



# Annual Report 2016

G Capital Public Company Limited



*Opportunity for sustainable financial freedom*





ปวงข้าพระพุทธเจ้า  
ขอน้อมเกล้าน้อมกระหม่อม  
รำลึกในพระมหากรุณาธิคุณหาที่สุดมิได้

ข้าพระพุทธเจ้า คณะกรรมการ ผู้บริหาร และพนักงาน  
บริษัท จี แคปิตอล จำกัด (มหาชน)





สมเด็จพระเจ้าอยู่หัวมหาวชิราลงกรณ บดินทรเทพยวรางกูร

## ทรงพระเจริญ

ข้าพระพุทธเจ้า คณะกรรมการ ผู้บริหาร และพนักงาน  
บริษัท จี แคปิตอล จำกัด (มหาชน)

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## Vision

Our vision is to be a leading provider of agricultural machinery on hire purchase offers different and various services, transparent and fair. Development of financial services to meet all of customer needs with responsibility for stakeholder, economics, social and environmental.

## Mission

1. To offers a full services of credit with difference and diversity.
2. Invent new financial services to expand and extend its business.
3. To improve service excellence with convenience and fairness to customers' satisfaction.
4. To develop employee with the knowledge skills and ability to keep pace with the current economy.

## Core Value



<b>Excellent</b>	Excellence in service to customers in a professional manner. The quality and standards of practice. Meet and satisfy the stakeholders.
<b>Fairness</b>	It is fair to all stakeholders. Adhere to and comply with the law and corporate governance
<b>Responsibility</b>	Responsible to customer stakeholders as well as economic, social and environmental
<b>Honest</b>	Employee of the company to be honest to yourself and others includes to keep and prevent an information and trade secrets of partners.
<b>Transparency</b>	Transparency to work that can be checked in all process.



## Message from Chairman and Managing Director



**Mr. Boonsak Chiempricha**

Chairman

**Mr. Spain Jingkaojai**

Managing Director

In 2016 was the year that all Thais suffered the greatest loss after the the passing of H.M. King Bhumibol Adulyadej. With eternal respect and gratitude for H.M. King Bhumibol Adulyadej's dedication and kindness to Thai people, G Capital PCL. pledges to follow the Royal Footsteps, philosophy and the teachings of his father to use in way of live and operating the business forever. The Board of Directors, the Management, and staff humbly offer our utmost respect and best wishes to His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun. Long live His Majesty the King.

In 2015, Thailand had economic expansion of 3.2 percent, this was result of exports, government spending and measures to stimulate the economy. However, the agriculture sector of Thailand still had problems and affected continuously such as drought, the decline of agricultural prices, income and household debt problems of famers. These factors affected spending and investment by famers in the cultivation, and investment in agricultural machinery to be used in the profession as well.



The operation of the Company for the year 2015 has adjusted its business strategies and risk management issues to accommodate the change, along with the creation of business opportunities in the future. With the extension of financial services to retain existing customers and to expand a new customers both inside and outside the agricultural sector. However, the company continue to focus on precaution and tightness in credit and receivables management closely.

The company still to be affected by agriculture and agricultural industry, with the growth rate declining from the past year. For the Company's performance in 2016, there was net profit of 41.28 million baht decreasing by 25 percent from the previous year,

The industrial and agricultural machinery, agricultural services sector continues to slow down. However, in late 2016, and the trend is a sign of better from rainfall in the planting areas, and the storage of water for use in the agricultural sector in the next year. Farmers began to have confidence in investing cultivation and purchase of agricultural machinery increased in 2017.

The Company strived to develop the organization in order to achieve in sustainable development with responsibility for Economy, Society and Governance (ESG). That is essential to lead the business to have a strong and sustainable growth continuously in long-term. The Stock Exchange of Thailand has selected the Company to be listed in the "Thailand Sustainability Investment 2016"

According to the company to development of the service to create opportunities for customers to have access to capital. As well as the development of processes that lead to the success of customers and the company, the company has been selected by the National Innovation Agency (NIA) of the program to support innovation for enterprises listed on the Stock Exchange of Thailand as an "Innovative Enterprise of the Year 2016".

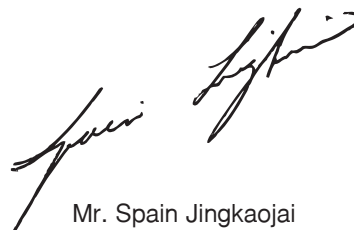
For the year 2017, the Company continues to strive to innovate and develop the services. As well as the strategic adjustments to its business diversity, creating new and innovative financial services for the response to customer demand. And extending financial services by providing personal loans increased for manage and diversify the business operations of the Company. In 2017, the company will focus on business and financial services as the company has Knowledge and expertise for develop and create opportunities for business growth in the future.

The Company also focuses on creatively to bring benefits and creating shared value of stakeholders. The Company adheres to the principles of good corporate governance and has transparency and fairness ethical business practices, the Company focuses on the implementation of anti-corruption and ongoing compliance with laws and regulations strictly, including the care and treatment of the organization's employees to develop their knowledge and their ability to grow together in order to participate in the development of sustainable organizational growth.

Finally, the Company thanks to our shareholders, investors, business partners, customers and stakeholders who always have the confidence and support the Company's operations. And thanks the management and all employees who fully have dedicated efforts in working for the Company for the company to grow together sustainably.



Mr. Boonsak Chiempricha  
Chairman



Mr. Spain Jingkaojai  
Managing Director



## Financial Information Highlights

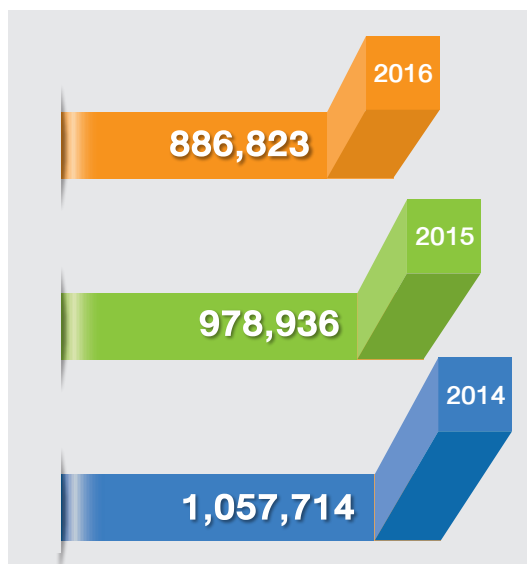
Unit : Thousand Baht

		2016	2015	2014
<b>Assets</b>				
Total assets		886,823	978,936	1,057,714
<b>Liabilities and Shareholders'Equity</b>				
Total liabilities		553,502	649,197	752,703
Total shareholders' equity		333,021	329,739	305,011
<b>Operating Result</b>				
Total revenues		152,629	177,359	186,222
Total expenses		71,878	71,461	75,344
Finance Cost		28,948	36,905	36,497
Income tax expense		10,524	13,785	14,965
Profit for the year		41,279	55,208	59,416
<b>Profitability Ratio</b>				
Interest spread	(%)	12.08%	13.02%	13.54%
Net profit margin	(%)	27.05%	31.13%	31.91%
Return on equity	(%)	12.46%	17.40%	20.58%
Book value per share	(Baht/Share)	1.67	1.65	1.53
Earning per share	(Baht/Share)	0.21	0.28	0.30
Dividend payout	(%)	72.64%	72.45%	53.86%
Dividend per share	(Baht/Share)	0.15	0.20	0.16
<b>Efficiency Ratio</b>				
Return on asset	(%)	4.42%	5.42%	5.96%
Asset turnover	(Times)	0.16	0.17	0.19
Current ratio	(Times)	10.93	1.76	1.30
<b>Financial Ratio</b>				
Debt equity	(Times)	1.66	1.97	2.47
Lendings to borrowing	(Times)	1.52	1.31	1.37
NPL to total lendings	(Times)	17.22%	13.83%	9.39%
Allowance Doubtful Account to NPL	(Times)	80.41%	88.00%	111.19%

Source : Financial Statement of G Capital Public Company Limited for the year 2014-2016 audited by certified public accountant.

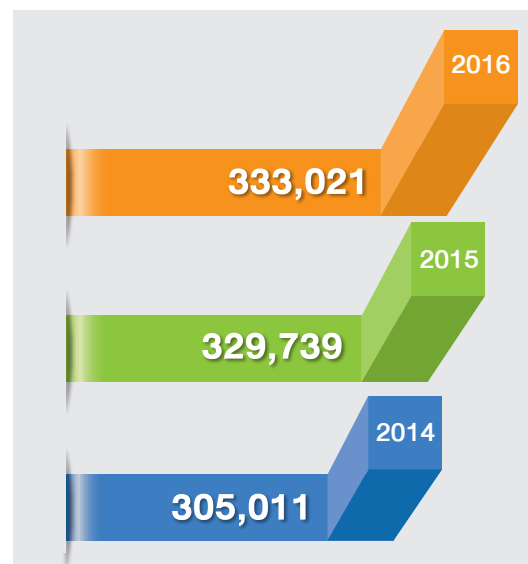


## Total assets



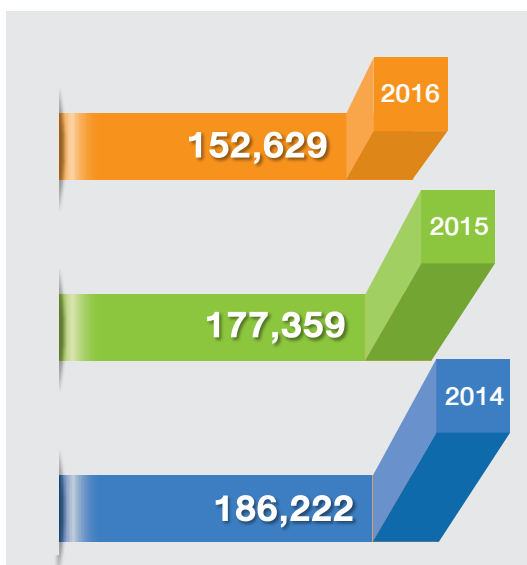
Unit : Thoundsand Baht

## Total shareholders' equity



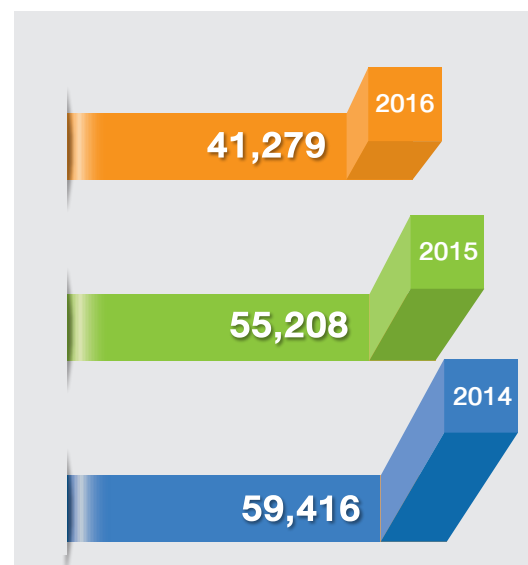
Unit : Thoundsand Baht

## Total revenues



Unit : Thoundsand Baht

## Profit for the year



Unit : Thoundsand Baht



## Board of Directors



1. Mr. Boonsak Chiempricha  
*Chairman of the Board*

2. Yongyuth Tariyo  
*Chairman  
of Executive Committee*

3. Asst. Prof. Wipada Tantiprabha  
*Independent Director  
and Chairman of Audit Committee*

4. Mr. Prameson Pisitpan  
*Independent Director  
and Audit Committee Member  
and Chairman of Nomination  
and Remuneration Committee*





5. Mr. Chaibong Satjipanon  
*Independent Director  
and Audit Committee  
and Chairman of  
Risk Management Committee  
and Nomination and  
Remuneration Committee*

6. Mr. Nattaphon Sarasas  
*Director and Risk Management  
Committee and Nomination  
and Remuneration Committee  
Authorized signatory*

7. Mr. Asa Sarasas  
*Director*

8. Mr. Santi Hokittikul  
*Director  
and Authorized signatory*

9. Mr. Spain Jingkaojai  
*Director and Managing Director  
Authorized signatory*

As of February 28, 2017



## Advisory for the Board and Executives Management



10. Mr. Supot Singhasaneh  
*Chairman of the Advisory  
for the Board of Director*

12. Mr. Spain Jingkaojai  
*Managing Director*

11. Mr. Chinavais Sarasas  
*Advisory for the Board  
of Director*

13. Mr. Sutthi Sripratum  
*Deputy Managing Director*





14. Mr.Songyos Sumetkijakan  
*Chief Financial Officer*

15. Mrs. Sivapun Sriampai  
*Senior Vice President  
of Finance  
and Accounting Department*

16. Ms.Supasorn Phaotip  
*Senior Vice President  
of Collection Department*

17. Mr. Niton Chaiyanate  
*Company Secretary*

*As of February 28, 2017*





# List of Company's Authorized Persons, Directors, Advisor and Executives.

Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
1. Mr. Boonsak Chiempicha Independent Director and Chairman of the Board  Date appointed as a director : 22 December 2006 (Chairman of the Board) 20 December 2012 (Chairman of Executive Committee) 23 April 2015 (Chairman of the Board)	68	<ul style="list-style-type: none"> <li>- Master of Business Administration, University of Santa Clara, San Jose, C.A., U.S.A.</li> <li>- Bachelor in Accountancy, Chulalongkorn University</li> <li>- Diploma, National Defense College (The National Defense Course Class 4111)</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- IOD Program, Thai Institute of Directors Director Certification Program (DCP 28/2003)</li> <li>Director Accreditation Program (DAP 19/2004)</li> <li>Role of the Chairman Program (RCP 15/2007)</li> <li>Corporate Governance for Capital Market Intermediaries (CGI 0/2014)</li> </ul>	-	-	2015-Present 2013-2015 2006 - 2013  2015-Present  2015-Present   2014-Present  2013-Present  2013-Present   2012-Present  2010-Present  2009-Present	<ul style="list-style-type: none"> <li>- Chairman of the Board</li> <li>- Chairman of Executive Committee</li> <li>- Chairman of the Board</li> </ul> G Capital Public Company Limited <ul style="list-style-type: none"> <li>- Specialist, Office of the Election Commission of Thailand</li> <li>- Director and Chairman of Audit Committee, Delta Electronics (Thailand) Public Company Limited.</li> <li>- Chairman of the Board, Core Flexible Fund</li> <li>- Finance Committee, The Thai Bar Under The Royal Patronage</li> <li>- Director and Chairman of Audit Committee, Mahasarakham University</li> <li>- Director and Audit Committee Member, CIMB-Principal Asset Management Limited</li> <li>- Independent Director/Chairman of risk management committee, Audit Committee Member, President Bakery Public</li> <li>- Chairman of the Board, Indara Insurance Public Company Limited</li> </ul>

Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
2. Yongyuth Tariyo Independent Director and Chairman of Executive Committee  Date appointed as a director : 22 December 2006 (Director) 24 April 2009 (Chairman of the Board) 23 April 2013 (Chairman of Executive Committee)	66	<ul style="list-style-type: none"> <li>- MSc. In Management Information System, DE PUAL University, Chicago, Illinois, U.S.A.</li> <li>- BSc. In Information Science, Northeastern Illinois University, Chicago, Illinois, U.S.A</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- The Senior Executive Program (SEP) Class 9<sup>th</sup> by Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Role of Chairman Program (RCP 27/2012)</li> <li>- Director Accreditation Program (DAP 9/2011) Director Certification Program (DCP 28/2003)</li> <li>- Financial for Non-Directors ( FND 5/2003)</li> </ul>	-	-	2015-Present 2009-2015 2006-2009  2016-Present  2016-Present 2010-2012  2008-2012  2008-2010  2004-2008	- Chairman of Executives Committee - Chairman of the Board - Director G Capital Public Company Limited - Senior Consultant, Pruksa Real Estate Public Company Limited - Director, Digital Port Asia Co.,Ltd. - First Senior Executive Vice President, Operational Group, Government Saving Bank - Director / Executive Director / Chairman of Risk Management, MFC Asset Management Public Company Limited - Senior Executive Vice President, COO & CIO, Credit and Operational Support Group & IT Group, Government Saving Bank - Senior Executive Vice President, COO, Branch Operation, Government Saving Bank



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
3. Asst. Prof. Wipada Tantiprabha Independent Director and Chairman of Audit Committee  Date appointed as a director : 26 December 2011 (Independent Director and Chairman of Audit Committee)	57	<ul style="list-style-type: none"> <li>- Master of Business Administration in Accounting, Thammasat University</li> <li>- Master of Business Administration in Accounting, The University of Texas at Austin, U.S.A.</li> <li>- Bachelor of Business Administration Accounting, 2<sup>nd</sup> Class Honors, Thammasat University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- IOD Program, Thai Institute of Directors Director Accreditation Program (DAP 97 / 2012)</li> <li>Audit Committee Program (ACP 12/2013)</li> <li>Anti-Corruption for Executive Program (ACEP 1/2015)</li> </ul>	-	-	2011 -Present  2008 -Present  2008 -Present  1985 -Present  1999-2007  2004-2007	<ul style="list-style-type: none"> <li>- Independent Director and Chairman of Audit Committee</li> <li>G Capital Public Company Limited</li> <li>- Director and Secretary of the Committee</li> <li>Set accounting standards, Federation of Accounting Profession Under The Royal Patronage of his majestic The King</li> <li>- Program Director of Master of Accounting, Department of Accounting, Thammasat Business School, Thammasat University</li> <li>- Assistant Professor, Faculty of Commerce and Accountancy, Thammasat University</li> <li>- Director and Secretary of the Accounting Standard Committee, The Institute of Certified Accountants and Auditors of Thailand</li> <li>- Head of Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University</li> </ul>



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
4 Mr. Prameson Pisitpan Independent Director and Audit Committee Member and Chairman of Nomination and Remuneration Committee  Date appointed as a director : 25 April 2011 (Independent Director and Audit Committee Member) 22 December 2015 (Chairman of Nomination and Remuneration Committee)	59	<ul style="list-style-type: none"> <li>- Master in Business Administration (International Banking and Finance), Joint Program between University of Thai Chamber of Commerce and University of Birmingham</li> <li>- Master of science (Business Administration), East Texas State University, U.S.A.</li> <li>- Bachelor of Science (Business Administration), Kasetsart University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- IOD Program, Thai Institute of Directors</li> <li>Director Accreditation Program (DAP 90/2011) Audit Committee Program (ACP 36/2011) Director Certification Program (DCP 152/2011)</li> </ul>	-	-	2015-Present  2011 -Present  2007-2013  2007-2013  2011-2007	- Chairman of Nomination and Remuneration Committee - Independent Director and Audit Committee Member G Capital Public Company Limited - Executive Vice President, Information Technology Division, Bangkok Dusit Medical Services Public Company Limited - Managing Director, Greenline Synergy Company Limited - General Manager, Cisco Systems (Thailand) Company Limited



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
5. Mr.Chaiyong Satijpanon Independent Director and Audit Committee and Chairman of Risk Management Committee and Nomination and Remuneration Committee  Date appointed as a Advisor : 10 August 2016 (Audit Committee) 23 April 2015 (Independent Director) 14 March 2015 (Chairman of Risk Management Committee)	64	<ul style="list-style-type: none"> <li>- Ph.D., (Law and Diplomacy) The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.</li> <li>- M.A.L.D., The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.</li> <li>- M.A., Chulalongkorn University</li> <li>- B.A.(Honours), Faculty of Political Science, Chulalongkorn University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Certificate of Executives Program, Harvard University, U.S.A.</li> <li>- Certificate of Leadership Management, IMD Institute, Switzerland</li> <li>- Thai Institute of Directors (IOD) Director Accreditation Program (DAP 112 / 2014)</li> <li>- Risk Management Program (RMP 6/2015)</li> <li>- Director Certification Program (DCP 212/2016)</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2015-Present</li> <li>2014-Present</li> <li>2014-Present</li> <li>2014-Present</li> <li>2014-Present</li> <li>2012 - 2013</li> <li>2010 - 2012</li> <li>2007 - 2010</li> <li>2004-2007</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director and Chairman of Risk Management Committee</li> <li>- G Capital Public Company Limited</li> <li>- Chairman of the Board, General Outsourcing Company Limited</li> <li>- Advisor, National Blood Centre, Thai Red Cross Society</li> <li>- Senior Advisor, UNAIDS, Asia-Pacific Regional Office, Bangkok</li> <li>- Director, Pacific Pipe Public Company Limited</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the United State of America</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the Republic of Korea</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to Switzerland and concurrently Ambassador of Thailand accredited to Liechtenstein and to the Holy See</li> <li>- Ambassador, Permanent Representative of Thailand to the United Nations Office and other International Organizations in Geneva Ministry of Foreign Affairs</li> </ul>

Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
6 Mr. Nattaphon Sarasas Director and Risk Committee and Nomination and Remuneration Committee Authorized signatory  Date appointed as a director : 20 February 2017 (Risk Committee) 24 April 2009 (Director) 22 December 2015 (Nomination and Remuneration Committee)	39	- High School Le Rossey Institute, Switzerland - Certificate in Business Excellence Columbia Business School, New York, U.S.A.  <b>Training Course</b> - Thai Institute of Directors (IOD) Director Accreditation Program (DAP 107/2014)	-	Brother in law of Mr.Asa Sarasas	2009-Present  2013-Present 2008-Present  2007-Present  2010-Present  2004-Present  2004-Present  2006-Present	- Director G Capital Public Company Limited - Director, Kai Gai Company Limited - Director, Pa Koh Residence Company Limited - Director, E.H.Y Company Company Limited - Director, Samlom Capital Company Limited - Director, U-Dox International Thailand Company Limited - Director, General Outsourcing Company Limited - Director, Sam Lom Company Limited





Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
7. Mr.Asa Sarasas Director  Date appointed as a director : 16 August 2016 (Director)	31	<ul style="list-style-type: none"> <li>- Master of International Law, University Jean Moulin Lyon 3, Lyon, France</li> <li>- Bachelor of Law, Sripratum University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Director Accreditation Program (DAP 107/2014)</li> <li>- Business Analysis Program, Faculty of Economics, Chulalongkorn University</li> </ul>	-	Brother in law of Mr.Nattaphon Sarasas	2016-Present  2010-Present  2007-Present 2006-Present 2010-Present	<ul style="list-style-type: none"> <li>- Director G Capital Public Company Limited.</li> <li>- Director, General Outsourcing Company Limited</li> <li>- Director, Heli Phuket Company Limited</li> <li>- Director, Sam Lom Company Limited</li> <li>- Director, Sam Lom Capital Company Limited</li> </ul>

Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
8. Mr. Santi Hokittikul Managing Director Authorized signatory  Date appointed as a director : 18 August 2004 (Director)	66	<ul style="list-style-type: none"> <li>- Executive Leadership Development Program (MINI MBA), Thammasat University</li> <li>- Bachelor of Business administration (Finance and Banking), Ramkhamhaeng University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Director Accreditation Program (DAP 90/2011)</li> </ul>	-	-	2004 -Present  2014  2003-2005  2001-2003  2000-2003  1999 -2000  1994 -1997	<ul style="list-style-type: none"> <li>- Director G Capital Public Company Limited</li> <li>- Advisory of the Board, General Outsourcing Company Limited</li> <li>- Managing Director, Song Nam Company Limited</li> <li>- Executive Committee, General Outsourcing Company Limited</li> <li>- Managing Director, Nature Trans Company Limited</li> <li>- Managing Director, Neung Din Company Limited</li> <li>- Managing Director, General Finance &amp; Securities Public Company Limited</li> </ul>



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
9 Mr.Spain Jingkaojai Director and Managing Director Authorized signatory  Date appointed as a director : 15 November 2016 (Managing Director) 16 May 2016 (Director)	53	<ul style="list-style-type: none"> <li>- Banking and Finance Management Program, The Wharton Business School, University of Pennsylvania, PA, USA.</li> <li>- Master of Business Administration, Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand</li> <li>- Whitworth College, Business Administration, Spokane, WA, USA.</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Director Accreditation Program (DAP 132/2016)</li> </ul>	-	-	2016-Present 2012-2016 2013-2016 2012-2016 2014 2014 2010 2008-2009 2007	<ul style="list-style-type: none"> <li>- Director and Managing Director G Capital Public Company Limited</li> <li>- Director, Payap University</li> <li>- Director, Chiang Mai International School</li> <li>- Director and Managing Manager, The Prince Royal's College</li> <li>- Director, Chiangrai Vidhayakhom School</li> <li>- Director, Kenneth Mckenzie School</li> <li>- EVP, Banking Retail Product and Strategy, CIMB Niiga Bank, KL, Malaysia</li> <li>- Chief Officer, Business Development, Allianz Ayudhya Assurance Public Company Limited.</li> <li>- Managing Director, Ayudhya Capital Auto Lease Public Company Limited.</li> </ul>



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
10	68	<ul style="list-style-type: none"> <li>- Honorable Ph.D. in Accounting, Sripatum University</li> <li>- Honorable Ph.D. in Accounting, Thammasat University</li> <li>- Master in Business Administration (Finance), Michigan State University, U.S.A.</li> <li>- B.Sc. in Accountancy (First Class Honors), Thammasat University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Director Certificate Program (DCP 90/2007)</li> <li>Role of the Chairman Program (RCP 18/2008)</li> <li>Successful Formulation &amp; Execution of Strategy (SFE 4/2009)</li> </ul>	-	-	2011-Present	<ul style="list-style-type: none"> <li>- Chairman of the Advisory for the Board of Director, G Capital Public Company Limited</li> </ul>
					2011-Present	<ul style="list-style-type: none"> <li>- Director and Chairman of Subcommittee for Accounting Professions Development, Federation of Accounting Profession Under The Royal Patronage of His Majesty The King</li> </ul>
					2011-Present	<ul style="list-style-type: none"> <li>- Committee for AEC Preparation, Federation of Accounting Profession Under The Royal Patronage of His Majesty The King</li> </ul>
					2006-Present	<ul style="list-style-type: none"> <li>- Audit Committee, Thammasart University</li> </ul>
					1973-Present	<ul style="list-style-type: none"> <li>- Certified Public Accountant (Thailand)</li> </ul>



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
11. Mr.Chinavals Sarasas  Date appointed as a director : 16 May 2016 (Advisory for the Board of Director)	59	<ul style="list-style-type: none"> <li>- Honorable Ph.D., Management of Rural Development Faculty, Khon Kaen University</li> <li>- Bachelor of Business Administration in Finance University of Southern California, U.S.A.</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Director Accreditation Program (DAP 107/2014)</li> </ul>	-	Father of Mr. Nattaphon Sarasas and Mr.Asa Sarasas	2016 -Present  2004 -2016  2013 -Present 2010.-Present  2009 -Present  2006 -Present  1999 -Present  1992 -Present  2009-2011	- Advisory for the Board of Directors, G Capital Public Company Limited - Director, G Capital Public Company Limited  - Director, Kai Gai Company Limited - Directors, Sam Lom Capital Company Limited  - Honorary Chairman of the Advisory, Krungthai AXA Life Insurance Public Company Limited  - Chairman of the Board of Directors, Pa Koh Hotel Company Limited - Chairman of the Board of Directors, Song Nam Company Limited - Chairman of the Board of Directors, Sam Lom Company Limited - Committee of Prime Minister's Economic Advisory Board for Prime Minister Abhisit Vejjajiva.

Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
12. Mr.Spain Jingkaojai Director and Managing Director Authorized signatory  Date appointed as a director : 15 November 2016 (Managing Director) 16 May 2016 (Director)	53	<ul style="list-style-type: none"> <li>- Banking and Finance Management Program, The Wharton Business School, University of Pennsylvania, PA, USA.</li> <li>- Master of Business Administration, Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand</li> <li>- Whitworth College, Business Administration, Spokane, WA, USA.</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Director Accreditation Program (DAP 132/2016)</li> </ul>	-	-	2016-Present  2012-2016 2013-2016 2012-2016  2014 2014 2010  2008-2009  2007	- Director and Managing Director G Capital Public Company Limited - Director, Payap University - Director, Chiang Mai International School - Director and Managing Manager, The Prince Royal's College - Director, Chiangrai Vidhayakhom School - Director, Kenneth Mckenzie School - EVP, Banking Retail Product and Strategy, CIMB Nirga Bank, KL, Malaysia - Chief Officer, Business Development, Allianz Ayudhya Assurance Public Company Limited. - Managing Director, Ayudhya Capital Auto Lease Public Company Limited.



