tak Mining Limited
Director, Lam Nam Tok Limited

4. Mrs. Sivapun Sriampai

Position
Shareholding Ratio
Family Relationship with Management

Education

Experience

2011 -Present

2005 -2011

Vice President of Finance and Accounting Department

-
-

- Bachelor of Accounting, Bangkok University

Vice President of Finance and Accounting
Department, G Capital Public Company Limited
Finance and Accounting Manager,
G Capital Public Company Limited



5. Ms. Panida Jangkit

Position

Vice President of Marketing Support Department

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Master of Business Administration,
Bangkok University

- Bachelor of Business Administration, Siam University

Work Experience

2011 -Present

Vice President of Marketing Support Department,
G Capital Public Company Limited

2006 -2011

Marketing Support Manager

6. Mr. Nitan Chaiyanate

Position

Business Development Manager and Company Secretary

Shareholding Ratio

-

Family Relationship with Management

-

Education

- Master of Economics, Ramkhamhaeng University

- Bachelor of Administration (1st Class Honors),
Sripatum University

Training Course

- IOD Program, Thai Institute of Directors

Company Secretary Program (CSP), Class 41/2011

- Business Analysis Program, Faculty of Economics,
Chulalongkorn University

- Certificate of Business Advisor, Faculty of Economics,
Kasetsart University with FPM Certificate
Company Limited

Experience

2006 -Present

Business Development Manager and Company
Secretary, G Capital Public Company Limited

Corporate Governance

The Company's policy is to follow the code of best practice to reinforce transparency and beneficial to the business operations of the Company. This will cause confidence among shareholders, investors and all related parties. The Board of Directors has set the corporate governance principles according to the guidelines of good corporate governance determined by SET. The principles of corporate governance have 5 sections as follows:

Section 1: The Rights of Shareholders

The Shareholders of the Company has the rights for ownership of the Company by controlling the Company over the appointment of the Board of Directors to act on their behalf and the right to make decisions about significant changes to the Company. The Company has support the shareholders to exercise their rights such as the right to sell or transfer shares, the right to gain share in the profits of the Company, the right to receive accurate and sufficient information to make a decision, the right to attend and vote at a meeting of the shareholders for the appointment or removal of directors, the right to the appointment of Auditor and other issues affecting the company, etc.

The Company's policy on treatment of shareholders requires compliance with the law by setting up the general meeting of Shareholders one time per year within 120 days after the end of the accounting period in order to allow shareholders to consider the performance of the Board of Directors and vote in the affairs of the Company, and also The Company recognizes the rights of shareholders to get information for decision-making with transparency by sending the invitation of the meeting, annual report and related documents to shareholders in advance of the meeting not less than 7 days, and publicize in newspaper to inform the date, time and agendas of the meeting 3 days in a roll before the General Meeting of Shareholders. The Company provides the rights to shareholders as follows:

1. The Company set an annual meeting of shareholders within 120 days after the end of the accounting period. The meeting place will be in downtown area where public transportation is convenient. The meeting gives opportunity to shareholders to register to the meeting in advance not less than one hour.
2. The company has published the Notification of the General Meeting of Shareholders on the Company's website prior to the meeting for a period of not less than 7 days to allow shareholders to have the information before the meeting of shareholders. The information shall be related to the issues proposed to provide shareholders with information to judge such as primary information of the person proposed as Directors, the remuneration policy for directors, the approval of dividend payment, names of the auditor and the comparison of auditing fees, facts and comments of each agenda and the comments of committees for each agenda.
3. The Directors and executives shall attend the meeting of shareholders to clarify the operation of the Company, answer questions and explain about issues that Shareholders want to know. On the meeting date, the Chairman will clarify how to cast and count the votes, so that the shareholders can vote individually according to the agendas without any significant change of the agenda's order abruptly.
4. On the date of the meeting of shareholders, the Company has invited representatives of the auditors of the Company to clarify the financial statements to shareholders in order to make the meeting of

shareholders to be fully transparent.

5. The Company provides the opportunity for shareholders to express opinions and ask questions. Each agenda item had been clarified before the vote on each item. Every shareholder had the right to vote equally without limiting the voting rights of any shareholder.

6. The minutes of the meeting has been recorded correctly, the important statement has been recorded with the number of votes casted for each agenda item, questions and answers or comments. The meeting report has done and sent to the registrar of public limited company within 14 days after the meeting.

Section 2: The Equitable Treatment of Shareholders

The company holds the principle that all shareholders, both executive and non-executive, including foreign shareholders should be treated equally and fairly. The company will build the confidence of our shareholders that the Board of Directors and management will ensure that the funds of the Company is appropriate which is a key factor in investment decisions for the Company and supervise the shareholders to be treated and protect the basic rights equally.

The company promotes the equality of shareholders as follows:

1. The Committee has the policy to encourage shareholders to monitor the performance of the management fully. Therefore the shareholders' meeting is very important, especially providing complete information for shareholders to take decisions on any issues, giving opportunity to submit questions in advance, facilitating all shareholders in attendance equally, especially informing about the time and place of the meeting.

2. Encourage shareholders who cannot attend the meeting in person to appoint another person to attend the meeting and vote on his behalf by using proxy form that the company has attached with the invitation of the meeting. For each agenda item, shareholders may appoint a proxy to act for his will or proxy can vote as shareholders specified in the notice of meeting.

3. The Company notifies the Company's shareholders about the rules and regulation of the company regarding the shareholders meeting and details of Proxy authorization.

4. In the meeting of shareholders, the Board of Directors has a policy to have directors especially the Chairman of the Board and senior executives of the Company attend the meeting to answer questions concerning the agenda of the shareholders. The Chairman of the Board of Executives who acts as the Chairman of the meeting will give opportunity for shareholders to ask questions, express opinions or suggestions equally.

5. The Board of Directors has a policy that shareholders shall approve the directors' remuneration which was already approved by the Board of Directors annually.

6. The Board of Directors has a policy to entitle shareholders to vote equally, one share is equal one vote. Besides the right to vote, the shareholders also get other basic rights by law, such as the right to receive a share in the profits and dividends equally and the right to be treated equally in the repurchase of shares by the Company.

7. The Board of Directors has a policy to prohibit Directors and employees use the information which might impact the stock price of the company which has not been publicly disclosed for profit or advantage, whether directly or indirectly.

Section 3: The Role of Stakeholders

The Board of Directors recognizes the rights of all groups of stakeholders and determined that each group is entitled the rights on the basis of accuracy and fairness. The stakeholders will be taken care of by the Company by law. The Board of Directors considered and set a framework for a measure to promote cooperation between the company and stakeholders in creating wealth, financial stability as well as the sustainability of the business.

Customer: The Company's has the principles for the business is support financial support to customers with commitment and develop services to reach customers to create maximum satisfaction with friendliness, like a relative. We visit customers at their house and process a credit approval or resolve problems that arise quickly and increases payment channels to customers by allowing them to pay through the branches of the Government Savings Bank and Siam Commercial Bank across the country. The customers not to pay a fees through the payment.

Suppliers: The Company has the principle that our suppliers are equal to our partners. So the Company provides equality in selecting partners, including giving opportunity to partners to make comments and suggestions. In addition, the Company gives our business partners the equality in providing information on various aspects. To protect the rights of the partners, the Company has the code of conduct for employees not to disclose any confidential information of the partners and not to engage in activities that conflict with the partners, whether direct or indirect.

Shareholders: The Company is committed to operating excellence earnings to satisfy the shareholders by developing a various of services to meet all the needs of our customers and reduce operating costs of the Company in order to add value to the stock and have good benefit to the shareholders continuously.

Employees: The Company has the principle that the employees are our valuable resources, as a driver of business growth. The Company fully and fairly provides the rights to employees as follows:

1. The Company will recruit and retain employees with the skills and experience matching to the performance of the Company without taking differences in sex, race, religion and the institution as a restriction on the selection of employees to join the company.
2. The company will take care of benefits and welfare of staff to be appropriate and fair and set up a dividend fund for employees upon retirement or leaving the job.
3. The Company has provided group health insurance, group life insurance, including giving health checks to employees annually.
4. The company provides the opportunity for all employees to be fully developed. Staff can have training in various fields consistently to what appropriate for them.
5. The company has created a positive atmosphere in the workplace by maintaining the working environment to be safe, healthy and hygienic, including the creation of a corporate culture that is supportive of each other.
6. The company will not disclose personal information to irrelevant party unless it is the act in good faith in accordance with the law.

Competitors: The Company will trade under the fair competition rules with no violation of trade secrets and exploitation of business by means of dishonest and unfairness or inappropriate means and will not discredit or spreading false information.

The Creditors: The Company will treat all creditors equally and fairly on the basis of honesty and fairness to both parties. The Company will comply with the agreed contract strictly.

Social and Environment: The company recognizes its social responsibility and environmental conservation. It intends to do the following.

1. Creating awareness to the service providers and staff at all levels to recognize the importance of giving back to society and environment.
2. Providing support activities to assist the socially disadvantaged and those who have suffered from various disasters.
3. Creating awareness for conservation of natural resources and environmental development

Section 4: Disclosure and Transparency

The Board of Directors has the policy to disclose important information about the company with completeness, accuracy and reliability in order to give information to shareholders equally according to the law, rules and regulations related to disclosure.

Shareholder Structure

Company will disclose the proportion of the shareholders of the Company clearly via the website and post at the front of the office of the Company.

Financial situation and results of operations

The Company will describe the analysis of financial performance, nature of business and Competition Status of the Company along with the risks and guidelines to prevent or reduce the risk

The Board of Committee and Executives.

The Company will disclose the name, surname, age, education, training, working experience, shares holding, Independency, Attendance and number of companies as a director through the annual report of the Company.

Investment Relationship

The Company has determined a group of people who are responsible for the disclosure of information to shareholders; investors and securities analysts include Chairman of the Board and the Managing Director of the Company, and provide investment relations officers whom investors can get more information by phone or E-Mail shown at the website of the Company. Moreover, The Company also held a responsible group to broadcast news and financial operations of the Company through various media and the website of the company so that all interested parties can access to the information easily in timely manner and their convenience.

Sectors 5: Responsibilities of the Board of Directors

The Role of the Board of Directors is very important in directing affairs for the benefit of the Company and is responsible for the Company's performance to shareholders and stakeholders, hereupon the Company has selected the Committee with leadership, vision, quality, seniority and individuals with direct experience in the operations of the company for the best interests of the Company and the shareholders. Besides the Board of Directors of the Company, the company also provides officers that help determine the direction and operating policies of the company.

Corporate Governance Structure

To ensure that the Company will achieve the vision and defined business goals effectively and efficiently and to achieve clarity in roles and responsibilities between the Board of Director and management, the Board of Directors has determined the corporate governance structure of the Company consists of 3 main groups as follows:

1. The Board of Directors consists of 9 directors residing in the Kingdom of Thailand and have qualifications prescribed by law.

2. Independent Committee consists of 4 directors with qualifications as follows:

A) The independent Directors hold shares not exceed one percent of the total shares with voting rights of the Company, parent companies, subsidiaries, associated entities, legal entities that are major shareholders or controlling person of the Company. The shares held by those involved shall be counted.

B) The independent Directors shall not participate in the administration, nor be an employee, staff, advisor who receives regular salary or a controlling person of the company, not less than two years before his appointment. The prohibition does not include the case if they are public servants or advisor of Government organization which is a major shareholder or controlling person of the Company.