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
13. Mr. Sutthi Sripratum Deputy Managing Director	54	<ul style="list-style-type: none"> <li>- Master of Business Administration, Kasetsart University</li> <li>- Bachelor of Law, Ramkhamhaeng University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Company Secretary Program (CSP 41/2011)</li> <li>- Certificate of Business Advisor, Faculty of Economics, Kasetsart University with FPM Certificate Company Limited</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2003-Present - Deputy Managing Director (Marketing), G Capital Public Company Limited</li> <li>2011-Present - Director, Tak Mining Company Limited</li> <li>2009-Present - Director, Lam Nam Tok Company Limited</li> </ul>	



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
14. Mr. Songyos Sumetkijakan Chief Financial Officer	36	<ul style="list-style-type: none"> <li>- Master of Business Administration (Finance and Marketing), Indiana University, USA.</li> <li>- Bachelor of Accounting (Finance), Thammasart University</li> </ul>	-	-	2017  2012-2016  2011	<ul style="list-style-type: none"> <li>- Assistant Managing Director, G Capital Public Company Limited</li> <li>- Director, Debt Capital Market, Bank of Ayudhya Public Company Limited.</li> <li>- Consultant Business Consulting of Renoir Consulting Group, Kuala Lumpur, Malaysia</li> </ul>
15. Mrs. Sivapun Sriampai Senior Vice President of Finance and Accounting Department	54	<ul style="list-style-type: none"> <li>- Bachelor of Accounting, Bangkok University</li> </ul>	-	-	2011-Present  2005-2011	<ul style="list-style-type: none"> <li>- Senior Vice President of Finance and Accounting, G Capital Public Company Limited</li> <li>- Finance and Accounting Manager, G Capital Public Company Limited</li> </ul>



Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
16. Ms.Supasorn Phaotip	46	<ul style="list-style-type: none"> <li>- Master of Business Administration, Ramkhamheang University.</li> <li>- Bachelor of Business Administration, Sukhothai Thammathirat Open University.</li> </ul>	-	-	2017-Present  2012-2016  2008-2016  2007-2008  1998-2005	<ul style="list-style-type: none"> <li>- Senior Vice President of Collection Department, G Capital Public Company Limited</li> <li>- Assistant of Managing Director, Recovery Center Company Limited.</li> <li>- Senior Vice President of Debt Management and Legal, Amanah Leasing Public Company Limited.</li> <li>- Credit Manager, Capital OK Company Limited.</li> <li>- Phone Collection Manager, Ayudhya Capital Auto Lease Public Company Limited.</li> </ul>

Name-Surname Position	Age	Education/ Training	Share- holding	Relationship	Experience	
					Period	Position/Company
17. Mr. Nitan Chaiyanate Vice President of Business Development Department and Company Secretary	39	<ul style="list-style-type: none"> <li>- Master of Economics, Ramkhamhaeng University</li> <li>- Bachelor of Administration (First Class Honors), Sripatum University</li> </ul> <b>Training Course</b> <ul style="list-style-type: none"> <li>- Thai Institute of Directors (IOD) Company Secretary Program (CSP 41/2011)</li> <li>- Certificate of Business Advisor, Faculty of Economics, Kasetsart University with FPM Certificate Company Limited</li> <li>- Business Analysis Program, Faculty of Economics, Chulalongkorn University</li> <li>- Fundamentals for Corporate Secretaries (3 Days) and Advance for Corporate Secretaries (4 Days), Thai Listed Companies Association and Stock Exchange of Thailand</li> <li>- Social Impact Initiative, Stock Exchange of Thailand and NISE Corporation</li> <li>- GRI:G4 Certified Training Course, PriceWaterHouse Coopers Consulting (Thailand)</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2013-Present - Vice President of Business Development, G Capital Public Company Limited</li> <li>2005-2013 - Company Secretary, G Capital Public Company Limited</li> <li>2005-2013 - Business Development, G Capital Public Company Limited</li> </ul>	



## Corporate Profile

Company Name	G Capital Public Company Limited
Stock Code	GCAP
Registration Number	0107555000031
Type of Business	Hire Purchase, Loans, Personal Loans is under supervision of the Bank of Thailand, and Nano Finance is under supervision of the Bank of Thailand.
Head Office	161/1 3 SG Tower 8 <sup>th</sup> Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel : 02-651-9995 Fax : 02-651-9553
Authorized Share Capital	100,000,000 Baht
Issued and Paid-up Capital	100,000,000 Baht
Type and Amount of Outstanding Shares	200,000,000 Ordinary Shares
Par Value of Share	0.50 Baht per share
Home Page	<a href="http://www.gcapital.co.th">www.gcapital.co.th</a>

### References

Company Secretary	Mr.Nitan Chaiyanate 161/1 3 SG Tower 8 <sup>th</sup> Floor, Soi Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. 02-651-9995 Ext.102 Fax : 02-651-9553 E-mail : <a href="mailto:nitanc@gcapital.co.th">nitanc@gcapital.co.th</a>
Investor Relationship	Mr.Nitan Chaiyanate Tel. 02-651-9995 Ext.102 Fax : 02-651-9553 E-mail : <a href="mailto:nitanc@gcapital.co.th">nitanc@gcapital.co.th</a>
Securities Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Rd., Dindaeng, Bangkok 10400, Thailand Tel : 02-009-9000 Fax : 02-009-9991
Debenture Registrar and Payment Agent	Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bangphongphang, Yannawa, Bangkok 10120 Tel: 02-296-2000, 02-683-1000 Fax: 02-683-1304
Auditor	Mr. Pojana Assawasantichai CPA License No. 4891 Dharmniti Auditing Co.,Ltd 267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800, Thailand Tel : 02-587-8080 Fax : 02-586-0301
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

#### Other Relevant Information

Investors can study additional information about the Company in the Company's Annual Disclosure Form (Form 56-1) posted at [www.sec.or.th](http://www.sec.or.th) or [www.set.co.th](http://www.set.co.th) and the company's website at [www.gcapital.co.th](http://www.gcapital.co.th)



## Policy and Overall Business Operations

G Capital Public Company Limited, was founded on August 18, 2004 by Songnam Company Limited, an investment company that provides executives with the knowledge, experience and expertise in the hire purchase business, together with the Government Saving Bank, the state of financial bank have policies to expand the availability of loans to the individual. The company established and start business for hire purchase for agricultural machinery. The company provide is hire purchase agricultural machinery and was registered as a limited company to a public company on February 29, 2012. Subsequently listed on the Market for Alternative Investment on December 17, 2013. The Company registered capital of 100 million baht, 200,000,000 ordinary shares with a par value of 0.50 baht.

From concept and vision of executives that need financial support to farmers have easier access to capital to support the farmers to have modern agriculture machinery used to optimize the crop, harvest and processing of agricultural products, As a result of a better living and Sustainable income. With such a concept and vision of the company's business operations, expanding rapidly and get feedback from customers continues, under the slogan "Agricultural loans for Thailand Agriculture in advances"

The company is provided in hire purchase in new and used agricultural machinery such as rice harvester combine, crawling rotavator, farm tractor, wooden loader, sugar cane loader. The company provided a hire purchase by the customer is an individual basis. Subsequently, the Company has expanded and provided a multipurpose loan for working capital and as a service to the customer that need to buying by hire purchase of agricultural machinery. The Company also offering personal loans to existing customers by using databases and operating systems available in selected a customers with good repayment records.

As of 31 December, 2016 The company has service centers located in Thailand on 5 places as Phitsanulok, Chaing rai, Khon- Kaen, Surin and Ubon Ratchathani.

Under the concept of business that is sustainable growth. The company focuses on providing financial services and products to be used in occupational to be bring revenue and development quality of life and make a living and live in sustainable. The Company recognizes the importance of selecting a good product and effective and designed a financial products to be appropriate, inventive and consistent with the requirements of the customer needs with focus on the development process and management system to ensure efficiency and effectiveness. The company has the concept of sustainability under CSR is "Achieving Mutual Goal, Together" that is, when customers succeed in their careers, the company will be successful business and have sustainable growth together.

In addition to the Company has been licensed to operate a personal loan and nano finance under supervision from the Ministry of Finance, the company has a policy to expand the availability of credit, increases in the personal loan portfolio. This is a response to the financial needs of the existing customer base. And increase new customer base. The expansion of the financial services company.



## Important Development

The important changes and 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	<ul style="list-style-type: none"> <li>- The Company signed a memorandum of understanding for hire-purchase loan for rice 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.</li> <li>- The company creates innovative features combine to make one of the first accident insurance coverage in Thailand by coordination with Dhipaya Insurance Public Company Limited.</li> <li>- The company have coordinate with Thai Agriculture Machinery Company Limited and Kasetphattana Industry Company Limited to made combine to register for the first time. As a document and proof of ownership in the property and to be use of the property in the hire purchasing of agricultural machinery company.</li> </ul>
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 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 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 United Overseas Bank’s Private Fund by UOB 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’s Private Fund by UOB Asset Management (Thai) Company Limited, and 12.50 percent of the paid up capital were sold to United Overseas Bank’s Private Fund by UOB Asset Management (Thai) Company Limited, resulting both private funds’ equity increased to 17.50 percent of the paid up capital. The company sold

November 2013 - shares to the public of 50 million shares at par value Baht 0.50 per share, representing 25 percent of the total shares The company listed first trading day in mai stock market on December 17, 2014

December 2013 - The Company is publicly first trading day on the Market for Alternative Investment on December 17, 2013.



March 2014 - The company has introduced the concept of social responsibility to formulate a strategy to conduct business to provide a personal loans to customers in occupations with good repayment records.

August 2014 - The company launched the used rice harvester Combine for hire purchase.  
 - The company has been selected by the Stock Exchange of Thailand and Market for Alternative Investment (mai) as 1 in 5 companies listed on mai pilot of sustainability project (Corporate Sustainability Advisory Program) that effective on economic, social and environmental responsibility.

September 2014 - The Company signed MOU for the hire purchase farm tractors with Kamol Industry Company Limited

October 2014 - The Company had issued and offered and offered the debenture to the general public named and unsubordinated, unsecured, interest rate 5.20 percent, 1 and a half year, maturing in April 2016 of 300 million baht  
 - The Company signed MOU for the hire purchase farm tractors with Werkman Heavy Industry (Thailand) Company Limited.

April 2015 - The Company had issued bonds in private placement offering. To investor is not more than 10 debenture holders, unsubordinated, unsecured, interest rate 5.18 percent, 3-year, maturing in April 2018 of 200 million baht

June 2015 - The Company signed MOU for the hire purchase agriculture machinery with Eureka Design Public Company Limited, the create and development a cassava planting and rice mill.

July 2015 - The Company has been assessed and certified as a membership of certified companies of Thailand Private Sector Collective Action Coalition against Corruption (CAC)

September 2015 - The Company signed MOU for the hire purchase crepe rubber machine with Yipta Agriculture Machine Trading Company Limited  
 - The Company signed MOU for the hire purchase grain dryer machine with Kun Sun Machinery Company Limited

October 2015 - The Stock Exchange of Thailand has selected the Company to be listed in the "Thailand Sustainability Investment 2015"



- November 2015 - The Company had issued bonds in private placement offering. To investor is not more than 10 debenture holders, unsubordinated, unsecured, interest rate 5.18 percent, 4-year 11-month 29-days, maturing in November 2020 of 100 million baht
- April 2016 - The Company had issued and offered and offered the debenture to the general public named and unsubordinated, unsecured, interest rate 5.35 percent, 3 year, maturing in April 2019 of 200 million baht
- June 2016 - The Company signed MOU for the hire purchase Bio Generator with Bngkok NGV Company Limited
- The Company signed MOU for the hire purchase Front Loader with Saptawee Engineering Company Limited
- October 2016 - The National Innovation Agency (NIA) has select the company to be Innovative Organization 2016
- February 2017 - The Stock Exchange of Thailand has selected the Company to be listed in the “Thailand Sustainability Investment 2016”



Thailand Sustainability Investment 2016



Innovative Organization 2016



MOU for the hire-purchase of Front Loader



MOU for the hire-purchase of Bio Generator



## Nature of Business Operation

### The business operations of each product line

The main business of the Company can be divided into 4 categories:

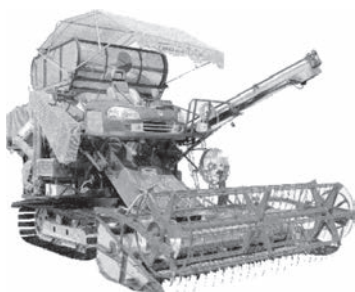
- 1) Hire purchase business
- 2) Refinance Loans
- 3) Loans with collateral
- 4) Personal Loans and Nano Finance under supervision of BOT

### 1. Hire purchase

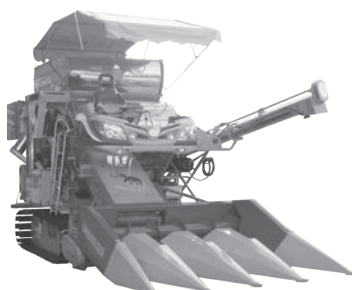
The Company provide a hire purchase loan for agricultural machinery such as such as rice harvester combine, corn harvester combine, farm tractor, wooden loader, Front Loader sugar cane loader, grain dryer and crepe rubber machine. The main customers of the company is an individual person . The customers are use agricultural machinery for providing employment in agriculture and for personal use.

### Type of Agricultural Machinery that the company provide a hire purchase service

Rice Harvester Combine



Corn Harvester Combine



Farm Tractor



Wooden/Sugar Cane Loader



Front Loader



Crepe Rubber Machine

## 2. Refinance Loan

Refinance loan is offers loans for working capital in the occupations for buy a spare parts or repair a agricultural machinery that the company provide a hire purchase or to use for support a down payment on a new machinery. The customer that must to have documentation that can proof of ownership of agricultural machinery (The considered and given credit subject to to the terms and conditions of the Company)

## 3. Loan with collateral

The loan with collateral is offers loan for liquidity for occupation to the customer of the company. It is intended to be used as working capital of the occupation or to fulfill the needs of the customer. The applicant for a loan must be a current customers of the company with a records of installment payments to the company came a period of time, and not overdue.

## 4. Personal Loan under supervision Bank of Thailand and Nano Finance under super vision of Bank of Thailand

The Company granted a license to operate, personal loans under supervision of the Bank of Thailand, from the Ministry of Finance on October 14, 2015, the Company started to provide personal loans on December 1, 2015. The Company's have a credit policy for old customers that the company have a record of installment payment or the customer that have already have a solid career, or the company can check about a profile/ information such as employee, individuals who have a solid career. And because of the personal loans service are unsecured loans, the Company have setting a scope to approve for personal loans, according to the company's policies have the company and criteria for loan. As well as the interest rate and other fees, according to the Bank of Thailand.

For Nano Finance under supervision of the Bank of Thailand, the Company granted a license to operate from the Ministry of Finance on October 14, 2015. the Company started to provide personal loans on March 22, 2016, the Company has a credit policy about a Nano Finance for old customers that the company have a record of installment payment, or the company can check about a profile/information for occupation. And because of the nano-finance are unsecured loans. have setting a scope to approve the nano-financing loans, not more than 100,000 baht per person. As well as the interest rate and other fees. According to the Bank of Thailand.



Revenue Structure of the Company can be classified by type of business as follows

(Unit : Million Baht)

Type of Revenue	2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Hire Purchase	123.55	80.95	156.18	88.06	171.91	92.32
Loans and Personal Loan	10.15	6.65	3.88	2.19	1.27	0.68
Collection Income	16.34	10.70	13.84	7.80	11.74	6.30
Others	2.59	1.70	3.46	1.95	1.30	0.70
<b>Total</b>	<b>152.63</b>	<b>100.00</b>	<b>177.36</b>	<b>100.00</b>	<b>186.22</b>	<b>100.00</b>

**Remark :** Others Income include discounts on promotions, income fee from insurance, interest income. Income from collection and income from change a contracts and income from fee of refinance loan.

## Marketing and Competition

The overview economic of Thailand in 2016, with a growth rate of 3.2, the economic expansion was growth was driven by government spending, which is expected to expand continuously. The driving of the measures of the government stimulus the end of last year. With inflation and the oil price is low constantly.

### The business of Hire Purchase for agriculture machinery

In 2016 the overall agricultural economy is shrinking at a rate of 0.5 compared to the year 2015.. Crops and agricultural services sectors contracted by 1.8 percent and 0.5 respectively, while the livestock Fishery and forestry sectors 2.8, 2.5 and 2.2 percent respectively.

The factors that affect the contraction of the agricultural economy caused by drought that occurred since the end of 2015 to impact rice acreage reduction. (Although rice is increased. However, providing agriculture as a whole has decreased), the price of agricultural decline. Exports of agricultural products have dropped direction. Fisheries and maritime issues faced legal action.

However, the positive factors impacting positively on the agricultural sector due to government policies with economic restructuring of the agricultural sector and reduce production costs It tends to produce products more efficiently. The price of oil fell, made for the cost of agricultural production decreased as well.



### Growth rates of the Agricultural Gross Domestic Product

Sectors	2016	2015	2014
<b>Agriculture</b>	<b>-0.5</b>	<b>1.2</b>	<b>-4.2</b>
Crops	-1.8	1.5	-5.8
Livestock	2.8	1.9	2.2
Fishery	2.5	-1.8	-1.3
Agricultural Service	-0.5	-0.5	-4.0
Forestry	2.2	2.8	2.8

Source : Bureau of Agricultural Development Policy and Planting, Office of Agricultural Economics.