C) The independent Directors has no blood relationship or registered as father, mother, spouse, sibling, and child, including spouse of the children of executives, major shareholders, controlling authority or persons to be nominated as executive or controlling person of the subsidiaries.

D) The independent Directors don't have a business or have not been in a business relationship with a value more than three percent of the net tangible assets or more than Bath 20 million baht (whichever is lower) with its parent company, subsidiaries, associated entities, major shareholder or controlling person of the Company and not being or having been a shareholder or a controlling person of any person who have business relationship with the Company, parent companies, subsidiaries, associated entities, legal entities who are major shareholders or controlling person of the Company. Unless it is clear from the manner for not less than two years before the appointment.

E) The independent Directors is not or has not been an auditor of the Company, parent companies, subsidiaries, associated entities, legal entity who is a major shareholder or controlling person of the Company and is not a major shareholder, controlling authority or partners of the audit firm which is the auditor of the Company, parent companies, subsidiaries, associated entities, legal entity as a major shareholder or authorized under the Company's control, unless it is clear from the manner for not less than two years before the appointment.

F) The independent Directors is not or has not been a provider of any professional such as legal advisor, financial advisor, property appraiser, etc., which has more than 2 million baht per year from the company, parent company, subsidiary, associated entities, legal entity as a major shareholder nor a controlling person or partner of the professional service provider unless it is clear from the manner for not less than two years before the appointment.

G) The independent Directors is not or has not been a director appointed as representative of the directors of the Company, major shareholders or shareholders who are related to the major shareholders of the Company.

H) The independent Directors do not operate a business with the same nature and in competition to the

business of the Company or its subsidiaries or not be a significant partner in a Partnership Company or be an executive director, employee, staff, advisor who receives a regular salary or hold 1 percent of the total shares with voting rights of another company with the same nature of the Company and is a competitor of the Company or its subsidiaries.

I) The independent Directors have no any characteristics that prevent from giving independent comments.

3. The Audit Committee consists of 4 members. Their qualifications are as follows.

A. The Audit Committee Member has all qualifications of independent directors

B. The Audit Committee Member is not a director appointed by the Board of Directors to make the decision to conduct the affairs of the Company, subsidiaries, parent company, subsidiary in the same level, and legal entity as a major shareholder or controlling person of the Company.

C. The Audit Committee Member is not a director of the Company's parent company, subsidiary or subsidiaries of the same level only as listed company.

D. At least one Audit Committee Member has sufficient knowledge and experience to be able to do the duty to review the reliability of financial statements.

Structure of the Board of Directors

The Structure is determined by resolution of the shareholders' meeting, but not less than five and not less than one-half of the directors must be resident in the Kingdom of Thailand and has qualifications prescribed by law.

Duties and Responsibilities

The Board of Directors has the role in overseeing the management of the Company to ensure that the management of the Company has complied with the policy approved as the target of the operations with the goal to grow steadily with the increase in revenue from expanding customer base to be wider, along with adding more types of loans to be diverse and comprehensive, including increasing the number of partners and financial instruments, and finding new customers in businesses with growth potential.

To meet customer demands and to create excellent operations to benefit the shareholders and all stakeholders, the duty and responsibilities of the Board of Directors are as follows:

1. Consider good corporate governance policy that management can implement, including reviewing the operations then adjust it to be suitable and report in the Annual Report.

2. Consider what appropriate for the Company, make recommendations and approve vision, strategy and operational goals of the company presented by management and assess the success of the operations.

3. Ensure that the Company has appropriate risk management system and internal control system.

4. Ensure that the Company has ethical guidelines on business operations and business conduct of the directors and employees, including inform the relevant people about them.

5. Consider the appropriateness of the appointment and the scope of authority of the executives.

6. Consider the appropriateness to authorize the Chief Executive Officer and Managing Director to ensure normal business can be operated in timely manner.

7. Prepare a report describing the responsibilities of the board on the preparation of financial statements

in the annual report.

8. Consider the appropriateness of the appointment of the Company Secretary and define the scope of authority of the Secretary of the Company.

9. Organize a channel for stakeholders to communicate with the Board of Directors to inform or give useful suggestion for consideration and implementation of the next scheduled process.

10. Do any operations needed to comply with laws, regulations, and resolutions of the shareholders of the Company.

The Meeting of the Board of Directors

The Board of Directors has determined the meeting schedule at least once every three months. The Directors are entitled to remuneration from the Company pursuant to the shareholders approval.

The Meetings of the Audit Committee

The Committee consists of 4 independent committee members. Their meetings are scheduled at least once every three months.

Duties and Responsibilities

1. Review the Company's financial reports to be accurate and sufficient.

2. Ensure the company to have internal control system and internal audit which are appropriate and effective and consider the independence of the audit committee as well as approving the appointment, rotate and dismissal the head of the audit committee.

3. Ensure the Company to compliance with the Securities and Exchange Commission, the Regulations of the Stock Exchange of Thailand and the laws relating to the business of the Company.

4. Consider, select, nominate and propose the remuneration for the auditor of the Company and attend the meeting with the auditor at least once a year.

5. Consider related transaction or transactions that may have conflict of interests to be accordance with the laws and regulations of the Stock Exchange of Thailand and to be most beneficial to the Company.

6. Prepare a report of the Audit Committee to be disclosed in the annual report of the Company. Such report must be signed by the Chairman of the Audit Committee and must contain at least the following:

- 6.1 Opinions about the accuracy, completeness and reliability of the financial report of the Company
- 6.2 Comments on the adequacy of internal controls of the Company
- 6.3 Comments on the compliance with the regulations of the Securities and Exchange Commission
- 6.4 Comments on the suitability of an auditor.
- 6.5 Comments on the transactions that may have conflict of interests
- 6.6 The number of meetings of the Audit Committee and attendance of each Audit Committee

Member

6.7 Overall observation that the Audit Committee has after perform duties under the Charter

6.8 Any information that Shareholders and investors should note under the scope of duties and responsibilities assigned by the Board of Directors.

7. Review the corporate governance policy of the Company to be compliance with the principles of good corporate governance appropriately.

8. Review the requirements relating to the Code of Conduct in business, the conduct for directors, management and employees of the Company.

9. Monitor the operations of the Company to ensure compliance with good corporate governance policies and the Code of Conduct continuously and appropriately.

10. Report the performance on the corporate governance of the Company to the Board of Directors with comments and suggestions for improvement as appropriate.

Corporate Government Policy

The Company has provided corporate governance policies in writing clearly. The Board of Directors will hold a policy review and implementation of policies regularly. After the common shares of the Company listed in the Stock Exchange of Thailand, the Company will follow the rules and regulations according to the Securities and Exchange Commission and the Stock Exchange of Thailand and reveal the corporate governance report in the annual report and the annual registration statement (Form 56-1).

Codes of Conduct

The Company has defined the codes of business conduct of management and employees to adhere to those involved in performing duties for the Company with honesty and integrity and to treat the Company, stakeholders, public and society as well as the tracking system to follow such guidelines on a regular basis.

The Company has declared and notified to all staff to understand and adhere strictly with such guidelines.

Internal control

The Company sees the importance of internal control systems both at management and operational levels. To achieve efficiency in operations, the Company determined obligation and authorization of operational staff and management in writing clearly, along with the use of the company's property for beneficial purposes and the job segmentation of operational staff, control staff and assessment staff. The company has appointed the Audit Committee to review the appropriated internal control system and internal audit.

The Company performs internal audit by outsourcing to outside party to check the Company's main operation and major financial activities with the law and provisions related to the company. The internal audit agency will review internal system and major transaction regularly and report the assessment directly to the Audit Committee. The internal audit agency is independent so it can fully do the check and balance.

Risk Management

The Company has risk management officer to support clear business goal and business assessment. The management will compare the actual operations with the determined goal regularly. The risk assessment will be done from both internal and outside factors. The cause of the factors will be analyzed then the company will set measures to follow up with the matter that causes risk factors, set measures to reduce risk, including designate related business units to monitor the risk regularly and report the progress to their superior.

Report of the Audit Committee

The Audit Committee is responsible to review the financial report by having the accounting and audit team join the meeting and present a financial report to the Board of Directors each quarter. The Board of Directors is responsible for the financial statements of the Company and the financial information contained in the annual

report. The preparation of financial statements shall be in accordance with accounting standards generally accepted in Thailand and audited by an auditor who has been authorized by the Securities and Exchange Commission by choosing the appropriate accounting policies and practices regularly, including the adequate disclosure of information in the notes to the financial statements.

Board of Directors' Meeting

The meeting of the Board of Directors is normally scheduled every three months and may have additional meetings as necessary. The meeting provides clear agendas with sufficient documents; they are delivered to the Board prior to the meeting so that the Board has sufficient time to study before the meeting, except in case of urgent necessity. The meeting shall be recorded as the meeting minutes. The approved report will be collected for reference and can be verified afterwards.

In the meeting, the Chairman of the Board of Directors who is the chairman of the meeting will allow the directors to comment freely. Executives or independent experts may participate in the meeting as related stakeholder for some agenda to provide detailed information which will be benefit to the Company, along with knowing about the policies to be implemented effectively. The Board of Directors' meeting will use majority Voting. Each director has one vote. The directors with conflicts of interest shall not attend the meeting or cast their votes. In case of the voting is a tie, the Chairman of the Meeting is entitled to one additional vote to make a final decision.

In 2012 and 2013, the Company held total of 5 and 6 meetings, respectively. The details of attendance of each director are as follows:

Name	Position	Attendance (session)	
		2013	2012
1. Mr.Yongyuth Tariyo	Chairman	5/6	3/3
2. Mr. Boonsak Chiempriha	Director	6/6	4/5
3. Mr. Chinavais Sarasas	Director	5/6	4/5
4. Mr. Nattapon Sarasas	Director	6/6	5/5
5. Mr. Santi Hokittikul	Director	6/6	5/5
6. Mr. Pisit Sareewiwattana ^{1/}	Director	0/1	3/4
7. Mrs. Wipada Tantiprabha ^{2/}	Independent Director	6/6	5/5
8. Mr. Suvit Maesincee ^{3/}	Independent Director	0/6	1/5
9. Mr. Prameson Pisitpan ^{3/}	Independent Director	5/6	5/5
10.Mr. Tawee Khositjiranun ^{4/}	Independent Director	4/4	-

Note: 1/The director has been appointed as a Director on the Board of Directors' Meeting No. 1/2012 on 28 February 2012 and resigned from the Board of Directors on 5 April 2013.

2/The director has been appointed as directors on the Board of Directors' Meeting No. 5/2011 on 26 December 2011.

3/The director has been appointed as a director on the Board of Directors' Meeting No. 2/2011 dated 25April 2554.

4/The director has been appointed as a director on the Board of Directors' Meeting No. 2/2013 on 14 May 2013.

5/The total meetings that SEC visited in 2013

However, for each Board of Directors' meeting, the Company has delivered all related document of each agenda to the Board of Directors, so they had time to study the issues adequately. The Company assigned the Company Secretary to attend every meeting. The Company Secretary had recorded the minutes and sent it to the Chairman of the signatory. The minutes had been approved in next meetings. The Company Secretary kept all information or documents regarding the meetings so they could be easily found as reference.

Remuneration

The Company has remuneration policy to pay directors and management at the right level by taking into account the results of operations of the Company and consistency with the same industry, including appropriateness of the duties and responsibilities of directors and each executive. The company carefully pays the remuneration to management of the Company at appropriate level and the rates are competitive in the same industry in order to take care and maintain the qualified management. The management whom has been assigned more duties and responsibilities will be given more compensation which is appropriate to the increased duties and responsibilities. Hence the Company has set the remuneration of the directors to be clearly and transparent. The remuneration is approved by the general meeting of shareholders and the remuneration paid to directors and executives needs to be disclosed as required by the Securities and Exchange Commission.

Development of Directors and Executives

The Board of Directors has policy to promote and facilitate the training to educate the directors involved in the governance of the Company such as Director, Audit Committee, management etc., to improved performance consecutively. In the event of a change of directors or the appointment of a new director, management will provide the documents and information that is beneficial to the performance of the new director as well as give the introduction of the business nature and business practices of the Company to a new director.

Prevention of inside information used by management

The Company has policies and procedures to take care and manage the use of information within the company which was not disclosed to the public to use for personal gain, including trading securities as follows:

- To educate the Directors as well as management in every departments about the duty to report the securities holding of themselves, their spouse and minor children to the Securities and Exchange Commission and The Stock Exchange of Thailand under Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992.
- The company orders the directors and management to report the change of the holding of securities to The Securities and Exchange Commission under Section 59 of the Securities Exchange Act of 1992 within 3 business days from the date of the transaction and send copies of this report to the Company on the same date to submit a report to the Securities and Exchange Commission.
- The Company has determined that directors, executives and related practitioners who get inside information related to the subject matter which affects the stock price shall suspend the trading of the Company before the financial statements or information is disclosed to the public within a period of one month and should wait at least 24 hours after disclosure to the public, including prohibiting the disclosure of a material to others.

The Company set disciplinary actions if there is a violation of using inside information for their own benefits starting from written warning, pay cut, and temporary suspension without pay or force to leave. Their punishment will be determined by the intention of the action and the seriousness of the offense.

Corporate Social Responsibility : CSR)

Throughout the nine years since G Capital Public Company Limited was found, the Company operates with social responsibility, aiming is to create success for our customers, leading to job creation and income, enhancing quality of life and well-being for the family, community and society with reasonability and sustainability

Corporate Governance

The Board of Directors recognizes the importance of good corporate governance and commits to create the organization with reasonable and sustainable growth and the management has transparency and fairness, always considers about shareholders and stakeholders along with responsibility for social and environment.

The Board of Directors has set a policy of good governance and code of business conduct and informs the management and employees of the Company to acknowledge and understand and use the policy and code of business conduct as guideline for operations of the organization. The Company has provided the regulatory agencies to comply with the law and rules and regulations of related organizations, and monitors the performance of employees according to the process with transparency, fairness and accountability, so that the operations of the Company regarding corporate governance can be effective.

The Company has established and adhered to good corporate governance principles covering 5 categories as follows

- The Rights of Shareholders
- The Equitable Treatment of Shareholders
- The Role of Stakeholders
- Disclosure and Transparency.
- Responsibilities of the Board of Directors

The Company has established and adhered to code of business conduct covering 5 categories as follows

- Code of Business Conduct
- Code of Business Conduct to Stakeholders
- Code of Business Conduct for Committees
- Code of Business Conduct for employees
- Maintain integrity of Code of Business Conduct

(For more information, please visit ; www.gcapital.co.th)

Business Undertaking with Fairness

The Board of Directors adheres to the business principle of fairness, and perform their duty to be consistent and in accordance with law and the rules and regulations of related organization. The Company has disciplinary practices are as follows.

- Operate business with fairness and legal compliance
- Not be Greedy for other benefits that might come from unethical actions
- Promote fair trade competition in liberalization. No favoritism
- Anti corruption and conduct risk management regarding corruption

- Have social responsibility of organizations and partners
- Respect for property rights. Do not support the actions that are in violation of the intellectual property or copyright

Anti-Corruption Practice

The Board of Directors has set policies to manage the risks associated with fraud and corruption and define business ethics to have the organization focused on the prevention of corruption, and promote business operations with integrity, transparency, and fairness. The Company been communicated to management, staff and stakeholders to urge awareness to be against corruption and work with honesty, transparency, straight-forwardly and are responsible for the work as well as have passion and pride for their organization.

The Board of Directors has office of Pitisevi Auditing Company Limited who has been certified by SEC to responsibility of Internal Audit of the Company. The Auditor will monitor and review internal control and procedures. The Company has a department for supervisory and ensure of the compliance of Rules and Regulations and administrative practices of other related parties without having any chance for corruptions. The Company also has the Audit Committee to determine and review the internal control system and follow-up with the audit result from the audit company. The internal audit department will report directly to the Audit Committee, and then the Audit Committee will report directly to the Board of Directors.

The Company participates in Private Sector Collective Action Coalition Against Corruption (CAC) (No.161) and the management of the Company participated in a seminar on the prevention and fight against corruption to build knowledge and understanding of guidelines and practices used in an organization.

Respect for Human Rights

The Board of Directors has awareness and sees the importance of respecting human rights by operating with social responsibility and with respect to human rights and human dignity of all stakeholders of the Company. The Company has no policy to restrict basic rights in terms of race, religion, politics, gender, children and disabled, etc. We give opportunity to employees and all stakeholders to comment through the recommendation channel of the Company.

Labor Practice

The Board of Directors sees importance of labor practice and use ethical practice and fairness in business conduct of employees which can strengthen the foundation and sustainable development of organization.

The company treats all employees according to laws and regulations of the company with respect to the right to work, non-discrimination policy, equality of opportunity that not limited to race, religion, politics, gender, children and the disabled, etc. The Company focuses in creating good atmosphere in the workplace by looking after the environment to be safe, healthy and hygienic as well as creating corporate culture that is supportive of each other.

The Board of Directors focuses on employee development to have skills and knowledge and be able to keep pace with the changing economy and society. The Company supports employees to develop their knowledge, potentials, skills, abilities and work experience regularly.

The Board of Directors the focus on employment and compensation program. We have suitable and fair welfare in the form of salary, bonus, health and accident insurance, health check-up, provident fund and other compensation, as well as all appointment, transfer, reward and punish employees are operated with honesty and fairness.

Responsibility to Consumers

The Board of Directors focuses and commits to practice with accountability to customers. The Company has provided care, knowledge, insight and advice to customers on matters to meet their satisfaction including taking care of their complaints and troubleshooting, giving information, and providing training for occupations, etc.

The Company commits and aims to provide all customers to succeed in their careers. The Company cooperates with our partners to hold a seminar and training on the topic “Rice Harvester service to be successful their careers. This seminar and training provides knowledge and understanding of contract harvesting business, directions and trends in the business, how to take care and maintain machinery, basic knowledge in finance, contact harvesting management, business strategies and financial planning, etc.

Environmental Conservation

The Board of Directors focuses on the environment protection and conservation and promotes the concept of using resource with cost-effectiveness. The Company encourages reducing waste under the 3Rs in the Company as follows:

- Reducing the amount of waste that may occur, such as the selection of large packaging instead of smaller packaging, choosing products with minimal environmental impact, and so on.
- Reusing is to bring products to be used again such as using product packages to contain stationary or other items, use paper bag or plastic bag repetitively, use both sides of paper and so on.
- Recycling is a process to change materials into new products to prevent waste of potentially useful materials, reduce the consumption of fresh raw materials. This can be done by collecting waste in office e.g. paper, plastic, glass, steel and aluminum for sale to related parties to recycle.

Improving Community and Society

The Board of Directors recognizes the importance of community and social development. The Company encourages employees to volunteer to public and participate in helping and doing good thing to the community and society for happiness and sustainability. In 2013 the company has developed the community and social through activities as follows.

The Company gave 30 scholarship “G Capital, Good Young People” to students from Bann Huay Singh School, Mae Seraing, Mae Hong Son Province in the amount of 300,000 baht.

The Company made a donation to the project contributed to Siamintratiraj Medical Institute and brought new medical technology to rural areas in the amount of 42,000 Baht.

The Company co-donated to build a study a center hall at Wat Pa Sriracha, Samrong Tabdistrict, Surin Province in the amount of 450,000 baht.

The Company donated Khatin robes for Royal Khatin ceremony held by the Revenue Department, Ministry of Finance in the amount of 5,000 baht.

The Company coordinate with Kaset Phattana Group for Khatin ceremony at Buddhabaht Khoa Samor Klang Temple, Luang Phor Daeng Temple, and Rajburana Temple, Phitsanulok Province in the amount of 20,000 baht.

The Company co-donated for School Building Construction at Wad Chainghwai School (replacing the burned down building) in the amount of 100,000 baht.

Creation and dissemination of innovations from operations with social and environmental responsibility and stakeholders

The Board of Directors recognizes the importance of inventing innovation to use in operations of the Company. It can help society and the stakeholders of the Company by installing the database from the operations to develop a service called "G Cap Call Center". Throughout the year of operations, the Board of Directors, the management and the Company's employees know problems of rice farmers and farmer who offered harvesting services very well. The farmers in remote areas have to wait for rice harvester combines for a long time. While waiting, the yield has dried and fallen to the ground, decreasing farmers' yields and incomes. some farmers who give harvesting services cannot persistently find jobs, while some harvesting service providers cannot take all the jobs from farmers. For harvesting service providers whom don't own a vehicle to transport their harvester, they will be delayed in giving services to farmers resulting low income and the decrease in productivity of farmers as the yield may fall and get damaged. The Board of Directors has idea to initiate the Company to arrange "G Cap Call Center" to be a hub to coordinate about rice harvesting, transporting rice harvesters combines as well as giving advices to harvesting service providers, etc. The service from the call center is free of charge and gives opportunity to all farmers to use the company's services equally.

Pictures of Social Responsibility Events 2013



Scholarship to Ban Huay Singh School,
Maehongson Province



Khatin Ceremony with Kaset Phattana Group



Staff's Training and Seminars in 2013



Training and Seminars for customers



Private Sector's Anti-Corruption Activities



Khatin Ceremony at Wat Pasiracha, Surin Province

Related Parties Transaction

The Company had significant business transaction with related parties. These parties are directly or indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transaction on the basis determine by the Company and the parties concerned. For the years ended December 31, 2013 and 2012, the significant transactions with related parties can be summarized as follows:

	Unit : Baht		Price Policy
	2013	2012	
Related through shareholders– Songnam Co.,Ltd.			
Rental vehicles expense	-	450,000	Contract Price
Dividends paid	13,000,000	3,250,000	
Related through directors			
Rental vehicles expense – Nature Trans Co.,Ltd.	240,000	240,000	Contract Price
Rental office expense – Pakoh Hotel Co.,Ltd	-	396,000	Contract Price
Maintenance server – General outsourcing Co.,Ltd.	120,000	120,000	Contract Price
Related though shareholders – Government Saving Bank Fund			
Devidends paid	4,685,625	1,874,250	
Related through shareholders – Government Saving Bank (Hold by individual fund by Government Saving Bank)			
Interest income	137,473	98,191	Interest rate with domestic commercial bank
Dividends paid	2,905,688	750,000	
Finance costs	17,732,736	29,628,274	Bank Interest Rate (MOR or MLR -0.50%)
Bank charge	254,004	237,937	

Management compensation – for key management personnel

Management compensation – for key management personnel for the years ended December 31, 2013 and 2012 these consist of:

	Unit : Baht	
	2013	2012
Short-term Benefits	14,899,282	14,056,667
Post-employment benefits	967,421	822,315
Total Manament compensation – for key management personnel	15,866,703	14,878,982

As at December 31, 2013 and 2012, the Company had significant balances with related parties as follows:

	Unit : Baht	
	2013	2012
Related through shareholder - Government Savings Bank		
(Hold by Individual fund by Government Savings Bank)		
Deposits at bank	3,589,914	1,912,758
Accrued Interest expense	497,774	1,862,366
Bank overdrafts and short-term loans from financial institutions		
Bank overdrafts	-	2,666,825
Promissory Note	-	335,864,000
Total	-	338,530,825
Long-term loans		
Long-term Loan from Financial Institutions	149,509,589	40,008,000
Current portion of long-term loans	(49,831,333)	(40,008,000)
Total long-term portion of loans from financial institution - net	99,678,256	-

As at December 31, 2013 and 2012, the Company had unsecured credit line for bank overdrafts of baht 20 million. The interest rate is MOR

As at December 31, 2013 and 2012, the Company had a credit line for short-term loan of Baht 400 million by issuing the promissory notes with maturity within 6 months commencing de date of drawdown which can be renewed. The interest rate is MLR-0.5% per annum. The loan is secured by transferring the rights on receivables under hire-purchase agreement having .The net book value of receivables as at December 31, 2012 of Baht 425.26 million.