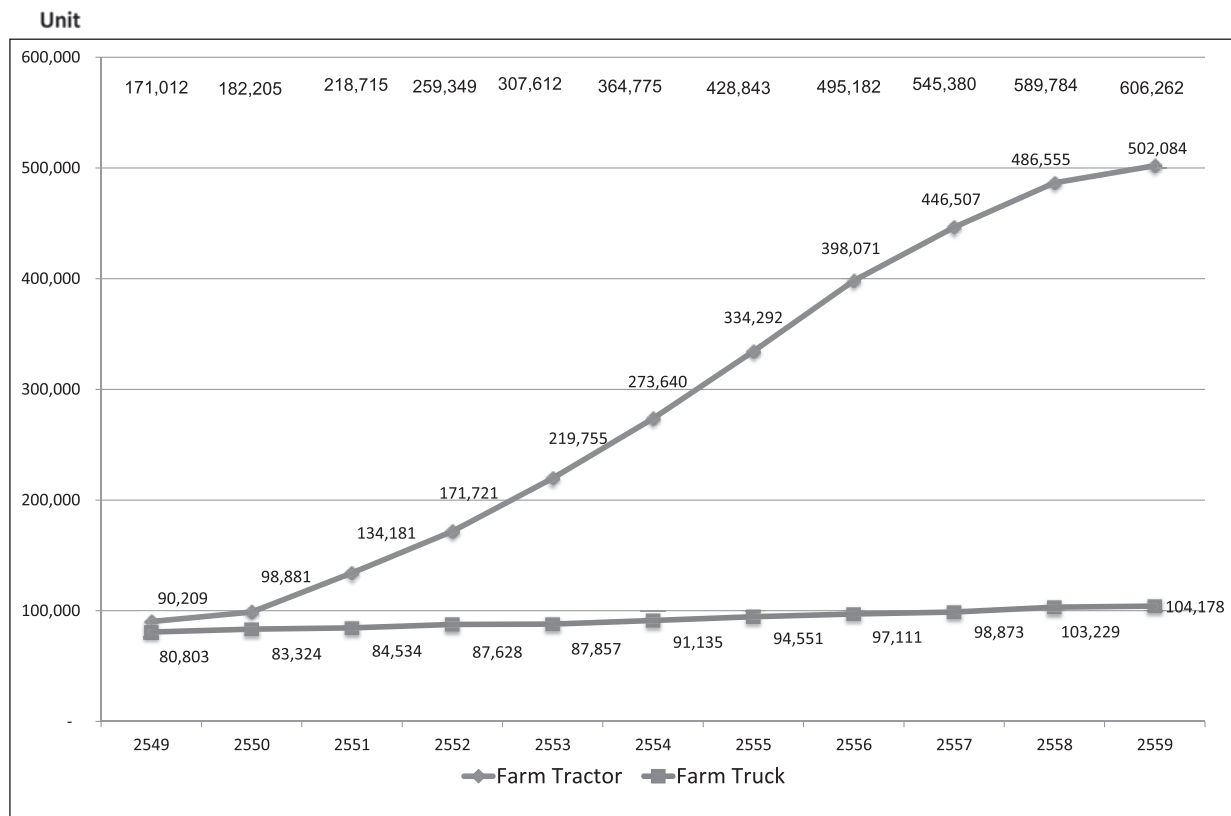
The NSO Household Socio-economic Survey for the year 2016 from a sample of 52,000 households showed that average total household income was 26,915 baht per month, mainly from economic activities such as wages and salaries. The amount of household debt was 156,770 baht per month.

The number of vehicles registered collection of the Department of Transport, the number of tractors registered summary across the country during the years 2006 to 2016 the number had increased rapidly from 90,209 units in the year 2006 is 502,804 units in the year 2016, the figure was up 45.65 percent average growth per year, while the number of vehicles used farming registered summary across the country during the years 2006 to 2016 the number had increased steadily from 80,803 units a year. 2003 totaling 104,178 units in the year 2016, representing a growth rate of 2.89 percent per year.

The agricultural machine was registered to agriculture is not yet prevalent. The agriculture machine is not to registered by widespread. The legislation on the registration of vehicles and machinery lacks rigor. As a result, the vehicle registration data to different types of agriculture is not clear. The statistics of registered tractors and vehicles used farming found that during the years 2010-2012 has registered a continuous growth. Registration has begun and the rate of growth since the 2013-2015 is recession, which was caused by the act of paying the government's rice pledging scheme delayed. The ongoing impact of the drought and agricultural depression. However, the business of the Company are still opportunities for continued growth in the future.



Number of Cumulative Farm Tractor and Farm Truck Registered throughout 2006-2016

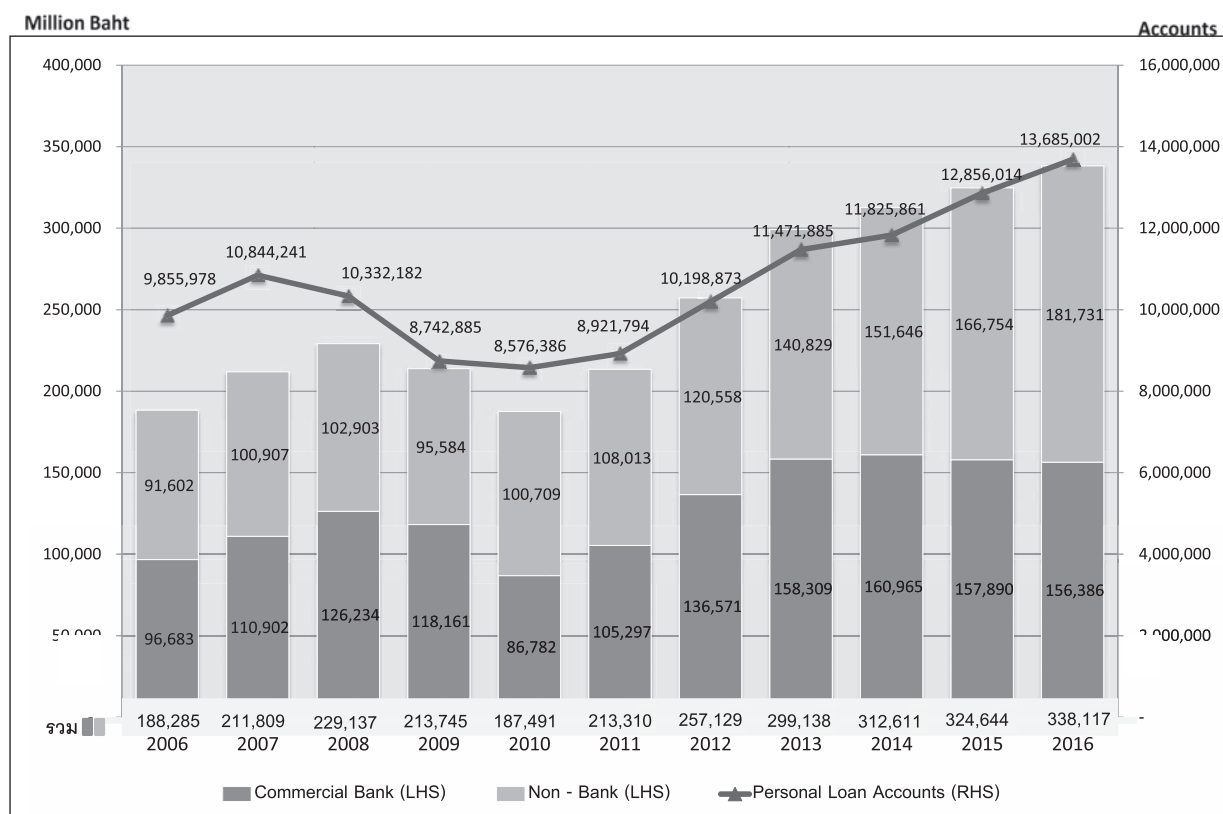


Source : Department of Transportation

### The business of Personal Loan

The number of personal loan accounts under supervision in Thailand continually grew during 2006-2007. However, as a result of the economic crisis in 2008, financial institutions tightened their credit standards and this affected the growth in the number of personal loan accounts. Because the economy was in an upward trend and as a result of the government economic stimulus plan, personal loan business still growing up since 2011-2013.

## Number of Account Outstanding of Personal Loan under supervision in Thailand 2006-2016



Source : Bank of Thailand

**Note :-** Personal loan under supervision refers to uncollateralized personal loans, hire purchases, and leasing loans on goods of which the licensed lenders are usually not in the business of selling. Excluded from this category are Loans for hire purchases and leasing of automobiles and motorcycles, Loans for education, Loans for working abroad, Loans for medical care and Loans pertaining to employee benefits under an agreement between the employers and the lenders.

In 2016, the personal loan business expanded with an increase in the number of accounts under supervision of 6.45% from 12.86 million accounts in previous year to 13.69 million accounts. The number of accounts from commercial banks registered in Thailand decreases by 7.54% and from non-banks increased by 10.15%. In addition, personal loans outstanding at the end of 2016 expanded by 4.15% from the end of the previous year to 338,117 million Baht, which can be attributed to commercial banks registered in Thailand in the amount of 156,386 billion Baht, an decrease of 0.95% and non-banks in the amount of 181,731 million Baht, or an increase of 8.98%.

The growth of the personal loan business is still limited due to the domestic economic recession in the past and the pressure caused by the economic recovery. The falling price in harvests and drought crisis also puts the customer base. As a result, financial institutions have tightened credit approval process for customers. The positive factors that contribute to the growth of personal credit business are stimulus package introduced by the government, the arrival of new players in the market makes personal loan providers become more interested in marketing strategies. The entrepreneurs, meanwhile, started to focus more on the marketing strategy which emphasizes a fast credit checking process and credit approval.



However, the operators still consider loan approval cautiously by mainly focusing on the quality of customers. Moreover, banks and non-banks will play a more significant role in this large market. In order to gain more market share they will have to offer competitive promotions in terms of price, services and the approach to the customer etc.

## 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 and creating value and loyalty in the service of the company and also have an advantage of the first companies. A pioneer in the leasing of agricultural machinery that made the company 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 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. The Company also provide after sales service by having our staff contact the customers to keep up with 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. 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.

The Company Policy are development and continue to provide financial in various services to satisfy and meet the needs of customers. As well as for customer satisfaction in the service of the company, such as liquidity loans with collateral and personal loans.

### 3. Marketing Promotion Strategy

The Company has organized a marketing campaign in conjunction with the events with the partners. To encourage customers to purchase and use the company's financial services more easily, such as the promotion campaign.

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

The Company have a policy to discounting payments for customers who pay early payment. The company also provides the incentive for customers who pay on time period as well. This is to support and build the customer known to have financial discipline and incentive payments as well.

#### 4. Advertising and Public Relation Strategy

Public relations strategy to make customers understand the loan services of the Company. More As well as creating opportunities for access to the financial system to enable the company and to expand new customers. And to retain existing customers about the services the company's ongoing and long-lasting. In addition, advertising strategies to create a positive image of the organization with another.

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, website and social media, etc.

#### 5. 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 hire purchase agricultural machine from the Company, resulting in the good reputation and trust among to farmers, along with manufacturers and distributors. Corporate Image strategy needs to be operated together with PR and advertising strategy to build trust and royalty to stakeholders parties.

#### 6. Customer Relationships Strategy

The company to focus on maintaining and building relationships with customers, understand customer needs, which will be developed further in providing financial services to clients in various fields in addition to the company. The company have a customer database to develop a systematic way. 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.

#### 7. Partners Relationship Strategy

The company recognize to 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, advise and suggestion for loan services and make dicion of customer to use the services. 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. This is to create opportunity for the company's business in the future.





## 8. Development and retention personnel Strategy

The Company recognizes the importance of human resource development company with expertise and the ability to work effectively. The Company focus on human resources and training to enhance skills and knowledge in various fields. The external training seminars and internal training. The Company have a policy to protecting personnel by have a compensation welfare and other benefits and aligning functions as appropriate.

## 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 that comply with customer 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 (if any)

## Distribution Channels

To apply for hire purchase loan and other financial services from the Company, customers need to contact us using these 3 following channels:

1. Directly contact to partners of the company. The partners will advice customers to 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 2016, the Company has one head quarter and 6 service centers with regular staff in the shop of our distributors. The 5 service centers are located in Phitsanulok, Khon Kaen, Surin, Ubonratchathani and Chiang Rai.

## Credit Approval

The Company has a credit process which covers credit policy, policy disclosure to the operations officer, credit scoring, setting credit criteria, and reviewing credit approval and authorized person for credit approval for enhancing the credit approval standard continually.

For personal loan under supervision and nano finance under supervision, the company comply with Rules, Procedures, and Conditions for Undertaking of Personal Loan Business under Supervision for non-bank following Bank of Thailand's notification.

## Source of fund in the business

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. The proceeds received from the payment of the customer, after subtracting the operations cost this can be used as financial fund.
4. The short-term and long-term debt securities issued by financial institutions.

### Sources of funds for loans from financial institutions and shareholder's equity

Source of Funds	31 December 2016		31 December 2015		31 December 2014	
	Amount (Million Baht)	Percentage	Amount (Million Baht)	Percentage	Amount (Million Baht)	Percentage
Loan	498.97	59.97	607.04	64.80	672.56	68.80
short-term loans from financial institutions	-	-	-	-	186.38	19.07
Other short-term loans	-	-	-	-	14.85	1.52
Short-term unsecured debenture	-	-	-	-	164.91	16.87
Long-term loans from financial institutions within 1 year	-	-	8.33	0.89	-	-
Long-term unsecured debenture within 1 year	-	-	299.60	31.98	-	-
Long-term unsecured debenture	498.97	59.97	299.11	31.93	298.10	30.49
Long-term loans from financial institutions	-	-	-	-	8.32	0.85
Shareholder's Equity	333.02	40.03	329.74	35.20	305.01	31.20
<b>Total Source of Funds</b>	<b>831.99</b>	<b>100.00</b>	<b>936.78</b>	<b>100.00</b>	<b>977.57</b>	<b>100.00</b>

Source : G Capital Company Limited

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.



## Business Goals

The company aims to become a leader in hire purchase agricultural machinery with a focus on providing farmers with no collateral and lack of access to finance for the opportunity and equality of access to capital through the hire purchase of agricultural machinery. The farmers had agricultural machine to advanced to the optimization of cultivation, harvest and processing of agricultural products by a company team that have knowledgeable experience and understanding to customer and business include a good management and efficiency. Providing a quick and easy with engaged in business in an ethical and transparent to provide customers with the confidence and satisfaction in the quality of services

The Company also needs to grow steadily with the increase in revenue from expanding customers group to cover a area of country and expand the type of product in providing goods and services to credit. Including increasing the number of partners and have more financial instruments and finding new customers in businesses with growth potential and response to the needs of customer to success of our occupation.

For the financial services sector, the company's goal is aims to provide financial services to customers through with creative services, comfortable, satisfaction to our customers who use the service. Due to the company can expand the service of loans available. As well as increasing customer base to use the loan to the company. The Company plans to expand the network by increasing partnerships and co-operation in order to provide more comprehensive.

The company aims to develop a sustainable enterprise, coupled with the growth of the supply chain, the company focused and committed to participate in the development of the supply chain. In terms of communication, development, processing and support in others fields contributes to the creation of value, including the economic, social and environmental.