As at December 31, 2013 and 2012, the Company had long term loan of Baht 150 million and Baht 40.01 million, respectively. The Company issued the promissory note of maturity within 36 months. The interest rate is MLR-0.5% per annum, secured by transferring the rights on receivables under hire-purchase agreement having net book value of receivables as at December 31, 2013 and 2012, of Baht 162.70 million and Baht 58.68 million, respectively. The Company had to company with the condition in the loan agreement.

Report of the Audit Committee

The Audit Committee of G Capital Public Company Limited is currently comprised of independent directors with requirements and best practices of the Audit Committee of the Stock Exchange of Thailand which was appointed by the Board of Directors. The Audit Committee consists of 4 members as follows:

- | | | | |
|----|-------------------|---------------|-----------------------------|
| 1) | Asst.Prof. Wipada | Tantiprabha | Chairman of Audit Committee |
| 2) | Mr. Suwit | Maesincee | Audit Committee |
| 3) | Mr. Pramesan | Pisitpan | Audit Committee |
| 4) | Mr. Tawee | Khositjiranun | Audit Committee |

Note : Mr. Niton Chaiyanate, the company secretary is appointed as the Secretary to the Audit Committee

In 2013, the Audit Committee has fulfilled its mission as assigned by the Board of Directors and the Charter of the Audit Committee. The Audit Committee has 4 meetings with senior management, auditors and internal auditors. The matters that the Audit Committee has considered and operated can be summarized as follows:

The Audit Committee reviewed financial statements of the Company quarterly and annually and has invited auditors to attend all meetings with agendas to review quarter and annual financial statements. The Audit Committee has reviewed the financial statements by asking advices from the auditors for the accuracy and completeness of the financial statements. There were enough adequacies of financial statement disclosures affecting the financial statements to ensure that the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards and generally accepted accounting principles. The Audit Committee has agreed with the auditors that the financial statements are accurate and meet financial reporting standards.

The Audit Committee was responsible for internal control and internal audit. The Audit Committee reviewed the Company's internal control system and internal audit to be appropriate and effective, prevented the occurrence of conflict or violation of laws and regulations of the company. The Audit Committee provided recommendations to management to ensure that the operations are concise, thorough and accurate.

In 2013, the Audit Committee has elected Ms. Chaovana Viwatpanachati from Office of Pitisevi Company Limited as the internal auditor of the Company. Ms. Chaovana Viwatpanachati is a CPA who received approval from SEC to assess the adequacy of the internal control and internal audit systems. She assessed the adequacy, appropriateness and effectiveness of the internal control system and provided feedback to the company of which to be modified to operate with transparency consistent with good corporate governance principles.

The Audit committee ensured the regulatory compliance by review the Company's operations to be in accordance with the regulations of SEC and the laws relating to the business of the Company.

The Audit committee selected auditors and determine their remunerations by considering the quality and status of Auditors with significant restrictions or regulations of SET or other related organizations.

However, The Audit Committee has considered the performance of the external auditor, Mr. Vichai Ruchitanont from ANS Audit Company Limited for the past accounting period and determined the remuneration of the auditor before presenting him to the Board of Directors for approval. The General Meeting of Shareholders of 2013 appointed Mr. Vichai Ruchitanont from ANS Audit Company Limited to be CPA as the auditors of the Company.

The Audit Committee has considered and commented on related transaction or transaction with conflict of interest to determine whether the transaction is fair and reasonable according to the criteria of SET by taking into account the interests of stakeholders every quarter regularly.

Risk management on corporate corruption

In 2013, the company was aware of the risk on corporate corruption. The policy has been set and the company had signed the Private Sector Collective Action Coalition Against Corruption (CAC).

The Audit Committee has commented that the financial report of the Company has been prepared correctly in accordance with generally accepted practices and the disclosure of information was accurate and suitable with no major issues contrary to the facts and financial reporting standards and the regulations of the Government.

The Company had the internal control system that adheres to the laws and regulations of the Company and Government properly, justifiably and appropriately to the reality. The current business operation under the code of conduct of the management and employees of the Company ensures G Capital Public Company Limited to be ready for the growth and operate under corporate governance abidingly.



(Asst. Prof. Wipada Tantiprabha)
Chairman of Audit Committee

Management's Discussion and Analysis of Results of Operations and Financial Statement (MD&A)

Overview of Operating Results

G Capital Public Company Limited provides hire purchasing services to customers who would like to purchase a agricultural machinery; including Rice Harvester Combine, Crawling Rotavator, Farm Tractor, Sugar Cane & Wooden (Grabber) Loader, etc. The company provides financial support to farmers to access funding more easily by providing agricultural credit lending enabling farmers to use modern agricultural machinery to increase productivity and optimization of cultivation, harvest, and processing of agricultural products.

In 2012, the Company has adopted the Accounting Standard No. 12 about income tax practice before the effective date of the standard (The fiscal year starting 1 January 2013) and the Company has restated its financial statements for the year ended 31 December 2011 and the financial statement as of 1 January 2011 to reflect the change in accounting for income taxes resulting the update of the financial statement of 2011 from the auditor. The total assets increased by Baht 569.86 million to Baht 578.16 million which represented in the deferred tax assets, and the shareholders' equity increased from Baht 95.13 million to Baht 103.44 million which increased in the unappropriated retained earnings .

The Business performance in 2013 proves the Company's success. The Company's net income increased 31 percent from Baht 32.64 million to Baht 42.81 million. The main factor to support the operations of the Company was from ongoing credit expansion and the administration to lower the Company's expenses.

Revenue

The revenue of the Company comprises income from the right under the hire purchase contracts. Penalty and other income. Total income of the company for the years 2012 and 2013 amounted to Baht 141.01 million and Baht 163.40 million, respectively which was 15.88 percent higher. The income from the right under the hire purchase contracts is considered as the main income of the Company accounted for 91.02 percent and 94.69 percent of total revenues in 2012 and 2013, respectively.

Expenses

The cost of the company consists of cost of selling expenses, administrative expenses and allowance for doubtful accounts, which are detailed as follows:

Selling Expenses

The selling expenses of the company was mostly from sales personnel costs, including salaries, bonuses, allowances, transportation expenses, promotion expense, and expense for checking customer profile, etc.

The selling expenses for 2012 and 2013 were Baht 7.21 million and Baht 7.41 million, accounting for 5.12 percent and 4.53 percent of total revenues.

Administrative Expenses

The administrative expenses was mainly from personnel costs, including salaries, bonuses, rents and service charge, depreciation, utilities, gasoline, and fee, etc.

The administrative expenses for 2013 were Baht 47.42 million or 29.02 percent of total revenues, higher than in 2012 at Baht 6.68 million or an increase of 16.39 percent. The increased costs are staff costs, remuneration, Legal costs and depreciation which were increasing because of the expansion of business as usual.

Finance cost

The finance cost of the Company in 2012 and 2013 amounted to Baht 33.25 million and Baht 39.10 million respectively, increased 17.62 percent. The finance cost of the company increased due to the increase in outstanding loans as loan volume increased.

Net Profit

Company's profit in 2012 and 2013 were Baht 32.64 million and Baht 42.81 million, representing 23.15 percent and 26.20 percent of total revenues, respectively.

The profit from 2013 increased Baht 10.17 million from 2012 which increased 31.17 percent as the expansion of the credit lending resulting the increased revenue from the right under the hire purchase contract . Also the total cost per unit decreased and the income tax expense has decreased compared to profit before tax.

Tax expenses

In 2013 the government changed the tax rate by reducing the corporate tax rate from 23 percent in 2012 to 20 percent in 2013. The Company's tax rate in 2013 was 18.51 percent and 24.60 percent in 2012.

Earnings per Share (EPS)

The company increased its capital and paid -up share capital of the mai-listed on November 29, 2013 by increasing from 150 million shares to 200 million shares, the number of common shares weighted average the number of common shares in 2013 amounted to 154.52 million shares. The earnings per share was Baht 0.28. Compared with 2012, earnings per share was Baht 0.22, increased by 27.27 percent.

Profitability Ratio

Profitability Ratio is the difference between interest rates income and penalty Income from hire purchase contract with paid Interest rate. In 2012, the difference of capabilities to earn a profit margin of 13.91 percent. While in 2012 the difference in capabilities was 15.74 percent due to customers had to make higher down payment for hire purchase contract, causing the reduction of interest rate Income.

Financial Status

Assets

Assets of the Company consist of as follows:

1) Current assets include cash and cash equivalents, current portion of hire purchase receivables due within one year, receivables under litigation enforcement process with collateral-net and other receivables.

2) Non current assets include hire purchase receivables due more than one year, receivable under litigation enforcement process-net, equipment, deferred tax assets and other non-current assets

Total assets of the Company at the end of 2013 was Baht 936.88 million, increasing from the total assets in 2012 of Baht 199.82 million which increased 27.11 percent. The total assets value of 2012 was 737.06 million. The factors of significant changes included the increase amount of accounts receivables under the hire purchase contracts. amount of Baht 187.82 million which is 26.68 percent higher.

Hire-Purchase Receivables

At the end of 2012 and 2013, the Company had accounts receivable under hire purchase contracts.at Baht 703.99 million and Baht 891.80 million respectively, representing total assets at 95.51 percent and 95.19 percent respectively. The hire purchase receivable under the contracts showed under the hire-purchase contract minus the interest that has not been recognized as revenue and allowance for doubtful accounts plus provision for value added tax. The Assets is considered a major asset of the company.

Quality of Accounts Receivable

To deal with allowance for doubtful accounts, The Company has applied the provision according to the notification of the Bank of Thailand No. Sor Nor Sor 31/2008 concerning the classification and the provision of financial institutions, announced on August 3, 2008. The Company has the policy of setting provision for doubtful accounts at a rate of 2.5 percent of account receivables under the hire purchase contract along with assessment of customer's payment histories and the values of hire-purchasing collateral when the collateral is returned comparing with the Company's criteria in accordance with the Federation of Accounting Professions No. Sor NOR 111/2004 dated April 23, 2004 commented on the provision of allowance for doubtful accounts of Consumer Finance business and the circular Notice No. Kor Lor Tor. Chor Sor (Wor) 2 /2004 commented on the allowance for doubtful debts of the Consumer Finance business.

Classification of hire purchase contracts receivable and policy allowance of doubtful accounts are as follow.

Installment of overdue	Percent allowance
Not yet due	1 Percent of hire purchase receivables-net
Overdue	
0-0.5 installments	2 Percent of hire purchase receivables-net
Over 0.5 – 1 installment	2 Percent of hire purchase receivables-net
Over 1 – 2 installment	2 Percent of hire purchase receivables-net
Over 2 – 3 installment	2 Percent of hire purchase receivables-net
Over 3 installment	100 Percent of hire purchase receivables-net and less 62% of appraisal collateral price

The policy allowance for doubtful accounts defines that 1 installment is 3 months period.

At an end of fiscal period, In case of found the allowance for doubtful accounts at the rate of 2.50 percent of accounts receivable under the hire purchase contracts is not enough when compared to the above criteria, the Company will increase a provision for doubtful accounts according to the criteria. And if the Company found that receivable is unable to pay debts or have dishonest behavior that may escape or death or being filed for bankruptcy, the Company will assess the value of the collateral to be zero immediately at the date noticed, and will set the provision for doubtful receivable for 100 percent immediately, regardless of how many unpaid installments.

Table of Aging of Accounts Receivable under Lease Agreement

Type of Accounts Receivable	For the year ended December 31, 2013					
	2013		2012		2011	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
Normal	671.35	71.10	601.42	80.97	435.77	74.59
Overdue						
Special level (0-0.5 installment)	37.23	3.94	20.66	2.78	12.45	2.13
Lower than Standard (Over 0.5 - 1 installment)	90.11	9.54	48.47	6.53	42.06	7.20
Suspicious level (Over 1 - 2 installment)	90.48	9.58	44.69	6.02	33.68	5.76
Doubtful level (Over 2 - 3 installment)	26.92	2.85	17.70	2.38	32.03	5.48
Doubtful level (Over 3 installment)	28.09	2.98	9.84	1.32	28.24	4.83
Total	944.18	100.00	742.78	100.00	584.22	100.00
Subtract provision for allowance doubtful accounts	(52.38)	(5.55)	(38.79)	(5.22)	(29.03)	(4.97)
Net Accounts Receivable under Hire-purchase Contracts	891.80	94.45	703.99	94.78	555.19	95.03

Note: The period of payment of installments receivable is at 3 months

In 2013 the ratio of accounts receivable in excess of the due date in Doubtful level (more than 3 months) increased from 1.32 percent to 2.98 percent of total receivables due rice pledging scheme that has not paid farmers causing some accounts receivable of the Company cannot fully pay their installment as agreed. However, the customers had paid partial payment and the Company has followed up and dealt with the debtors overdue by having customer relationship management team visit the receivable to examine and ask the reason for overdue

payments and find the solutions for the receivables to pay the installment. Different procedures for each case were used depending on their behavior and ability to pay the loans such as planning and re-scheduling the installment date, add more collateral, loan restructuring and return hire-purchase products. If there are products returns from receivables, the company will sell to auction first. If the company cannot sell the products, the Company still has an agreement with the partner to return products to them.

Receivables under litigation enforcement process with collateval-net

Receivable under litigation enforcement process with collateval-net is accounts receivable under the hire purchase contract that terminated the contract deducts from income from the right under hire purchase contract that has not yet recognized as revenue at the date of termination and deducts allowance for doubtful accounts. At the end of 2012 and 2013, receivables during legal proceedings secured a net worth Baht 3.83 million and Baht 1.94 million or equivalent to 0.52 percent and 0.21 percent of total assets, respectively. In 2013 receivables under litigation enforcement process with collateval-net decreased from year 2012 at Baht 1.88 million or 49.22 percent. The collateral are a Rice Harvester Combine, Crawling Rotavator and farm Tractor.

Other receivables

Other receivables consist of Revenue Department receivable, employee loans receivable, and other receivables, etc. At the end of 2012 and 2013, the values of other receivables was Baht 8.68 million and Baht 10.35 million or 1.18 percent and 1.11 percent of total assets, respectively.

Receivables under litigation enforcement process-net

Receivables under litigation enforcement process-net is the receivables that the Company has sued for more money because the collateral issued insufficient debt of the debtor. At the end of 2012 and 2013, receivables during the legal action was worth Baht 0.41 million and Baht 0.61 million, respectively.

Equipment-net

Equipment includes computers and devices, office furniture, appliances and office equipment and vehicles. The equipment value is calculated by cost subtracting accumulated depreciation. The Depreciation is calculated on a straight-line basis over the estimated useful lives approximately five years. By the end of 2012 and 2013, the equipment value was Baht 2.99 million and Baht 5.41 million or 0.41 percent and 0.58 percent of total assets, respectively. In 2013, the net worth equipment increased from 2012 Baht 2.42 million or 80.76 percent due to the purchase of vehicles worth 3.25 million baht for the Company's operations.

Deferred Tax Assets

Deferred tax assets are deferred tax recorded by the calculation of temporary differences arising between the carrying amount of assets and liabilities and the amounts used for taxation purposes. Deferred tax accounts are measured using tax rates expected to apply to the temporary differences when they reverse, based on laws enacted or are expected to become effective at the reporting date. In 2012 and 2013, the deferred tax assets were Baht 11.74 million and Baht 15.61 million, equivalent to 1.59 and 1.67 percent of total assets, respec-

tively. The increase in deferred tax assets was a result of the provision for employee benefits increased every year by accounting standard on employee benefits and the allowance for doubtful accounts at a rate of 2.5 percent of the liability for each month.

Liabilities

Total liabilities in 2012 and 2013 was Baht 608.48 million and Baht 664.54 million, respectively. In 2013, total liabilities increased from 2012 at Baht 56.05 million, representing 9.21 percent higher than 2012 due to the growth of the company.

Trade and Other Payables

Trade accounts payable is trade accounts payable that are the payable for rice harvester combine and other creditors consisting of interest accrual, withholding tax accrual. As of the fiscal year-end 2012 and 2013 trade payables and other payables amounted to Baht 14.10 million and Baht 16.06 million, respectively.

Sources of funds of the Company are as follows:

Source of funds	For the year ended December 31, 2013					
	2013		2012		2011	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
Loans	634.21	69.96	582.32	81.91	456.41	81.52
Bank overdrafts and short-term loans from financial institutions, individuals and legal entities	484.70	53.47	542.31	76.28	320.86	57.31
Long-term loans from financial institutions due within one year	49.83	5.50	40.01	5.63	95.54	17.07
Long-term loans from financial institutions	99.68	11.00	-	-	40.01	7.15
Shareholders' Equity	272.34	30.04	128.58	18.09	103.44	18.48
Total	906.57	100.00	710.90	100.00	559.85	100.00

Shareholders' Equity

The Shareholders' Equity of the Company as of 31 December 2012 and 2013 were Baht 128.58 million and Baht 272.34 million, increasing by Baht 143.76 million or 111.81 percent. The cause of the increase of the shareholders' equity was from the increase of capital which the Company's return on equity in 2012 and 2013 were 28.13 percent and 21.36 percent, respectively.

Audit Fee

In the fiscal year 2013, the Company paid Audit fee to the auditors from ANS Audit Co., Ltd. in the amount of Baht 445,000.

Liquidity Analysis

Unit: Million Baht

	2013	2012	2011
Cash used in operations activities	(145.78)	(118.80)	(32.93)
Cash flow used in investment activities	(1.22)	(0.81)	(0.66)
Cash from financing activities	152.02	117.94	58.41
Net cash increase (decrease)	5.02	(1.67)	1.30

Cash use in Operations activities

The Company's cash used in operation activities in 2012 and 2013 was Baht 118.80 million and Baht 145.78 million, respectively. In 2013, the Company's cash flows from operation activities increased Baht 26.98 million from 2012. The increase mainly was from loans receivable from hire-purchase agreement which increased by Baht 43.17 million.

Cash flow used in investment activities

The Company's cash used in investing activities in 2012 and 2013 were Baht 0.81 million and Baht 1.22 million, respectively. In 2013, the cash flow used in investing activities increased Baht 0.41 million from 2012 because the company had to purchase vehicles to use in operations.

Cash from financing activities

The Company's cash from financing activities in 2012 and 2013 was Baht 117.94 million and Baht 152.02 million, respectively. The Company had cash flows from financing activities in 2013 more than in 2012 of 34.08 million baht due to the repayment to long-term loans increased by Baht 504.45 million. There were the debenture of bonds, Bill of Exchange, promissory notes at Baht 430.44 million more. The cash receipts from getting more capital are Baht 130.95 million higher, and dividends increased Baht 22.50 million.

Sources of Fund

Capital Structure

Debt to equity shares at the end of 2012 and 2013 were 4.73 times and 2.44 times, respectively. In 2013, the Company sold shares to the public resulting in higher Shareholders' Equity. Consequently, the debt to Shareholders' Equity decreased to 2.29 times.

Report of Board of Directors' Responsibilities to the Financial Statement

The Board of Directors of G Capital Public Company Limited is responsible for the preparation and presentation of the financial statements in accordance with Financial Reporting Standards and responsible for internal controls to ensure the preparation of financial statements is without of data and facts that might cause fraud or error. The Board shall use careful judgment in selecting accounting policies and the estimation in financial reporting shall be appropriate and sufficient. The practice shall be regularly and the estimation in preparation shall be at its best. The disclosure of sensitive information shall be adequate in the notes to the financial statements. And the Board of Directors of the Company shall be responsible for financial information contained in the Annual Report 2013.

The Board of Directors has appointed the Audit Committee which consists of independent Directors responsible for reviewing accounting policies and overseeing the quality of financial reporting, reviewing of internal controls, internal audit system, risk management system along with considering the disclosure of related transactions according to the opinion of the Audit Committee on the subject depicted in the report of the Audit Committee written in the Annual Report.

The financial statements have to be audited by a certified public accountant from ANS Audit Company Limited which conducts the audit in accordance with auditing standards. And the financial statement shall comply with ethical requirements and also plan and perform the audit to obtain reasonable assurance that the financial statements are without of facts that might cause fraud or error. The opinion of the auditor appears in the report of the auditor depicted in the Annual Report.

The Board has established a system of internal control and risk management, including the internal control for many aspects to secure effectiveness and appropriation and ensure that the accounting information is accurate, complete and adequate, as well as to prevent fraud or conduct disorders, significantly.