# Risk Factors

The risk factors of the Company. And approach to risk management. Summarized as follows:

## 1. Market and Strategy Risk

### 1.1 Risk in business strategy and marketing on hire purchase of agriculture machinery

The hire purchase business for agricultural machinery is not under the supervision of the Bank of Thailand as banks and finance companies does not require a lot of capital. In the present, the hire purchase business for agricultural machinery is not as high 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 hire purchase 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 of farmer to pay the debts, 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 harvesters as the company focus. 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 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 harvesters as the Company. The Company has experience of hire purchase business for agricultural machinery for more than 10 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 in business strategy and marketing on Personal Loan under supervision

The personnel loan has seen as fiercer competition, due to the interest rates and fees in this loan are higher than those from credit card loans attracts both financial institutions and non-financial institutions to enter the business. During 2015-2016, the personal loan figure continued to expand well from 324,644 million Baht in 2015 to 338,117 million Baht in 2016, equivalent to 4.15 percent. The number of accounts increased from 12.86 million in 2015 to 13.69 million accounts in 2016, equivalent a growth rate of 6.45 percent.

The Company had a business license to operate a personal loans under supervision. Ministry of Finance on October 14, 2015 and began serving a personal loan under supervision, on December 1, 2015 through the company awareness and attention to the risks of competition, the company has study, formulate a strategies and plans in business to focusing on a group of customers of the company that the company had a database of payment records and focused on specific customer segments and group companies that can control and



manage a risk, which the company will focus on marketing activities, including the addition of partners in providing personal loans. To reach the target above. The tightened credit approval process, credit limit is appropriate, the process control and efficiency collection. The company is confident that, the company can operate a Personal loans under supervision as well and can be competitive in the market.

### 1.3 Risk in business strategy and marketing on Nano Finance under supervision

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

As of December 2016, operators have received licenses of Nano Finance of 29 companies with 24 operators has a lending for nano financing to more than 1,435 million baht, the competition in nano financing similar to that the operators have licensed bordered a lot, but there is still competition is not fierce. Because each operator uses a strategy of focusing on the old customers. And the large financial institutions is do not provide loans to nano finance. Thus this reason is providing an opportunity to the company for expand and continue the business of the company.

The Company Recognizes and attention to the risk of competitive in business. The company study and formulate strategies and plans in to nano finance business, by focusing on providing customers of the company. The target customers to be using the partner network and customer base of the company. However, due to the nano-financing loan is a loan without collateral, and this is a new business of the Company. The company must to focus on priority for screening customer, credit analysis, and risk management is essential.

## 2. Financial Risk

### 2.1 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 bond market which is floating/fixed rate. That make The Company has to take risk of fluctuations in interest rates. The company has restructured the loans by issuing debt instruments to raise funds from the public in the form of debt, which sets a fixed rate. The Company has a policy of cash flow management by taking loans from bond markets 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.



## 2.2 Risk from dependence on sources of loans

The sources of fund that the Company borrows to lend to customers come from long term bond market. The Company must to maintain a debt to equity ratio of not exceed than 5 times. In case of the Company have a debt to equity shares exceeding than the rate, the Company will need to raise capital. Or decrease the ratio of debt to shareholders' equity. However, as of December 31, 2016, the debt to equity ratio of the company is 1.66 times.

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

The revenue of the company 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 from financial institution and bond markets, resulting the Company may be at risk from different timing

That made in-out of cash flows is not matching and could cause inconsistencies. And may lead to a lack of liquidity in the operation. The Company Be aware of such risks, the Company has restructured the short term. To comply with the period of repayment of loans from various sources. The duration of the loan period. In April 2015, November 2015 and April 2016, the Company issued debentures of Baht 200 million (3 years) baht, 100 million ( 5 years) baht and 200 million baht (3 years), respectively, as at December 31, 2016 and 2016, the Company have loans age average 3.35 and 3.32 years, respectively. while the average age of debtor of 3.40 years and 2.58 years, by such actions will allow the Company can reduce the difference in the duration of the lending and borrowing down. As well as to manage finances properly and reduce liquidity risk.

## 3. Operation Risk

### 3.1 Risk from dependence on agricultural machinery partner.

The Company has income from hire purchase, which relies on major manufacturers which is Kasetphattana group that the company have a business on hire purchase 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 Combine harvester) 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 0.75 percent (as of February 29,2016).In the present, Kasetphattana group sold through the company's main agricultural machinery. The Company had a memorandum of understanding with Kasetphattana group 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, from the past 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 fix, 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 had expand the business to expansion a financing service for agricultural machinery for planting and harvesting other crops. And expand by providing credit loans as personal loans increasing. This will expand and diversify the business operations of the company.

### **3.2 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 to pay. 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 the receivables can not to pay by corrective action plan. The company will negotiating to deliver agricultural machinery to the company. The Company requiring the receivables can be redeemed for agricultural machinery, and after the expiration of the redemption period. The company will announce to public auction to all interested to purchase agricultural machinery. If the auction is not sufficient to pay the debt. The company can claim direct to receivables and / or the guarantor. In which case the company cannot claim, the company will recognize a loss on the sale of agricultural machinery confiscated. The price of the auction will depend on the agricultural machinery market, lifetime and the demand of agricultural machinery. 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.

The Company considers that agricultural lending is demanding and popular market for decrease the impact of the inability to sell the property at public auction. In the past, the company can sell assets from the repossessed by all.

### **3.3 The risk of employee fraud**

The Company business is providing hire purchase loans, secured and unsecured loans, the Company has established procedures to review the operation of lending to customers who have received loans from the company. To verify that the customer has receive loan on an contract. And term of payment, the company requires customers to pay through the company. The company will check the payment of the customer, will inform the customer to known and issue a receipt to the customer. The Company monitoring and review system to transfer-receive payment. In the past the company never detected acts of fraud.

The Company have a whistle blow system to report the fraud and customers get the convenience of the service or have difficulty in using financial services or want to report a fraud. Customers can inform information through channels defined by the company as the company has determined to be responsible for the administration and management of complaints and the perpetrators of such violations. In the past the company never received the complaint and not to report the fraud in any way.

#### **3.4 The risk of depend on staff with specialized expertise**

Agricultural loan lending 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. 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.

### **4. Credit Risk**

#### **4.1 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, Or changes in government policy on the structure of production in the agricultural sector or price fluctuations in agricultural crops. the ability to pay the debt may be effected. This business can be at risk of overdue payment if the loan approval 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 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 interest income on accounts receivable when the outstanding is more than 3 installments. As of 31 December 2016 the Company had over-3-installment-due receivables that are in pending legal action totaling Baht 130.72 million, While the Company set the allowance for doubtful accounts for Baht 99.03 million, While the Company An allowance for doubtful accounts as of December 31, 2016 was 102.32 million baht.representing this rate is sufficient if there is 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 debtor's 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.

## 5. Legal Risk

### 5.1 Legal Risk

The business that provide a hire purchase of a car and motorcycle is under the rules and 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.

For personal loan and nano finance business, the operation is under supervision of the Bank of Thailand. The Company must comply with the Prescribed Rules, Procedures and Conditions for operating personal loan business for non-bank operators, which specify the qualifications of loan applicant, guideline for setting credit limit, guideline for setting interest rate policy and other fee policy, complaints and collection in order to create fairness for the customers. The Company has always complied with all regulations. However, if BOT decides to change or add any regulations relating to personal loan business in the future, the Company has been strictly complied with BOT regulations.

## Shareholding Structure and Dividend Payment Policy

The first 10 major shareholders of the Company as of December 31, 2016, which was the last closing date, were listed as follows:

No.	List of Name	Number of shares held	%
1	Song Nam Company Limited	50,100,000	25.050
2	MS.Phetcharat Waleerueksap	5,600,000	2.800
3	MR. Pornchai Charumethee	4,950,000	2.475
4	MRS. TJA TJIA SIET JOEN	4,151,515	2.076
5	MR.Somchai Wichitsangrat	3,100,000	1.550
6	MRS.Parinya Khancharoensuk	2,647,800	1.324
7	MR.Pradit Wongphanngam	2,627,400	1.314
8	MR.Narong Thanuthammakul	2,483,800	1.242
9	MR.Narumon Boonsrisawad	1,900,000	0.950
10	MRS.Somjit Dhitklai	1,745,000	0.873
	Total of 10 major shareholders	79,305,515	39.654
11	Others	120,694,485	60.346
	Total	200,000,000	100.00

**Source:** List of major shareholders as of 31 December 2016 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.



## Dividend Payment to existing shareholders

By the resolution of the Annual General Shareholder's Meeting for the Year 2014 on April 22, 2014, the company authorized to pay cash dividends for the year 2013 to its shareholder at Baht 0.13 per share (Normal dividend at Baht 0.11 per share and special dividend at Baht 0.02 per share), that equivalent to 60.73 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.075 per share for the Company's performance from 1st January-30<sup>th</sup> June 2013 to shareholders on August 29, 2013 (The Company's paid-up share capital of 75,000,000 baht. into 150,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.07375 per share for the Company's performance from 1st July-31<sup>st</sup> December 2013 to shareholders on March 19, 2014 (The Company's paid-up share capital of 100,000,000 baht. into 200,000,000 ordinary shares with a par value of 0.50 Baht)

By the resolution of the Annual General Shareholder's Meeting for the Year 2015 on April 23, 2015, the company authorized to pay cash dividends for the year 2014 to its shareholder at Baht 0.16 per share, that equivalent to 53.86 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.06 per share for the Company's performance from 1st January-30<sup>th</sup> June 2014 to shareholders on September 5, 2014 (The Company's paid-up share capital of 100,000,000 baht. into 200,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.10 per share for the Company's performance from 1st July-31<sup>st</sup> December 2014 to shareholders on March 21, 2015 (The Company's paid-up share capital of 100,000,000 baht. into 200,000,000 ordinary shares with a par value of 0.50 Baht)

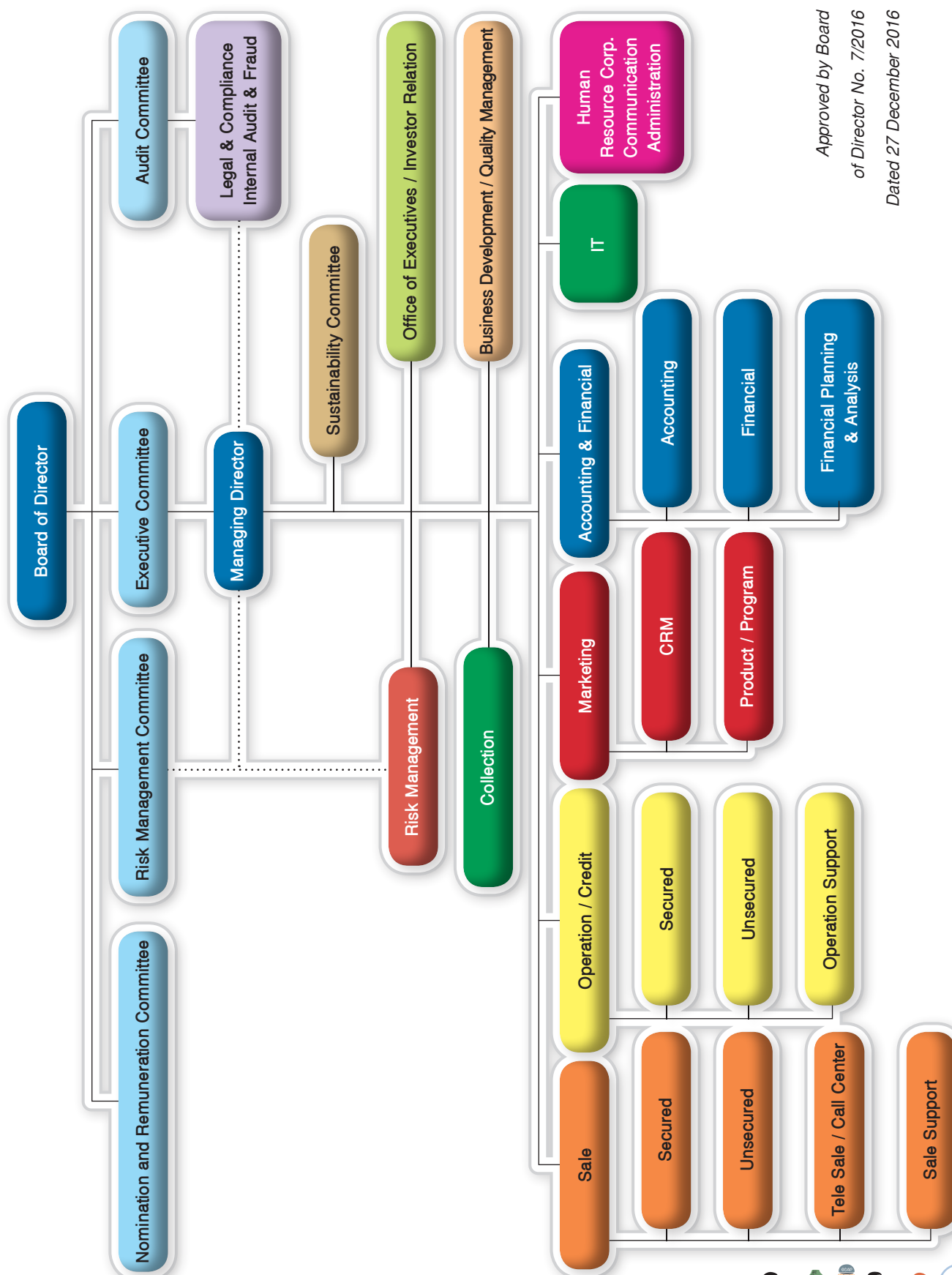
By the resolution of the Annual General Shareholder's Meeting for the Year 2016 on April 7, 2016, the company authorized to pay cash dividends for the year 2015 to its shareholder at Baht 0.20 per share, that equivalent to 72.45 percent of the net profit, the details are as follows;

- The interim dividend at Baht 0.05 per share for the Company's performance from 1st January-30<sup>th</sup> June 2015 to shareholders on September 11, 2015 (The Company's paid-up share capital of 100,000,000 baht. into 200,000,000 ordinary shares with a par value of 0.50 Baht)
- The yearend dividend at Baht 0.15 per share for the Company's performance from 1st July-31<sup>st</sup> December 2015 (normal dividend at the rate of Baht 0.10 per share and extra dividend for 10<sup>th</sup> Anniversary of the company operation in business at the rate of Baht 0.05 per share) to shareholders on April 25, 2016 (The Company's paid-up share capital of 100,000,000 baht. into 200,000,000 ordinary shares with a par value of 0.50 Baht)



# Organization Chart

Dated 31 December 2016



Approved by Board  
of Director No. 7/2016  
Dated 27 December 2016



## Management Structure

Management structure of the company have a consists of 5 committees as follow :

1. The Board of Directors
2. Audit Committee
3. Executives Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee

### The Board of Directors

The Board of Directors of the Company as of 31 Decemver 2016 consists of 9 members as follows:

First-Last Name		Position
1.	Mr. Boonsak Chiempricha	Independent Director and Chairman of the Board
2.	Mr.Yongyuth Tariyo	Independent Director and Chief of Executive Committee
3.	Asst. Prof. Wipada Tantiprabha	Independent Director and Chairman of the Audit Committee IndependDirec
4.	Mr. Premsan Pisitpan	Independent Director, Audit Committee Member and Chairman of Nomination and Remuneration Committee
5.	Mr.Chaiyong Satjipanon <sup>1/</sup>	Independent Director, Audit Committee, Chairman of Risk Management Committee and Nomination and Remuneration Committee
6.	Mr. Nattaphon Sarasas	Director and Nomination and Remuneration Committee Member
7.	Mr.Asa Sarasas <sup>2/</sup>	Director
8.	Mr. Santi Hokittikul	Director
9.	Mr.Spain Jingkaojai <sup>3/</sup>	Director and Secretary of the Board of Directors

**Remark :** 1/ Mr.Chaiyong Satjipanon is the Audit Committee and Nomination and Remuneration Committee appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Audit Committee and Nomination and Remuneration Committee, effective on 16 August,2016

2/ Mr.Asa Sarasas is the Director appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Independent Director, effective on 16 August,2016

3/ Mr.Spain Jinakaojai is the Director appointed by the 4/2559 meeting of the board of directors on 13 May 2016. Replace for Mr.Chinavais Sarasas, who resigned from Director, effective on 17 May,2016 and the board of directors meeting 1/2560 on 20 February 2017 appoint to secretary of the Board of Director.

Mr. Niton Chaianate is the Company Secretary appointed by the 1/2554 meeting of the board of directors on 28 February 2011.

## Authorized Signatory

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

**Remark :** The board of directors meeting 4/2559 on 13 May 2016, appointed to change signatories of the company from 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 to Mr. Santi Hokittikul, Mr. Nattaphon Sarasas and Mr. Spain Jingkaojai. 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 of directors have a role and functions to set the corporate governance policy, business ethics including defining the vision, missions, strategies, goals and operation plans of the company. To supervise the execution of compliance with the policies, plans and budget effectively and efficiently in order to meet the goals of the company. The board of directors must be accountability to the company, shareholders and all stakeholders. The board of directors have a roles and responsibilities to supervise the operations of the company in accordance with rules and regulations including the rules of the Stock Exchange of Thailand. and The Securities and Exchange Commission. Details of the role of the board of directors as follows.

1. To have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives and Articles of Association, and the resolutions of the general meeting of shareholders by the philosophy of "Best Practices for Directors of Listed Companies" according to The Stock Exchange of Thailand (SET).
2. To arrange to have a balance sheet and income statement of the Company as at the end of the accounting period of the company and shall be audited by the auditor and present to the shareholders for approval.
3. To set vision, mission, goals, policies, operations plan, budgets and policies for risk management, adequate system of internal control including review and amend as appropriate at least once every 3 years.
4. To monitor and supervise administration and management of the executive to comply with the set policies, plans and budget efficiently and effectively including fixing remuneration and reviewing the succession plan.
5. To oversee the Company to be in Compliance with the law regarding securities and SET, the Notification of the Capital Market, and the requirements of SET such as related transaction and the acquisition or disposition of significant assets or the laws relating to the business of the Company
6. To determine the management structure and use power to appoint the Executive Committee, Managing Director and other committees as appropriate, including defining the scope of authority of the Executive Committee, managing director and various committees appointed. The scope of authority shall not authorize the manner of the Executive Committee, Managing Director and various committees to be able to approve transactions that may have conflict of interests between the Company and other companies or subsidiaries (if any), unless the approval is in accordance with the policies and guidelines and approved by the Board.
7. To consider and approve the loans Through the approval of the Executive Committee. In excess of the amount authorized by the Board of Directors.



8. To Prepare an annual report of the board and responsible for the preparation and disclosure of financial statements to reflect the financial position and results of operations of the past year and presented to the shareholders for approval.
9. The Board may authorize one director or more or any other person(s) to act as the Board under the control of the Board of Directors or may delegate to such person to have authority as the Board deems appropriate within the time period under the Board's discretion. The Board may revoke, change or modify the authorization when see appropriate. However, the authorization shall not possess to make such individuals to be able to approve the transaction that the person or other may have conflict or interest and personal gain or may have a conflict of interest in any other way with the Company or its subsidiaries (if any) as defined in the Regulations of the Capital Market and/or SET and/or any announcement of the entities involved unless the approval is in accordance with the policies and guidelines and approved by the Board.
10. To appoint a company secretary to be responsible for various matters on behalf of the Company or the Directors, such as the register of directors, notice of the Board of Directors Meeting, notice of the Share holders Meeting and made a minute of meeting.

## Secretary of the board and company secretary

The board of directors meeting 1/2560 on 20 February 2017, appointed Mr. Spain Jingkaojai 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 resolution of the board of director 1/2554 on February 28, 2011 appointed Mr. Nitan Chaiyanate is company secretary to act as of work for company secretary. According to the regulation in article 89/15 of the Public Company Act 1992, company secretary have a responsibility as follow;

1. Produce and keep the following documents
  - (a) Registration of Members of the Board of Directors
  - (b) Board Meeting invitations, Board Meeting Reports and the Company's Annual Reports.
  - (c) Shareholders' meeting invitations and shareholders' meeting reports.
2. Keep stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee and send copies of the reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date that the Company receives the reports.
3. Observes and makes arrangements for the disclosure of information and information technology reports on the areas under his/her responsibility to agencies; directs and supervises in compliance with the law, regulations and policies concerning the company's disclosure of news and information.
4. Contacts and communications with ordinary shareholders to inform them of various shareholders' rights/privileges and company news.

5. Delivers news and information to directors on topics concerning the company's business operations in order to accompany the performance of directors' duties.
6. The secretary is to work with responsibilities, care and integrity. One is to comply with the law, purposes, the Company's regulations, the resolutions of the Board of Directors as well as resolutions of shareholders. One is not to act in any way that significantly obstruct or conflict the Company's interests.
7. Makes arrangements for the provision of advice for newly appointed directors.
8. Other matters as assigned by the company's board of directors.

In case the Company's secretary is retired from the position or cannot work, the Board of Directors is to appoint a new secretary for the Company within ninety days from the date of the previous secretary's retirement or inability to work.

### Brief Background of Corporate Secretary

#### Mr.Nitan Chaiyanate

**Education:** Bachelor of Administration (First Class Honors), Sripatum University  
Master of Economics, Ramkhamhaeng University

**Training Courses:** Company Secretary Program (CSP), Class No. 29/2009, IOD  
Fundamentals for Corporate Secretaries (3 Days), Thai Listed Companies Association and Stock Exchange of Thailand  
Advance for Corporate Secretaries (4 Days), Thai Listed Companies Association and Stock Exchange of Thailand

## Audit Committee

The entire Board of Audit is composed of three independent directors who passes knowledge, ability, experience and qualifications in line with the SET's regulations. The Board is composed of non-executive directors with office terms of three years each.

As of 31 December 2016, The Audit Committee consists of 3 members.

First-Last Name	Position
1. Asst. Prof. Wipada Tantiprabha <sup>1/</sup>	Chairman of Audit Committee
2. Mr. Pramesan Pisitpan	Audit Committee Member
3. Mr. Chaiyong Satjipanon <sup>2/</sup>	Audit Committee Member

**Remark :** 1. Asst. Prof. Wipada Tantiprabha is an Audit Committee who has knowledge and experience for reviewing the credibility financial statements.

2/ Mr.Chaiyong Satjipanon is the Audit Committee appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Audit Committee, effective on 16 August,2016

Mr.Nitan Chaiyanate is Audit Committee Secretary



### Qualifications of Audit Committee

The Audit Committee consists at least 3 members. Their qualifications are as follows.

1. All members of the Audit Committee shall be appointed by the Board of and the audit committee resolution to appointment a chairman of audit committee.
2. All members of the Audit Committee shall be independent directors and fully qualified in accordance with the qualifications prescribed by notification of the Stock Exchange of Thailand regarding qualifications and scope of work of the audit committee.
3. All the Committee members shall perform duties, give opinions and report work performance assigned independently, free of any potential influence by the management or major shareholders including any related persons or close relatives of those persons.
4. All the Committee members shall has sufficient relevant knowledge and experience to perform audit committee functions and at least one member of the Committee should have adequate relevant knowledge and experience to review the credibility of financial report.

### Duties and responsibilities of the Audit Committee

1. To review financial reports to ensure the accuracy, completeness and reliability including the disclosure of adequate information by coordinating with the external auditors and the executives responsible for the preparation of financial reports quarterly and annual, and disclose information related to the Company sufficiently before submission to the Board of Directors.
2. To review internal control system and internal audit system of the Company to be appropriate and effective, and consider the independence of the internal audit department. As well as to approve the appointment, transfer or dismissal of the chief internal audit unit or any other agency responsible for internal audit, and may suggest the auditor to review or examine any items that are necessary and important during the audit of the Company, and may suggest about how to improve the system of internal control if see important and necessary to the Board of Directors by coordinating with external auditors and head of internal audit or the third party audit company.
3. To ensure legal compliance with the regulations of SEC or SET includes policies, regulations and other laws relating to the Company's business.
4. To consider, select and nominate an independent person to act as auditor of the Company, including the remuneration of the auditors of the Company to propose to the shareholders' meeting for approval. As well as coordinate with the auditors about the purpose of performing audit scope, approach, plans and problems found during the inspection and issue that an auditor may see important, and attend meetings with the external auditors without management in attendance with at least 1 time per year.
5. To consider the disclosure of the Company in case of any transaction or items may have a conflict of interest, to have accurate and complete information in accordance with the laws and regulations of SET including the disclosure of the transaction correctly in order to ensure that they are reasonable and beneficial to the Company.



6. To reports the performance of the Audit Committee to the Board of Directors at least 4 times a year.
  7. To perform duties, the Audit Committee has the authority to request related management or employees of the Company to comment or send documents as relevant or necessary.
  8. To have the power or authority to hire independent consultants of the Company to make comments or give advice as necessary.
  9. To prepare a report on the Corporate Governance by the Audit Committee and disclose 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:
    - Comment on the accuracy, completeness and reliability of the financial reports of the Company
    - Comment on the adequacy of internal controls of the Company
    - Comment on compliance with SEC, regulations of SET or any other laws relating to the business of the Company
    - Comment on the suitability of an auditor
    - Comment on the transactions that may have conflict of interests
    - Comment on number of meetings of the Audit Committee and attendance of each Audit Committee member
    - Comment or overall remarks overall that the Audit Committee has performed its duties under the Charter
    - Other items that Shareholders and investors should be notified under the scope of duties and responsibilities assigned by the Board of Directors.
  10. To self-evaluate the performance and report the assessment results and operational problems that could cause the operation not to achieve the purpose of the establishment of the Audit Committee to the Board of Directors every year.
  11. To perform other tasks as assigned within the scope of duties and responsibilities of the Audit Committee. In order to perform such duties, the Audit Committee is directly responsible to the Board of Directors. And the Board of Directors continues to have responsibility for the operations of the Company to outside parties.
  12. When the Audit Committee performs their duties, if there are any questions of transactions or actions that may have significant impact on the financial position and results of operations of the Company, the Audit Committee shall report to the Board of Directors of the Company for rectification within the period the Audit Committee deems appropriate. The transactions or actions that may have significant impact are as follows:
    - Items of a conflict of interest.
    - Fraud or irregularity or significant deficiencies in internal control system.
    - Violation of the regulations of SEC and SET or The laws relating to the business of the Company.
- If the Board of Directors or management fails to make a rectification within the period above, any member of the Audit Committee may report such transaction or action to SEC or SET.



## Executive Committee

The Executive Committee consist to Director / Executive who was appointed by the Board of Directors. To the position of Chairman of Executive Committee. The Executive committee comprises to managing director, deputy managing director assistant managing director, vice president, manager and representatives of the parties.

As of 31 December 2016, the Executive Committee consists of 11 members and advisory of the Executive Board 1 member

Executive Committee	Position	First-Last Name
1. Director/Executive assigned by board of directors.	Chairman of Executive Committee	Mr.Yongyuth Tariyo <sup>1/</sup>
2. Director assigned by board of directors	Advisory for the Executives Committee	Mr.Santi Hokittikul
3. Managing Director	Member	Mr.Spain Jingkaojai
4. Deputy Managing Director	Member	Mr.Chumnun Kunnarattana
5. Deputy Managing Director	Member	Mr.Sutthi Sripratum
6. Finance and Accounting Department	Member	Ms.Sivapun Sriampai
7. Marketing Support Department	Member	Mrs.Panida Jangkit
8. Collection Department	Member	Mrs.Austanakan Khositaecho
9. Credit Department	Member	Mrs.Tusana Sroiwaree
10. Sale Unsecured Department	Member	Mr.Suvech Onglaor
11. Business Development Department	Member	Mr.Nitan Chaiyanate
12. Office of Executives	Member	Mrs.Kotchaporn Wongkumpoo

**Remark :** 1/ The Board of Director Meeting 6/2559 on 8 Novemberl 2016 appoint Mr.Santi Hokittikul to Advisory for the Executives Committee.

Mrs.Kotchaporn Wongkumpoo is Secretary of Executive Committee

### Authorities and responsibilities of the Executive Committee

1. To run the business and affairs of the Company according to the objectives, articles of association, policies, rules and regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders of the Company.
2. To consider proposals of the management, set organizational structure, policy, direction, strategy of business operations of the Company, expansion plan, financial and budget plan, human resource management and Information Technology investment to present to the Board of Directors for consideration and approval.
3. To appoint a subcommittee and/or a working group to be responsible for the operation or management of the Company, and determine the scope of the authority and responsibilities of the subcommittee, and/or working group including supervising the operation of the subcommittee, and/or the appointed working group according to the Company's policies and targets.

4. To monitor the performance of the Company to be in accordance with the Board's policy and targets defined and supervise the implementation of quality and performance
5. To consider the allocation of the annual budget proposed by the administration prior to presentation to the Board for consideration and approval.
6. To have the power to approve the cost of normal business operations of the Company by regulatory authority, but less than the budget approved by the Board of Directors. To approve major capital expenditures defined in the annual budget according to the Board of Directors or by the Board of Directors has been approved in principle.
7. To consider contract processing and signing related to the normal business operations of the Company. Each item shall not exceed Baht 20 million, but less than the budget approved by the Board.
8. Consider and approve a loans and restructuring of the debtor. Both individual and group beyond the authority of the Credit Committee in the amount not exceed than 20 million baht.
9. Report any case of dishonest and/or suspect of being dishonest, illegal action or any act that lead to company disgraceful shall be immedietly report to the board f director
10. To carry out any operations according to the assignment from the Board of Directors from time to time.

Note that the aforementioned scopes of power and responsibility of the Executive Committee do not include the power that enables a member of Executive Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Executive Committee shall report any cases or transactions causing conflicts of interests to the Company's Board of Directors and/or the shareholders meeting so that they can consider approving such cases or matters based on the rules and regulations of relevant laws Scope of the loan approval.

The Board of Directors meeting 7/2559 on 27 December 2016 have resolution for scope of loans approval in this below

Loans	Credit Team / Managing Director	Credit Committee	Executive Committee	Board of Director
Hire Purchase (new)	Not exceed 3 MB.	Not exceed 10 MB.	Not exceed 20 MB.	More than 20 MB.
Hire Purchase (old)	Not exceed 1 MB	Not exceed 3 MB.	Not exceed 6 MB.	More than 6 MB.
Secured Loan	Not exceed 1 MB.	Not exceed 10 MB.	Not exceed 20 MB.	More than 20 MB.
Unsecured Loan	Not exceed 0.2 MB.	Not exceed 1 MB.	Not exceed 3 MB.	More than 3 MB.



## Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisting of not less than 3 members and more than a half of the members are independent directors.