The Board is of the opinion that the Company has good internal control system that is adequate and appropriate. It is confident that the financial statements of the Company for the year ended 31 December 2013 are reliable and compliance with the financial reporting standards, the right practice and related regulations

(Mr. Yongyuth Tariyo)
Chairman of the Board

(Mr. Santi Hokittikul)
Managing Director



FINANCIAL STATEMENTS AND AUDITOR'S REPORT

G CAPITAL PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2013



Auditor's Report

To the Shareholders and the Board of Directors of G Capital Public Company Limited:

I have audited the accompanying financial statements of G Capital Public Company Limited which comprise the statements of financial position as at December 31, 2013, and the related statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of G Capital Public Company Limited as at December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Vichai Ruchitanont)

Certified Public Accountant

Registration Number 4054

ANS Audit Company Limited Bangkok, February 18, 2014

G Capital Public Company Limited
Statements of Financial Position
As at December 31, 2013

Assets	Notes	Unit: Baht	
		2013	2012
Current Assets			
Cash and cash equivalents	4, 5	9,740,603	4,715,757
Current portion of hire-purchase receivables - net	6	414,085,386	312,168,827
Receivables under litigation enforcement process with collateral - net	7	1,944,482	3,829,182
Other receivables		10,352,875	8,680,107
Total Current Assets		436,123,346	329,393,873
Non-Current Assets			
Hire-purchase receivables - net of current portion	6	477,719,236	391,819,354
Receivables under litigation enforcement process - net	8	605,000	405,000
Equipment - net	9	5,406,674	2,991,156
Deferred tax assets	10	15,612,675	11,738,979
Other non-current assets		1,413,151	716,550
Total Non-Current Assets		500,756,736	407,671,039
Total Assets		936,880,082	737,064,912

G Capital Public Company Limited
Statements of Financial Position
As at December 31, 2013

Liabilities and Shareholders' Equity	Notes	Unit: Baht	
		2013	2012
Current Liabilities			
Bank overdrafts and short-term loans from financial institutions	4	-	338,530,825
Trade and other payables	4, 11	16,055,941	14,101,167
Short-term loans from third parties	12	218,066,560	203,781,756
Short-term unsecured debentures	13	266,646,706	-
Current portion of liabilities under financial lease agreements	14	860,145	555,120
Current portion of long-term loan from financial institutions	4	49,831,333	40,008,000
Accrued income tax		7,381,374	8,159,404
Total Current Liabilities		558,842,059	605,136,272
Non-Current Liabilities			
Liabilities under financial lease agreements - net	14	1,836,522	535,018
Long-term portion of loans from financial institutions - net	4	99,678,256	-
Employee benefit obligations	15	4,178,401	2,812,722
Total Non-current Liabilities		105,693,179	3,347,740
Total Liabilities		664,535,238	608,484,012
Shareholders' Equity			
Share capital			
Registered share capital			
200,000,000 common shares at Baht 0.50 per share		100,000,000	100,000,000

G Capital Public Company Limited
Statements of Comprehensive Income
For the year ended December 31, 2013

	Notes	Unit: Baht	
		2013	2012
Revenues	3, 4		
Income from hire-purchase contracts		154,715,801	128,343,152
Income from penalty on hire-purchase contracts		7,581,135	11,082,645
Other incomes		1,098,545	1,583,276
Total Revenues		163,395,481	141,009,073
Expenses			
Selling expenses		(7,409,465)	(7,212,894)
Administrative expenses		(47,416,315)	(40,739,044)
Allowance for doubtful accounts		(16,926,535)	(16,523,462)
Total Expenses		(71,752,315)	(64,475,400)
Profit before finance costs and income tax		91,643,166	76,533,673
Finance costs		(39,104,349)	(33,246,974)
Profit before income tax		52,538,817	43,286,699
Tax expenses	10	(9,724,873)	(10,647,585)
Profit for the years		42,813,944	32,639,114
Other comprehensive income		-	-
Total comprehensive income for the years		42,813,944	32,639,114
Earnings per share			
Basic earnings per share (Baht)		0.28	0.22
Weighted average number of issued and paid-up common shares (shares)	3, 16	154,520,548	150,000,000

G Capital Public Company Limited
Statements of Changes in Shareholders' Equity
For the year ended December 31, 2013

		Unit: Baht					
		Notes	Share capital Issued and paid-up	Premium on share capital	Retained earnings		
					Appropriated to legal reserve	Unappropriated	Total
Balance as at January 1, 2012			75,000,000	-	2,217,810	26,223,976	103,441,786
Legal reserve	17		-	-	1,881,338	(1,881,338)	-
Dividend paid	18		-	-	-	(7,500,000)	(7,500,000)
Total comprehensive income for the year			-	-	-	32,639,114	32,639,114
Balance as at December 31, 2012			75,000,000	-	4,099,148	49,481,752	128,580,900
Received from increasing common shares	16		25,000,000	-	-	-	25,000,000
Premium on common shares	16		-	105,950,000	-	-	105,950,000
Legal reserve	17		-	-	2,140,697	(2,140,697)	-
Dividend paid	18		-	-	-	(30,000,000)	(30,000,000)
Total comprehensive income for the year			-	-	-	42,813,944	42,813,944
Balance as at December 31, 2013			100,000,000	105,950,000	6,239,845	60,154,999	272,344,844

G Capital Public Company Limited
Statements of Cash flows
For the year ended December 31, 2013

	Unit: Baht	
	2013	2012
Cash flows from operating activities:		
Profit before income tax	52,538,817	43,286,699
Reconciliations of net income to net cash provided from operating activities:		
Depreciation	1,247,849	710,005
Gain on disposal of assets	(5,129)	(350,653)
Allowance for doubtful accounts	16,926,535	16,523,462
Estimation of employee benefit obligations	1,365,679	1,191,508
Finance costs	39,104,349	33,246,974
Profit from operating activities before changes in operating assets and liabilities	111,178,100	94,607,995
(Increase) decrease in operating assets:		
Hire-purchase receivables	(202,029,872)	(158,862,881)
Receivables under litigation enforcement process with collateral	4,048,821	(4,068,439)
Other receivables	(1,672,769)	(4,583,711)
Receivables under litigation enforcement process	(5,077,224)	(5,001,315)
Other non-current assets	(696,601)	-
Increase (decrease) in operating liabilities:		
Trade and other payables	(2,430,614)	5,384,388
Cash used in operating activities	(96,680,159)	(72,523,963)
Income tax paid	(14,376,598)	(12,201,073)
Cash paid for finance costs	(34,718,962)	(34,074,476)
Net cash use in operating activities	(145,775,719)	(118,799,512)

G Capital Public Company Limited
Statements of Cash flows
For the year ended December 31, 2013

	Unit: Baht	
	2013	2012
Cash flows from investing activities:		
Cash paid for purchase of fixed assets	(1,242,378)	(1,164,332)
Cash received from sales of fixed assets	21,640	350,654
Net cash used in investing activities	(1,220,738)	(813,678)
Cash flows from financing activities:		
Net increase (decrease) in bank overdrafts and short-term loans from financial institutions	(338,530,825)	221,448,581
Payments on liabilities under financial lease agreements	(830,971)	(466,542)
Net increase in short-term loans from third parties	14,284,804	-
Proceeds from debentures issuance	266,646,706	-
Cash received from long-term loans from financial institution	149,509,589	-
Repayment of long-term loans from financial institution	(40,008,000)	(95,541,000)
Cash received from increased share capital - net	130,950,000	-
Dividend paid	(30,000,000)	(7,500,000)
Net cash from financing activities	152,021,303	117,941,039
Net increase (decrease) in cash and cash equivalents	5,024,846	(1,672,151)
Cash and cash equivalents at beginning of the years	4,715,757	6,387,908
Cash and cash equivalents at ending of the years	9,740,603	4,715,757

Supplemental Disclosures of Cash Flows Information

Non-Cash transaction:

Acquisition of fixed assets under finance leases	2,437,500	695,800
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G CAPITAL PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

G Capital Public Company Limited ("the Company") was registered as a company limited under the Civil and Commercial Code on August 18, 2004 and become a public company limited on February 29, 2012. The Company's activity is principally as an agent engaged in providing hire-purchase agreements for combine harvester, agent in providing asset and personal loan.

It is located at 161/1, SG Tower, Soi Mahadlekluang 3, Rajdamri Rd., Lumpini, Pathumwan, Bangkok. The Company was listed on the MAI (Market for Alternative Investment) on December 17, 2013.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") in conformity with generally accepted accounting principles in Thailand and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

TAS/IFRS/TI/FAP's Announcement	Topic
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
IFRS 8	Operating Segments
TI 10	Government Assistance – No Specific Relation to Operating Activities
TI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TI 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
FAP's Announcement No. 34/2012	Accounting Guidance for Transfer and Transferred of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements.

New and revised Thai Financial Reporting Standards not yet effective

The Company has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

a) Thai Financial Reporting Interpretations (TFRI) and Thai Interpretations (TI) which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TAS/TFRI/TI

TAS 1 (revised 2012)

Topic

Presentation of Financial Statements

TAS 12 (revised 2012)

Income Taxes

TAS 17 (revised 2012)

Leases

TAS 18 (revised 2012)

Revenue

TAS/TFRI/TI

TAS 24 (revised 2012)

Related Party Disclosures

TAS 28 (revised 2012)

Investments in Associates

TAS 31 (revised 2012)

Interests in Joint Ventures

TAS 34 (revised 2012)

Interim Financial Reporting

TFRS 2 (revised 2012)

Share – Based Payments

TFRS 3 (revised 2012)

Business Combinations

TFRS 5 (revised 2012)

Non-current Assets Held for Sale and Discontinued Operations

TFRS 8 (revised 2012)

Operating Segments

TFRI 1

Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRI 4

Determining whether an Arrangement contains a Lease

TFRI 5

Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds

TFRI 7

Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies

TFRI 10

Interim Financial Reporting and Impairment

TFRI 12

Service Concession Arrangements

TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets from Customers
TI 15	Operating Leases-Incentives
TI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TI 29	Service Concession Arrangements: Disclosures
TI 32	Intangible Assets-Web Site Costs

The management of the Company has assessed the effects of these TAS, TFRI and TI, and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

b) Thai Financial Reporting Standard (TFRS) which is effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TFRS	Topic
TFRS No. 4	Insurance Contracts

The management of the Company has assessed the effect of the above financial reporting standard that it is not relevant to the business of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenues Recognition

Income from hire-purchase contracts

The Company records interest income on hire-purchase contracts as unearned interest and recognizes income based on the effective interest rate method for the lease agreement with effective dates on or after January 1, 2008 and based on sum-of-the-month digits method for the lease agreement with effective date prior to January 1, 2008.

Since January 1, 2011, the Company has stopped recognizing income from hire-purchase receivables who are over 3 consecutive installments contractually past due (1 installment equal to 3 months) which in the past the Company stopped recognizing income when the agreements are terminated.

Income from penalty on hire-purchase contracts

The Company recognizes the income from penalty on hire-purchase contracts upon invoicing.

Expenses Recognition

Expenses are recognized on the accrual basis.

Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and deposits at financial institutions with a maturity period not over 3 months and not subject to withdrawal restrictions.

Hire-purchase Receivable – net and Allowance for Doubtful Accounts

Hire-purchase receivables – net are presented net of unearned interest income and allowance for doubtful accounts.

The Company has policy allowance for doubtful accounts at a rate of 2.5% of the hire-purchase contracts receivable and compared to the benchmark of the Company.

The classification of the hire-purchase contracts receivable and policy allowance for doubtful accounts are as follows: (benchmark of the Company)

Installment of overdue (Calculated from the amount overdue)		Percent for allowance	
(1 installment = 3 Months)			
Not yet due		1%	of hire-purchase receivables - net
Over due:			
0 - 0.5 installments		2%	of hire-purchase receivables - net
Over 0.5 installments - 1 installments		2%	of hire-purchase receivables - net
Over 1 installments - 2 installments		2%	of hire-purchase receivables - net
Over 2 installments - 3 installments		2%	of hire-purchase receivables - net
Over 3 installments		100%	of hire-purchase receivables - net and less 62% of appraisal collateral price

At the end of the accounting period if the allowance for doubtful accounts at a rate of 2.5% of the hire-purchase contracts receivable, occurred at each of accounting period, is not sufficient when compared to the above benchmark, the Company shall provide increase the allowance for doubtful account accordingly.

Receivables under litigation enforcement process with collateral - net

Receivables under litigation enforcement process with collateral - net are account closed hire – purchase receivable less unearned revenue from hire – purchase contract as at the closed contract date and less allowance for doubtful accounts which show as net realisable value of collateral.

Equipment and Depreciation

Equipment are stated at cost less accumulated depreciation, which are computed by the straight-line method basis over the estimated useful lives of the assets as follows:

Computer and equipment	5 Years
Office improvements	5 Years
Furniture and office equipment	5 Years
Vehicles	5 Years
Software	5 Years

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is 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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the statements of comprehensive income over the lease period. The equipment acquired under financial leases is depreciated over the useful life of the asset.