As of 31 December 2016 The Nomination and Remuneration Committee consists of 3 members

First-Last Name	Position
1. Mr.Prameson Pisitpan <sup>1/</sup>	Chairman of Nomination and Remuneration Committee
2. Mr.Chaiyong Satjipanon <sup>1/2</sup>	Nomination and Remuneration Member
3. Mr.Nattapon Sarasas	Nomination and Remuneration Member

Remark : 1/ Mr.Prameson Pisitpan and Mr. Chaoyong Satjipanon are Independent Director

2/ Mr.Chaiyong Satjipanon is the Nomination and Remuneration Committee appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Nomination and Remuneration Committee, effective on 16 August,2016

## Authorities and responsibilities of the Nomination and Remuneration Committee

### Nomination

1. Setting guidelines of nominating Board of Directors and other Committee members by considering what would be the appropriate structure, number and composition of members and outlining recruitment method as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's Directors, Executive Directors and managing director
3. Scrutinizing the name list of nominators and checking personal information and qualifications of the nominators according to the laws and the regulations of the organization the nominator is from and present to the Board for consideration.
4. Considering the performance, qualifications and suitability of directors who retired as the term has ended and deserves the re-election and present to the Board of Directors to consider the approval, and present at a meeting of shareholders to appoint for the re-election as Directors.
5. Considering the appropriateness to be directors of the company in case there are any changes associated with the qualifications of Directors.
6. Providing orientation for new directors and develop knowledge to current directors.
7. Planning for succession of senior management.

Remuneration

1. Formulating and preparing of the remuneration policy in written format.
2. Proposing guidelines and procedures for the payment of remuneration to the Board of Directors and other sub-committees in which the Board of Directors appointed.
3. Approving compensation form, criteria and the value of compensation for both salary and other benefits paid to Directors, other committee and advisory of the board committee

Others

Performing other duties assigned by the Board of Directors.

Note that the aforementioned scopes of power and responsibility of the Nomination and Remuneration Committee do not include the power that enables a member of Nomination and Remuneration Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the connected persons (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company or its subsidiaries. The Executive Committee shall report any cases or transactions causing conflicts of interests to the Company's Board of Directors and/or the shareholders meeting so that they can consider approving such cases or matters based on the rules and regulations of relevant laws.

## Risk Management Committee

The Risk Management Committee consist to Director / Executive who was appointed by the Board of Directors. To the position of Chairman of Risk Management Committee. The Executive committee comprises to managing director, deputy managing director assistant managing director, vice president, manager and representatives of the parties.

As of 31 December 2016, Risk Management Committee consists of 8 members.

Risk Management Committee	Position	First-Last Name
1. Director/Executive assigned by board of directors.	Chairman of Risk Management Committee	Mr.Chaiyong Satjipanon
2. Managing Director	Member	Mr.Spain Jingkaojai
3. Deputy Managing Director	Member	Mr.Sutthi Sripratum <sup>1/</sup>
4. Deputy Managing Director	Member	Mr.Chumnun Kunnarattana
5. Finance and Accounting Department	Member	Ms.Sivapun Sriampai
6. Marketing Department	Member	Mrs.Panida Jangkit
7. Business Development Department	Member	Mr.Nitan Chaianate
8. Sale Unsecured Department	Member	Mr.Suvech Onglaor

**Remark :** 1. Mr.Sutthi Sripratum is Secretary of Risk Management Committee



## Authorities and Responsibilities of the Risk Management Committee

1. To assess any potential risks and effects trends to have on the organization.
2. To determine risk management policies to cover any risks in administration to present to the Board of Directors.
3. To have the power to appoint a risk management team as necessary.
4. To monitor the implementation of risk management as well as analyze, evaluate, track and report systematically.
5. To report risks and suggestions for risks managing to the Board of Directors.
6. To perform other duties assigned by the Board of Directors from time to time.

## Management

As of 28 February 2017, Management Team consists of 6 members as follows:

Name-Surname	Position
1. Mr.Spain Jingkaojai	Managing Director
2. Mr.Sutthi Sripratum	Deputy Managing Director
3. Mr.Songyos Sumetkijakan	Chief Finance Officer
4. Ms.Sivapun Sriampai	Senior Vice President of Finance and Accounting
5. Mrs.Supasorn Phaotip	Senior Vice President of Collection
6. Mr.Nitan Chaiyanate	Company Secretary

## Duties and responsibilities of the Managing Director

1. Taking care, managing, and operating normal business operations for the benefit of the Company according to its objectives and articles of association including regulations, resolutions, policies, plans and budgets approved by the Board of Directors and/or the general meeting of shareholders under related laws and the authority assigned by the Board of Directors.
2. Supervising the operations and/or daily administration of the Company.
3. Preparing and presenting business policy, business plans, goals, operational plans, business strategy, annual budget and setting the management authority to present to the Executive Committee and the Board of Directors of the Company.
4. Adopting the policies of the Board of Directors to determine the direction, methods, strategies and business goals to define the core mission for management to implement.



5. Monitoring the implementation of the management and offer guidance to fix their problems for the management and operations team to implement according to strategic and business plans in order to comply with company policy.
6. Monitoring and evaluating the implementation of the management and reporting of management performance, implementation progress to the Board of Directors, the Audit Committee and the Board of Directors regularly.
7. Having the authority to approve the cost of the Company's normal business operations such as purchasing a property, spending an important investment for the benefit of the Company, and processing another transaction for the benefit of the Company. The approval authority is the approval of normal trade. The total amount of each transaction shall not exceed Baht 20 million but not more than the budget approved by the Board.
8. Considering contract signing on normal business operations of the Company. Each transaction shall not exceed Baht 20 million but not more than the budget approved by the Board of Directors.
9. Performing other duties as assigned by the Executive Committee or Board of Directors.

For any action that the Managing Director or appointee of the Managing Director or individuals who may have a conflict (As defined by the Notification of the Capital Market and/or SET and/or associated entities) or have interest or a conflict of interest with the Company and/or its subsidiaries and/or related company, The Managing Director has no authority to act in the matter. The matter will be submitted to the meeting of the Board of Directors and/or shareholder (as applicable) for approval, unless the approval is in accordance with normal business and normal commercial terms which are required by the Capital Market Supervisory Board and/or SET and/or the relevant regulations.

#### Authorities and responsibilities of the Chairman of the Board of Directors

1. To act as the chief of the Board of Directors having duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other subcommittees to achieve the business objective and plans;
2. To act as the chairman at the meeting of the Board of Directors and to cast the vote in case of equality of votes;
3. To act as the chairman at the shareholders meetings and conduct the meeting according to the sequence of the agenda stipulated in the notice calling for the meeting.
4. Strengthen corporate governance of the Board of Directors.



## Board of Directors Structure and Components

The company's board of directors allocated for a suitable number of directors based on its business size. At present, there are nine directors; one are executive directors and eight are non-executive directors. The 8 non-executive directors are 5 independent directors.

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 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. One board member is to be selected as the Chairman of the Board of Directors. One or more other member(s) may be selected as vice chairman and managing director should the Board deems appropriate. The vice chairman has the duties according to the regulations in businesses assigned by the Chairman of the Board of Directors.
7. 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.

## The definition of its independent directors

The company has determined the definition of its independent directors as the director who is non-executive director and do not involve in the management permanently, and is not the company's major shareholder. The company has specified requirements equal to the minimum requirements set by the SEC and the SET. Nominated independent directors of the company are fully qualified according to the definitions as below:

1. 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.
2. 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. Such forbidden character does not include the case where an independent member had been a civil servant or a consultant of a government agency who is a large shareholder or the authorised entity that controls the Company.
3. 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.
4. 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. The definition of business relationship shall include item under the Notification of the Capital Market Supervisory Board Tor Jor 28/2008 regarding the application for the sale of new shares.
5. 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.
6. 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.
7. 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.



8. 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.
9. The independent Directors have no any characteristics that prevent from giving independent comments.
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.

## Nomination of Board of Directors and Managing Director

The company's plan is to appoint directors and managing director appropriately and transparently to ensure that the company has directors and managing director who are professionals capable of independent management from major shareholders or other shareholders. The Recruitment Committee determines remunerations and corporate governance, and is responsible for appointing suitable people into selection according to specified selection methods, the criteria and selection method of which is dependent upon the propriety of the company's situation during which time.

The Nomination and Remuneration Committee responsibilities in recruiting individuals with the right to hold office as directors. The consideration and approval. For presentation to the Board of Directors, and propose to the AGM for approval.

Persons who are appointed as members of the Board of Directors and the Executives of the Company are those who are qualified in accordance with article 68 of the Public Company Act 1992 and the Announcement of the Capital Market Supervisory Board No. Tor.Jor.28/2551 on the request and the permission to sell new shares dated 15 December 2008. The qualified persons must not be of forbidden character according to the Announcement of the Capital Market Supervisory Board on the Regulations related to the executives of a Company issuing securities. All persons must not have a record of bankruptcy, violation of rules, regulations, announcements, orders, resolutions of the Board of Directors or the agreement on security registration with the Stock Exchange of Thailand and the circular notice at the Stock Exchange of Thailand

The Nomination and Remuneration Committee, to nominate managing director who have knowledge of management experience with the ability to work in a related field to propose to the Board of Directors. appoint a person to be nominated to the position of managing director.

## Board of Directors Meetings

At least one Board of Directors' meeting is held in each quarter with additional meeting to be called if required. The Company requires the directors to attend every Board of Directors' meeting except in case of emergency. Meeting agenda must be clearly indicated prior to each Board of Directors' meeting with the inclusion of agenda on operational monitoring on a regular basis. The Company delivers the meeting invitation letter together with meeting agenda and support documents for the meeting to each director at least 7 days in advance of the meeting date to allow sufficient timing for the Board of Directors to study on the information prior to attend the meeting. In

each Board of Directors' meeting, the Chairman of the Board of Directors is obliged to allocate adequate timing in order to enable the management to propose and provide thorough explanation on the material issues. Minutes of the meeting are accurately and completely recorded in writing. Minutes of the meeting, certified by the Board of Directors, will be retained for further examination by the Board of Directors and other related parties.

In addition, in the Board of Directors meeting, chief executives of the Company are requested to attend the meeting to provide additional information directly responsible. The Company has a policy in regards to the minimum quorum at the point the board will vote in a meeting, there must be at least two third of the directors in present.

The Company has committed that the information the Board received shall be continuously and adequate in timely manner before each meeting. However, the Directors may feel free to contact the Company Secretary directly. The Company Secretary is responsible for advising the Board of Directors in matters related to the compliance with laws and regulations.

The attendance details of each director for 2015 are summarized as follows:

First-Last Name	Meeting attendance (Times)					AGM
	Company Director	Auditing Director	Executive Director	Risk Management Director	Nomination & Remuneration	
Mr.Boonsak Chiempricha	7/7	-	-	-	-	1/1
Mr.Yongyuth Tariyo*	7/7	-	7/7	-	-	1/1
Asst.Prof.Wipada Tantibrapha	7/7	4/4	-	-	-	1/1
Mr.Prameson Pisitphan	6/7	3/4	-	-	3/3	1/1
Mr.Tawee Khositjiranun <sup>1/</sup>	4/5	3/3	-	-	2/2	1/1
Mr.Chaiyong Satjipanon <sup>2/</sup>	7/7	1/1	-	3/3	1/1	1/1
Mr.Chinavais Sarasas <sup>3/</sup>	4/4	-	-	-	-	0/1
Mr.Nattaphon Sarasas	7/7	-	-	-	3/3	1/1
Mr.Santi Hokittikul	7/7	-	7/7	2/2	-	1/1
Mr.Spain Jingkaojai <sup>4/</sup>	3/3	-	5/5	1/1	-	-
Mr.Asa Sarasas <sup>5/</sup>	2/2	-	-	-	-	-

**Remark :** 1/ Mr.Tawee Khositjiranun resigned from Independent Director, Audit Committee and Nomination and Remuneration Committee, effective on 16 August,2016

2/ Mr.Chaiyong Satjipanon is the Audit Committee and Nomination and Remuneration Committee appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Audit Committee and Nomination and Remuneration Committee, effective on 16 August,2016

3/ Mr.Chinavais Sarasas resigned from Director, effective on 17 May 2016

4/ Mr.Spain Jingkaojai is the director by the 4/2559 meeting of the board of directors on 13 May 2016, effective on 17 May,2016

5/ Mr.Asa Sarasas is the Director appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Independent Director, effective on 16 August,2016



## Remuneration for Director and Executives

### Remuneration for the Board of Director

The remuneration policy has been clearly and transparently set out for directors which are enough to attract and retain board members and are set at a level that is market aligned. However, the directors will received an extra remuneration for any extra works and duties such as being appointed as the member of any sub-committees. The Nominating & Compensation Committee will consider and submit the remuneration of the directors, which comprises of meeting allowance and bonus, to the Board of Directors and Shareholders' Meeting for approval. The remuneration shall be disclosed in comply with the Office of the Securities and Exchange Commission.

## Monetary Remuneration

### Board of Director

The 2016 Annual General Meeting of Shareholders, held on April 7, 2016, passed a resolution that the remuneration of the Board/ the remuneration Audit Committee/ the compensation to Directors of the Company in 2016 in an amount not exceeding Baht 3,465,000 per year. The remunerations were classified by meeting

allowances as follows:

Position	Meeting Allowance Attendance
Chairman of the Board	25,000 Baht
Director	15,000 Baht
Chairman of the Audit Committee	25,000 Baht
Audit Committee	15,000 Baht
Chairman of Executive Committee	10,000 Baht
Chairman of Nomination and Remuneration	15,000 Baht
Nomination and Remuneration Committee	10,000 Baht
Chairman of Risk Committee	10,000 Baht

### The compensation of the board of directors

The compensation of the board of directors depending on the results of operations of the Company and approval by the shareholders' meeting. The Board of director has resolution appointed the chairman of the board of director allocate a remuneration to each director's duties, responsibilities and qualifications.



The remuneration to Directors in 2016 was as follows

First-Last Name	Meeting Gratuily					Compensation 2016	Total (Baht)
	Company Director	Auditing Director	Executive Director	Risk Man- agement Director	Nomina- tion & Remu- neration		
Mr.Boonsak Chiempricha	175,000	-	-	-	-	130,000	305,000
Mr.Yongyuth Tariyo*	105,000	-	70,000	-	-	125,000	300,000
Asst.Prof.Wipada Tantibrapha	105,000	100,000	-	-	-	125,000	330,000
Mr.Prameson Pisitphan	90,000	45,000	-	-	45,000	110,000	290,000
Mr.Tawee Khositjiranun <sup>1/</sup>	60,000	45,000	-	-	20,000	65,000	190,000
Mr.Chaiyong Satjipanon <sup>2/</sup>	105,000	15,000	-	30,000	10,000	120,000	280,000
Mr.Chinavais Sarasas <sup>3/</sup>	60,000	-	-	-	-	120,000	180,000
Mr.Nattaphon Sarasas	105,000	-	-	-	30,000	120,000	255,000
Mr.Santi Hokittikul	105,000	-	-	-	-	120,000	225,000
Mr.Spain Jingkaojai <sup>4/</sup>	45,000	-	-	-	-	100,000	145,000
Mr.Asa Sarasas <sup>5/</sup>	30,000	-	-	-	-	45,000	75,000

**Remark :** 1/ Mr.Tawee Khositjiranun resigned from Independent Director, Audit Committee and Nomination and Remuneration Committee, effective on 16 August,2016

2/ Mr.Chaiyong Satjipanon is the Audit Committee and Nomination and Remuneration Committee appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Audit Committee and Nomination and Remuneration Committee, effective on 16 August,2016

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5/ Mr.Asa Sarasas is the Director appointed by the 5/2559 meeting of the board of directors on 10 August 2016. Replace for Mr.Tawee Khositjiranun, who resigned from Independent Director, effective on 16 August,2016

#### Other Remuneration

The company had a policy for Chairman of the Board of Director and Chairman of the Executive Director would be a company car.