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the statements of comprehensive income over the period of the lease.

Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined benefit plan

The obligations under the defined benefit plan are determined by the Company's management, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate without using rate of resignation, death and age of employees which is higher than the actuarial valuation. However, there is no significant difference.

When the employee benefits are changed, the portion of the increased benefit relating to past service

rendered by employee is recognized in the statements of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes actuarial gains or losses in the statements of comprehensive income in the period in which they arise.

Basic earnings per share

Basic earnings per share are determined by dividing the net income for the year by the weighted-average number of shares issued during the year.

4. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties. These parties are directly or indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned. For the years ended December 31, 2013 and 2012, the significant transactions with related parties can be summarized as follows:

	Unit: Baht		
	2013	2012	Pricing policy
Related through shareholders - Songnam Co.,Ltd.			
Rental vehicles expense	-	50,000	Contract price
Dividends paid	13,000,000	3,250,000	
Related through directors			
Rental vehicles expense - Nature Trans Co., Ltd.	2,000,000	2,000,000	Contract price
Rental office expense - Pathotel Co., Ltd.	-	3,600,000	Contract price
Maintenance service - General Outsourcing Co., Ltd.	120,000	120,000	Contract price
Related through shareholders - Government Saving Bank Fund			
Dividends paid	6,562,500	1,250,000	
Related through shareholders - Government Saving Bank (Hold by individual fund by Government Savings Bank)			
Interest income	13,300,000	1,100,000	Interest rate with domestic commercial bank
Dividends paid	2,056,000	50,000	
Finance costs	1,323,360	2,622,000	Bank interest rate (MO or M -0.50%)
Bank charge	25,000	23,000	

Management compensation – for key management personnel

Management compensation – for key management personnel for the years ended December 31, 2013 and 2012 these consist of:

	Unit: Baht	
	2013	2012
Short-term benefits	14,899,282	14,056,667
Post-employment benefits	967,421	822,315
Total management compensation – for key management personnel	15,866,703	14,878,982

As at December 31, 2013 and 2012, the Company had significant balances with related parties as follows:

	Unit: Baht	
	2013	2012
Related through shareholders - Government Savings Bank		
(Hold by individual fund by Government Savings Bank)		
deposits at bank	351	1125
accrued interest expense		162366
bank overdrafts and short-term loans from financial institutions		
bank overdrafts	-	266625
Promissory Notes	-	3356000
Total	-	3353025
Long-term loans		
Long-term loans from financial institutions	1505	000000
Current portion of Long-term loans	(31333)	(000000)
Total Long-term portion of loans from financial institutions - net	6256	-

As at December 31, 2013 and 2012, the Company had unsecured credit line for bank overdrafts of Baht 20 million. The interest rate is MOR.

As at December 31, 2013 and 2012, the Company had a credit line for short-term loan of Baht 400 million by issuing the promissory notes with maturity within 6 months commencing the date of drawdown which can be renewed. The interest rate is MLR- 0.5% per annum. The loan is secured by transferring the rights on receivables under hire-purchase agreements having the net book value of receivables as at December 31, 2012 of Baht 425.26 million.

As at December 31, 2013 and 2012, the Company had long term loan of Baht 150 million and Baht 40.01 million, respectively. The Company issued the promissory note of maturity within 36 months. The interest rate is MLR- 0.5% per annum, secured by transferring the rights on receivables under hire-purchase agreements having net book value of receivables as at December 31, 2013 and 2012, of Baht 162.70 million and Baht 58.68 million, respectively. The Company had to comply with the conditions in the loan agreements.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, comprised of:

	Unit: Baht	
	2013	2012
Cash on hand	100 000	100 000
Deposits at bank - savings account	10 5	01 1
Deposits at bank - current account	1 2	5 6 610
Total cash and cash equivalents	0 603	15 5

6. HIRE-PURCHASE RECEIVABLES - NET

Hire-purchase receivables as at December 31, were as follows: -

	Unit: Baht					
	Current portion of hire-purchase receivables - net		Hire-purchase receivables - net of current portion and not exceed 5 years		Total	
	2013	2012	2013	2012	2013	2012
Hire-purchase receivables	570,498,552	435,487,440	618,587,048	516,769,567	1,189,085,600	952,257,007
Less: Unearned income from hire-purchase contracts	(142,841,863)	(117,014,280)	(102,058,566)	(92,460,811)	(244,900,429)	(209,475,091)
Total	427,656,689	318,473,160	516,528,482	424,308,756	944,185,171	742,781,916
Less: Allowance for doubtful accounts	(13,571,303)	(6,304,333)	(38,809,246)	(32,489,402)	(52,380,549)	(38,793,735)
Hire-purchase receivables - net	414,085,386	312,168,827	477,719,236	391,819,354	891,804,622	703,988,181

As at December 31, 2013 and 2012, the balances of hire-purchase receivables (net of unearned income) and allowance for doubtful accounts can be classified by installment of overdue by the percentage of allowance for doubtful accounts (calculated from the installment due) as follows: -

				Unit: Baht			
				2013			
				Hire-purchase receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due				6 1 350 31	6 1 350 31	1	6 13 50
Over due:							
0 - 0.5 installments				3 22 2	3 22 2	2	5 6
Over 0.5 - 1 installments				0 112 0 1	0 112 0 1	2	1 02 2 1
Over 1 - 2 installments				0 3	0 3	2	1 0 5 0
Over 2 - 3 installments				26 21 31	26 21 31	2	53 2
Over 3 installments				2 0 2 5 5	1 0 053	100	1 0 053
Total				1 51 1	3 13 6		2 655 3 6
General reserve more than specific reserve							22 25 153
Total allowance for doubtful accounts (General reserve)							52 3 0 5

Amounts of hire-purchase receivables net from the value of 62% of collateral appraisal value.

				Unit: Baht			
				2012			
				Hire-purchase receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due				601,419,797	601,419,797	1	6,014,198
Over due:							
0 - 0.5 installments				20,657,691	20,657,691	2	413,154
Over 0.5 - 1 installments				48,474,690	48,474,690	2	969,494
Over 1 - 2 installments				44,687,656	44,687,656	2	893,753
Over 2 - 3 installments				17,703,266	17,703,266	2	354,065
Over 3 installments				9,838,816	5,687,240 *	100	5,687,240
Total				742,781,916	738,630,340		14,331,904
General reserve more than specific reserve							24,461,831
Total allowance for doubtful accounts (general reserve)							38,793,735

* Amounts of hire-purchase receivables net from the value of 62% of collateral appraisal value.

Receivable under litigation enforcement process and related allowance for doubtful accounts are separately presented (Note 7 and 8).

As at December 31, 2013 and 2012, the Company has transferred the rights on hire-purchase receivables to Government Savings Bank, net book value of Baht 162.70 million and Baht 483.94 million, respectively, to secure short-term loans and long-term loans from Government Savings Bank of Baht 150 million and Baht 375.87 million, respectively (Note 4).

On April 30, 2004, the Institute of Certified Accountants and Auditors of Thailand 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, recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments, and general allowance is to be provided for accounts receivable which are not overdue or overdue not more than 3 installments. If the Company had complied with this accounting guideline, the Company has to recognised allowance for doubtful accounts total Baht 39.70 million while the allowance for doubtful accounts of the Company's basis of 2.5 percent of the hire-purchase contracts receivable is recorded Baht 52.38 million, which is more than such accounting guideline amount of Baht 12.68 million.

However, this accounting guideline provides an alternative whereby, if a company believes that the guideline would not be appropriate, the company shall disclose its accounting guideline with relevant reasons. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 3 installments and to set up allowance based on consideration of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection. As at December 31, 2013 the Company had an allowance for doubtful accounts based on 2.5 percent of the hire-purchase contracts receivable that occurred in each year which was the average rate of the allowance for doubtful accounts of the Company. The past average rate was calculated from the allowance for doubtful accounts during the years 2006-2008.

As at December 31, 2013, the outstanding hire purchase receivables excluding unrecognized income from hire-purchase receivables who are over 3 consecutive installments contractually past due of Baht 28.09 million and stopped recognizing revenue of Baht 1.17 million.

7. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS WITH COLLATERAL – NET

Receivables under litigation enforcement process with collateral as at December 31, comprised of:

	Unit: Baht	
	2013	2012
Receivables under litigation enforcement process with collateral	2,831,794	6,880,614
Less: Allowance for doubtful accounts	(887,312)	(3,051,432)
Receivables under litigation enforcement process with collateral - net	1,944,482	3,829,182

8. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS – NET

Receivable under litigation enforcement process as at December 31, comprised of:

	nit: aht	
	2013	2012
Receivables under litigation enforcement process	2 32 66	2 250 0
<u>Less:</u> Allowance for doubtful accounts	(2 22 66)	(23 5 0)
Receivables under litigation enforcement process - net	605 000	05 000

9. EQUIPMENT - NET

Equipment as at December 31, 2013 comprised of:

	nit : aht		
	alance as at January 1 2013	Movements durin the year dditions epreciations	alance as at December 31 2013
Cost			
Computer and e uipments	3 3 56	3 33 (0 000)	3 1 2
Office improvements	3 0 50	- -	3 0 50
urniture and office e uipments	2 33 21	63 5 5 -	2 03 366
ehicles	5 650 02	3 250 000 -	00 02
oftware	221 500	- -	221 500
Total	15 26 6 6	3 663 3 (0 000)	1 52 06
Accumulated depreciations			
Computer and e uipment	(3 3 6 12)	(1 3 50) 03	(3 1 5 6 2)
Office improvements	(2 03 60)	(3 00) -	(2 1 30)
urniture and office e uipment	(2 112 1)	(3 6) -	(2 1 6 2)
ehicles	(3 6 1 1)	(05 6 6) -	(5 115)
oftware	(1 3)	(2 060) -	(221)
Total	(12 2 530)	(1 2) 03	(13 122 3 0)
Equipment - net	2 1 156		5 06 6

Depreciation for the years ended December 31, 2013 and 2012 of Baht 1.25 million and Baht 0.71 million respectively, were recorded in the statements of comprehensive income.

As at December 31, 2013 and 2012, the Company's equipment amounting to Baht 10.87 million and Baht 10.99 million, respectively, are fully depreciated but are still in use.

10. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, comprised of:

	nit: aht		
	Movement		
	January 1, 2013	Statements of Income	December 31, 2013
Deferred tax assets			
Allowance for doubtful accounts	11 0 0 5	3 51 6 6	1 5 2 2
Employee benefit obligations	562 5 5	2 3 135	35 6 0
Unrecognized revenue	5 36	1 5	23 11
Total deferred tax assets	11 3	3 3 6 6	15 612 6 5

Tax expenses for the years ended December 31, 2013 and 2012 were as follows:

	nit: aht	
	2013	2012
Profit before income tax	52 53 1	3 2 6 6
Income tax rate	20%	23%
Income tax expense as income tax rate	10 50 63	55 1
Non-deductible expenses by the Revenue Code	206 31	200 2
Double expenses by the Revenue Code	(21)	(2)
Difference from income tax rate	-	53 20
Income tax expense	2 3	10 6 5 5
The average effective tax rate	1 .51%	2 .60%

The Company used income tax rate of 20% and 23% for the calculation of corporate income tax for the years ended December 31, 2013 and 2012 respectively, attributable to the Section 5 of the Royal Decree Issued Under the Revenue Code Regarding Deduction in Tax Rate (No. 530) B.E. 2554.

11. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, comprised of:

	nit:		aht	
	2013		2012	
Trade payables	33	31	60	52
Other payables				
accrued interest	62	5	162	366
accrued withholdin ta	121	25	126	65
ccured e pense	216	6	1352	553
Others	2	262	1	111
Total Other payables	1265	62	510	15
Total Trade and other payables	16055	1	1101	16

12. SHORT-TERM LOANS FROM THIRD PARTIES

Short-term loans from third parties as at December 31 consisted of:

	nit:		aht	
	2013		2012	
Promissory notes	120	000 000	-	
Less Prepayment fee	(226	6)	-	
Promissory notes - net	11	3 351	-	
Bill of Exchange	100	000 000	210	000 000
Less Discount of Bill of Exchange	(1	06 1)	(6	21 2)
Bill of Exchange - net	2	3 20	203	1 56
Total short-term loans from third parties	21	066 560	203	1 56

As at December 31, 2013, the Company issued unsecured promissory notes of Baht 120 million to private investors with advice of a financial institution, bearing fixed interest rate based on the interest rates in the future, the maturity for period of 70 - 266 days.

As at December 31, 2013 and 2012, the Company issued unsecured bills of exchange of Baht 100 million and 210 million, respectively, to private investors by a financial institution as the appointed representative of the Company, bearing fixed interest rate based on the interest rates in the future, the maturity for period of 183 - 270 days.

13. SHORT – TERM UNSECURED DEBENTURES

Short – term unsecured debentures as at December 31 consisted of:

ebentures	erms	ue date	nit: aht	
			2013	2012
ebentures 1 2013	11 days	February 10 201	50 000 000	-
ebentures 1 2013	1 days	February 1 201	1 000 000	-
ebentures 1 2013	1 1 days	March 1 201	000 000	-
ebentures 1 2013	0 days	March 1 201	10 000 000	-
ebentures 1 2013	26 days	une 13 201	50 000 000	-
ebentures 1 2013	26 days	uly 201	50 000 000	-
ebentures 1 2013	2 0 days	uly 1 201	0 000 000	-
otal debentures at face value			26 000 000	-
Less namortised costs relatin to the issuance of the debentures			(353 2)	-
otal debentures-net			266 6 6 06	-

The Company issued unsecured debentures which a named - registered, the unsecured debentures are bearing fixed interest rate based on the interest rates in the future.

14. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, comprised of:

	Unit: Baht	
	2013	2012
Due within 1 year		
Minimum payments	954,004	588,336
Deferred interest	(93,859)	(33,216)
Present value of minimum payment	860,145	555,120
Due over 1 year not over 5 years		
Minimum payments	1,930,142	559,383
Deferred interest	(93,620)	(24,365)
Present value of minimum payment	1,836,522	535,018
Total present value of minimum payment under finance leases agreements	2,696,667	1,090,138
Net book value of vehicle under finance leases agreements	4,296,166	1,945,970

15. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits obligation as at December 31, comprised of:

	Unit: Baht	
	2013	2012
Post-employment benefit plan		
Employee benefit obligations as at beginning of the years	2,122,222	1,621,212
Past service cost on a straight-line basis	255,502	225,522
Current service cost recognition	0.6	2,655
Cost of interest	126,101	231
Net employee benefit obligations as at ending of the years	1,001	2,122,222

The Company has recognized the employee benefit obligations in the transition period as an expense on a straight-line basis over up to five years from the date of adoption. As at December 31, 2013 the Company has unrecognized the employee benefit obligations of Baht 0.51 million.

The Company made defined benefits plan in accordance with severance payment as the compensation of the Thai labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the latest salary.

Employee benefits expenses for the years ended December 31, as shown in the statements of comprehensive income as follow:

	Unit: Baht	
	2013	2012
Selling expenses	96,709	98,853
Administrative expenses	1,268,970	1,092,655
Total employee benefits expenses	1,365,679	1,191,508
Past service cost on a straight-line basis	255,502	272,582
Current service cost recognition	984,076	824,695
Cost of interest	126,101	94,231
Total employee benefits expenses	1,365,679	1,191,508

Principal actuarial assumptions as at December 31, (expressed as weighted averages) as follows:

	Percentage/Year	
	2013	2012
Discount rate at December 31	4.03	3.97
Future salary increases	6.00	6.00

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

16. SHARE CAPITAL

During November 26-28, 2013, the Company offered its new common shares to the sponsor and the public by issuing 50 million shares at a price of Baht 2.70 per share and the shares of the Company began trading in the Market for Alternative Investment on December 17, 2013. Directly attributable expenses of the initial public offering amounted to Baht 4.05 million were deductible from the premium on share capital.

17. LEGAL RESERVE

The Company is required to set aside a legal reserve at least 5% of its net profit until the reserve reaches 10 % of the registered share capital in accordance with the Public Company Limited Act B.E. 2535. The legal reserve is not available for dividend distribution.

18. DIVIDEND PAYMENTS

The resolutions of the Board of Director's Meeting No. 3/2013, held on August 14, 2013 approved to pay an interim dividend from its operations for the first half year 2013 of the 150 million shares at Baht 0.075 per share, amounted Baht 11.25 million and approved to allocate for legal reserve amounted Baht 1.13 million. The dividend was paid to the shareholders on August 29, 2013.

At the Ordinary Shareholder's Meeting No. 1/2013 held on April 4, 2013, the shareholders authorized the dividend payment from its operation for the year 2012 to shareholders of 150 million shares at the rate of 0.125 Baht per share, amounted Baht 18.75 million. The dividend was paid to the shareholders on April 9, 2013.

At the Ordinary Shareholder's Meeting No. 1/2012 held on April 3, 2012, the shareholders authorized the dividend payment from its operation for the year 2011 to shareholders at the rate of 18 Baht per share. An interim dividend of 8 Baht per share for its operation of 6 months in the early year 2011 was paid on August 8, 2011. Since the Company becomes a public company limited on February 29, 2012 and changes the par value from Baht 100 each to Baht 0.50 each. Thus, the remaining dividend per share was be 0.05 Baht per share which was paid to the eligible shareholders on April 27, 2012.

19. EXPENSES BY NATURE

The Company has significant expenses by nature for the years ended December 31, 2013 and 2012, comprised of the following:

	Unit : Baht	
	2013	2012
Management and employee compensation	35,263,490	29,708,520
Rental and service expenses	3,940,320	4,440,461
Sales promotion expenses	1,197,567	2,000,206
Depreciation	1,247,849	710,005
Allowance for doubtful accounts	16,926,535	16,523,462

20. OPERATING SEGMENT

The Company provides the hire-purchase agreements for the agriculture machinery within the Thailand territory, therefore, there is no presentation of operating segment.

21. FINANCIAL INSTRUMENTS

The Company has no policy to speculate or engage in the trading of any derivative financial instruments.

Fair value

Fair value is the estimated value that the Company could receive from selling its financial assets or the estimated cost for redeeming its financial liabilities. Fair values are generally based on market values, or estimated values that can be derived from using general market principles of calculation.

The following methods and assumption were used by the Company in estimating the fair value of financial assets and liabilities:

- Cash and cash equivalents have fair values approximating their carrying values in the statements of financial position.
- For hire-purchase receivables, fair values are the carrying amount of hire-purchase receivables net of unearned income and allowance for doubtful accounts add value added tax due.
- For long-term loans, fair value is approximated the carrying amount since it carries interest at the floating rates.

Credit Risk

Credit risk refers to the risk that a counter party may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay its debt when due or its intention not to comply to the contractual agreement, resulting in a loss to the Company.

In the credit approval process, the Company considers the customer's ability to repay its debt and the credit objectives as key factors in the approval of credit as well as considering the collateral in order to mitigate the risk of financial losses from defaults. In addition, The Company also has credit review procedures and credit monitoring regularly on all approved transactions.

Interest rate risk

Interest rate risk refers to risk that arises from changes in interest rates which may affect the value of the Company's financial instruments or may cause volatilities in the Company's earning or fluctuations in

the value of the Company's financial assets and liabilities, both in the current reporting period and in the future years. Interest rate risk also arises from the structure and characteristic of the Company's assets, liabilities and equities.

The Company has interest rate risk on deposits at financial institution and borrowings. The Company does not use derivative financial instruments to hedge such risk.

Significant financial assets and liabilities classified by type of interest rates and those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the date of re-pricing interest rate (if re-pricing date occurs before the maturity date), are summarised in the table below;

	Unit : Baht				
	As at December 31, 2013				
	Fixed interest rates				
	within	More than	Floating	Non-interest	
	1 year	1-5 years	interest rate	bearing	Total
Financial assets					
Cash and cash equivalents	7,920,147	-	-	1,820,456	9,740,603
Hire-purchase receivables	414,085,386	477,719,236	-	-	891,804,622
Receivables under litigation enforcement process	-	-	-	2,549,482	2,549,482
Financial liabilities					
Short-term loans from third parties	218,066,560	-	-	-	218,066,560
Short-term unsecured debentures	266,646,706	-	-	-	266,646,706
Liabilities under financial lease agreements	860,145	1,836,522	-	-	2,696,667
Long-term loan from financial institutions	-	-	149,509,589	-	149,509,589
	Unit : Baht				
	As at December 31, 2012				
	Fixed interest rates				
	within	More than	Floating	Non-interest	
	1 year	1-5 years	interest rate	bearing	Total
Financial assets					
Cash and cash equivalents	101,111	-	-	6,661,010	6,762,121
Hire-purchase receivables	312,161,235	3,111,350	-	-	315,272,585
Receivables under litigation enforcement process	-	-	-	23,112	23,112
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	203,115,610	-	33,530,250	-	236,645,860
Liabilities under financial lease agreements	555,120	535,010	-	-	1,090,130
Long-term loan from financial institutions	-	-	1,000,000	-	1,000,000

22. COMMITMENT AND CONTINGENCIES

The Company has commitments with regard to operating lease agreement where the Company is the lease with leasing terms of 1-3 years. As at December 31, 2013 and 2012, the Company had obligations to pay lease payments in the future as follows:

	nit: aht	
	2013	2012
ue within 1 year	5 00	3 05 00
ue over 1 year but not e ceedin 3 years	5 20 000	2 5 00
otal	11 21 00	5 15 600

23. RECLASSIFICATION

The Company has reclassified certain accounts in the statement of financial position as at December 31, 2012 to conform to the presentation of the financial statements of current year as follows:

	nit: aht		
	efore reclassification	eclassification	fter reclassification
Bank overdrafts and short-term loans			
from financial institutions	5 2 312 5 1	(203 1 56)	33 530 25
Short-term loans from third parties	-	203 1 56	203 1 56

The Company has not reclassified any accounts in the statement of financial position as at January 1, 2012.

24. CAPITAL MANAGEMENT

The Company has policy is to manages its capital position with reference to its debt-to-equity ratio as each situation in order to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and capital market confidence, with regard to return on capital, payment of dividends to shareholders. The Company was engrossed in maintains debt-to-equity ratio is not higher than the same business in capital market.

25. EVENT AFTER THE REPORTING PERIOD

The resolutions of the Board of Director's Meeting No. 1/2014, held on February 18, 2014 approved to pay dividend from its operations for last half year 2013 of the 200 million shares at Baht 0.07375 per share, amounted Baht 14.75 million.

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors to be issued on February 18, 2014.

GCAP

สินเชื่อดับไว เกษตรไทยก้าวหน้า



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