## Executive Remuneration

In 2016 and 2015, the company paid remuneration to executives amounting to 19.49 million baht and 118.80 million baht, respectively. The aforementioned remuneration includes salaries, bonuses providence fund and employment benefits.



Non Remuneration or others benefit;

- None -

**Personal**

Number of Employees of the company as of December 31,2016 and 2015 details as follow;

Department	2016 No. of Employees	2015 No. of Employees
Management	7	6
Officer of Executive	1	1
Business Development	1	-
Marketing	1	1
Sale - Secured	6	8
Sale - Unsecured	2	1
Credit Analysis	3	4
Collection	7	5
Finance and Accounting	5	4
Human Resources	1	1
Information Technology	2	2
Administration	6	6
<b>Total</b>	<b>42</b>	<b>39</b>

Labor Disputes

- None -

**Employee Remuneration**

The board of directors has set policies and practice guidelines concerning employee remuneration and benefits as follows:

**Monetary Remuneration**

In 2016 and 2015, the company paid remuneration to its employees (not including executives) amounting to 17.56 million baht and 15.61 million baht in the form of salaries, bonuses, overtime pay, provident fund employment benefits and other benefits.

Other Remuneration

- None -

**Policy of Human Resource Development**

The Company had focus on employee development to increase knowledge performance and quality of service. The Company and its subsidiary have policy to encourage employees to practice and self develop consistently by their position and task. The executive level will focus on the skills of management and psychology. And operational levels will focus on the skills and techniques for employees to learn and practice skills under the guidance of experienced professionals.

The Company have provided training within the company by invited speakers with knowledge from internal and external institutions. In 2016, the Company have provided training to both internal training and external institutions to managements and employees total of 25 course divided internal training 6 course for Corporate Social Responsibility, Anti-Corruption Happy Workplace and Team work, and external training 19 times.

In 2016, The Company have employee development expenses 0.06 million. The average hour of training in 2016 was 38.28 hours/person/year.

## Auditor's Fee

### Fee for the review of interim and fee for audit financial statement;

In 2016, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- Fee for the audit of the annual financial statement in the amount of 315,000 Baht.
- Fee for the review of interim financial statements in the amount of 285,000.Baht (for 3 quarter at Baht 95,000 each)
- Non Audit Fee

Total audit fee for year 2016 in the amount of 600,000 Baht.

In 2015, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- Fee for the audit of the annual financial statement in the amount of 290,000 Baht.
- Fee for the review of interim financial statements in the amount of 270,000.Baht (for 3 quarter at Baht 90,000 each)
- Non Audit Fee

Total audit fee for year 2015 in the amount of 560,000 Baht.

In 2014, the company paid the following fee to its auditor, Dharmniti Auditing Company Limited that is the auditors of the Company as follows;

- Fee for the audit of the annual financial statement in the amount of 275,000 Baht.
- Fee for the review of interim financial statements in the amount of 240,000.Baht (for 3 quarter at Baht 80,000 each)
- Non Audit Fee

Total audit fee for year 2014 in the amount of 515,000 Baht.



# Corporate Governance

## Corporate Governance

G Capital Public Company Limited is committed to the growth of business stability and sustainability by giving value added to all shareholders and shared value to all stakeholders. The Board of Directors concentrates on the practices complying to the Stock Exchange of Thailand (SET) to apply Good Corporate Governance. The Company assigns corporate governance and ethics as well as business ethics to directors, executives and employees for their implementation to all stakeholders which are announced and communicated to employees including published on the website [www.gcapital.co.th](http://www.gcapital.co.th). Its objectives are for all employees and related persons to acknowledge and comprehend in the same direction of corporate governance by adhering to transparency, equality, audit, ethics and complying to regulations and related laws as well as responding to economic, social and environment.

The Board of Directors assures that Good Corporate Governance Policy are crucial factors for being the leading Company growing constantly and sustainably as well as participates in developing economy, society and environment of Thailand which create confidence and strong image to all shareholders, investors and related persons both at the present and in the future.

In addition, the Board of Directors considers, reviews and improves corporate governance to achieve the completeness, modern and appropriateness corresponding to present situations; Divided into 5 principles details as follows:

### 1. The Rights of Shareholders

The Board of Directors realizes the importance of shareholders to carefully and prudently operating business by concerning rights and equality as well as maintaining the highest benefits for shareholders. The Company provides the basic rights as follows:

- ◆ Rights to buy, sell or transfer the Company's shares
- ◆ Rights to participate in the shareholders' meeting
- ◆ Rights to grant the power of attorney for other persons to attend the meeting and vote on their behalf.
- ◆ Rights to add meeting agenda
- ◆ Rights to receive dividends
- ◆ Rights to nominate a person to become a board member
- ◆ Rights to vote in election or impeach board member individually
- ◆ Rights to vote in appointment and remuneration of auditors
- ◆ Rights to vote in various agenda
- ◆ Rights to provide opinions and ask question in the shareholders' meeting and propose criteria in advance
- ◆ Rights to receive information in sufficient and timely manner
- ◆ Provide the most convenience in favor of participating and voting to shareholders

## Arrangement of Shareholders' Meeting

The board of directors arranges the Annual General Shareholders' Meeting within 4 months after the end of fiscal year which were established on April 7<sup>th</sup> 2016 during 14:00-16:45 at Arnoma 3rd Floor. Arnoma Hotel, 99 Rajdamri Road, Lumpini, Pathumwan, Bangkok. In that shareholders' meeting, the board send the invitation letter assigning place, date, time, agenda and criteria as well as details and reasons which were clearly defined the proposed issues to be informed, approved and considered or as the case may be including such opinions; then delivering to shareholders and registrar. When any shareholders are unable to attend that meeting themselves, the letter of attorney will be delivered by registered postal service no less than 14 days and published in newspaper no less than 3 days prior to such meeting corresponding to regulations of the Company or regulated by laws

Moreover, the proper meeting will be arranged by its officer to facilitate, assist, verify documents, prepare revenue stamps for shareholders who give/are received the letter of attorney, provide light meals prior the meeting as well as enrollment and count the votes using barcode system. Nonetheless, shareholders allow enrolling 2 hours before the meeting starts and completely receive the voting cards relating to each agenda.

The board, Executives board, secretary and auditors will present in the meeting and answer any doubts to shareholders likewise the president of directors represents as the chairman of the meeting. Prior to the meeting, the chairman assigns the secretary to demonstrate number of shareholders participating by themselves and whom given the authorizations as well as rights according to regulations, conduct, agenda, exercise how to enquire or comment and procedures to vote with the voting cards to each agenda separately; finally disclose the results of voting cards to the meeting. The chairman and the participants; the proxy of shareholders, observe and are eye-witness in counting vote.

The chairman represents corresponding to the assigned agendas and appropriately designated time considering each agenda including propose opportunities to all shareholders to preserve their rights and benefits, such as give opinions, raise questions join debates, etc. Moreover, questions and answers are written and recorded in the minutes of the meeting as well as the results of approval, disapproval and abstained votes from each meeting.

Then, the Company always records each minute of shareholders' meetings which define accurate and complete contents and numbers of director, Executives board, secretary and auditors participating the meeting, inform the results of votes, questions and answers as well as important opinions for the examination of shareholders. Also, these resolutions and statements of such meetings are reported to the SET within 14 days right after the shareholders' meeting date. The annual reports with copy of balance sheet and income statement; which are audited by the auditors and approved by shareholders, plus copy of minutes of the meetings relating to the approved balance sheet, profit allotment, dividends payments to the registrar of public company limited as well as published on website of the Company.

In 2016, the Company's assessment outcome of the quality of the Annual General Shareholders' Meeting and the evaluate for AGM Meeting by Thai Investors Association is 97.25 by 100 points, was "excellent" (four stars).





## 2. The Equitable Treatment of Shareholders

The board of directors realizes and respects the equally treats to all shareholders, minor, major and foreign shareholders as well as institutional investors. In addition, shareholders holding small amount of shares receive the equally treats and rights' protections from any actions concerning to be direct and indirect advantages.

The Company arranged The Annual General Meeting on April 7<sup>th</sup> 2016 during 14:00-16:45 at Arnoma 3<sup>rd</sup> Floor. Arnoma Hotel, 99 Rajdamri Road, Lumpini, Pathumwan, Bangkok and delivered the invitation letters including accurate and complete agendas in timely manner to shareholders. For those who are unable to participate such meeting, the Company will deliver Proxy Form A and B (or Proxy Form C for foreign shareholders who have custodian in Thailand published on Company's website) comprising to the Department of Business Development (DBD) under topic: Prescribed Form of Proxy (No.5) 2550 which are both general model and specific model for shareholders to assign their own votes. These shareholders are able to give their authorization to individual person or independent directors whom the Company informs to vote on behalf of these shareholders. This Proxy Form must be affixed 20 Baht duty stamp by the Proxy Holder or the Company if the Proxy Holder does not.

At 2016 Annual General Shareholders' Meeting, 8 of 9 Company's participants consist of chairman of directors, chairman of Executive directors, chairman of audit committee, independent directors, secretary and Company's auditor.

The chairman assigns the secretary to demonstrate number of shareholders participating by themselves and whom given the authorizations as well as rights according to regulations, conduct, agenda, exercise how to enquire or comment and procedures to vote with the voting cards to each agenda separately; finally disclose the results of voting cards. In addition, the Company regulates corresponding to Company's rules in which one share for one vote and disclosure the voting by preparing the voting cards to each shareholders for each agenda. The Company allows each shareholder for consideration of directors' nominations individually.



The company operate the meeting in strictly to the regulations, the meeting must be conducted to the agendas without additional topics assigned in the invitation letter. Moreover, the chairman of the meeting governs and proposes opportunities to shareholders' comment and enquiry sufficiently and appropriately prior to each resolution. After giving the voting cards to shareholders, the Company allows shareholders who are candidates to count, observe and assure the disclosure and transparency of the votes in each agenda. Those voting cards are collected as evidences for further examination, recorded number of approval, disapproval, abstained votes, questions, answers and comments in each agenda in the meeting. Visual Media Video is applied for recording evidences in the meeting, too.

Then, the Company reports the minutes of the meeting to the SET within 14 days right after the shareholders' meeting date as well as publish on website of the Company for examination of shareholders and related persons.

The board of directors sets up measures to prevent insider trading by related individuals, including directors, executives, employees, employees as well as the spouses and underage children of the aforementioned individuals. The board of directors has also set up punitive regulations on the company's disclosure of information, or the use of the company's information for personal gain in line with the policy to prevent insider trading. The company educates directors and its executives on the burden and duty to report shareholdings of the directors as well as the director's spouses and underage children, and to report changes in shareholdings to the Securities and Exchange pursuant to Article 59 and the punitive clauses of the Securities and Exchange Act of 1992.

### 3. The Roles of Stakeholders

The board of directors realizes and emphasizes the rights of both internal (directors, Executives and employees) and external (competitors, creditors, government and related sectors) stakeholders. These rights are defined by laws and agreed contracts including responsibilities to economy, society and environment to create high ability in competition and business operation stability and sustainability as well as firmly relationship and collaboration between the Company and stakeholders.

**Employees:** concentrate on its employees with care and fair to continually promote and constantly support in self-develop and trainings in diversified programs; determine fair and appropriate compensations by employee knowledge and comply with the business of the company in short and long term, provide health check-up annually, group insurances, provident fund, loan for continuous educations, emergency loan as well as an awareness of the environment. And working conditions with regard to quality of life and safety.

**Shareholders:** realize the equally treats to all shareholders as well as access necessary, correct and appropriate information in timely manner.

**Customer:** focus on the transparency; fairness; correct examination; qualified, standard, quick and on-time services responding to their needs and closely The company closely tracking with the customer and assistance equitably and fairly. The aim is to achieve customer satisfaction. successful and have improvement a quality of life.



**Trade partners:** transparently select trade partners; strictly follow on agreed contracts; consistently communicate and exchange opinions to maintain strong relationships; and continual development in each operation to jointly accomplish objectives and goals together.

**Creditors:** respect fairness; strictly adhere to agreed conditions and contracts; timely manner; and do not ruin on agreed contracts.

**Competitors:** compete and operate business corresponding to rules, regulations and related laws; do not destroy their reputations; do not strive for their secret information; and do not violate their copyrights and intellectual rights.

**Community, society and environment:** govern corresponding to rules, regulations, and related laws; apply ethics and moral; transparently, fairly and equally operate business; do not take advantages over community society, environment and all stakeholders and do not make any On the contrary, illegal; jointly create value; thus communicate and continually develop trainings to acknowledge and increase the comprehension of social responsibility as well as to instill environmental awareness in the same direction.

## Notifying the Information and Complaints

The Company has been assessed and certified as a membership of certified companies of Private Sector Collective Action Coalition against Corruption (CAC), the company has a policy against corruption, corrupt. Court prohibits bribery and corruption in any form. Whether direct or indirect business interests of the Company. And inadmissible behavior involving corruption and corrupt. The Company Has set up a review to assess the risk of fraud and corrupt regularly. As well as the monitoring, evaluation and reporting to the Audit Committee have been informed about the performance of anti-corruption and the corrupt. If a breach of any action. As a support or cooperate with corruption corrupt will be punished according to the regulations of the company.

The Company has provided measures and reporting channels to the complaint. opinion And to report the offense of stakeholders from all sectors. This can be through various channel as follows:

Postal service :	Company Secretary / Managing Director / Audit Committee G Capital Public Company Limited 161/1, SG Tower bldg, 8 Fl, Soi. Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan Bangkok. 10330
Telephone :	02-651-9995 ext. 102 (Company Secretary)
Fax :	02-651-9553
Website :	<a href="http://www.gcapital.co.th">www.gcapital.co.th</a>
Email :	<a href="mailto:nitanc@gcapital.co.th">nitanc@gcapital.co.th</a>

Employees are able to notify complaints or propose opinions to board of directors and Executives directly via email in Company's system.

The Company To ensure fairness and protect the whistleblower act. The confidentiality of those involved in the investigation of acts of corruption.

#### **Channels to Directly Contact Audit Committee / Board of Directors**

Stakeholders request to contact and complain with audit committee / board of directors via email: nitanc@gcapital.co.th. Moreover, the protection and keep secrets of the informants are processed to examine such complaints and find solutions by the Company.

## **Investor Relations**

Roles and responsibilities of company secretary for investor relations are to correctly and completely communicate as well as disclose information in timely manner for investors, analysts, related parties and Medias such as publications, newspapers, radio, television, meeting and other press conferences including via websites and email, etc.

Investor relations :	G Capital Public Company Limited 161/1, SG Tower bldg, 8 Fl, Soi. Mahadlekluang 3, Rajdamri Road, Lumpini, Pathumwan Bangkok. 10330
Telephone :	02-651-9995 ext. 102 (Company Secretary)
Fax :	02-651-9553
Email :	nitanc@gcapital.co.th

Also, the Company consistently encourages officers of investor relations to join useful programs in various seminars arranged by IR Development, Good Governance for Development of SET in which 2016.

## **4. The Disclosure and Transparency**

The board of directors places importance on correct, complete and transparent information disclosure, from reports on financial data and general data according to the criteria of the SEC and the Stock Exchange of Thailand to the key information which may affect the company's security's prices and potentially affect the decision-making process of the company's investors and stakeholders, so the company's related individuals receive equal the information. Following this proposed sale of stock and following the company's listing on the Stock Exchange of Thailand, the company will disclose information to the shareholders and the public via Stock Exchange of Thailand data dissemination channels and the company's website [www.gcapital.co.th](http://www.gcapital.co.th) 54

The board of directors is aware of its responsibilities and firmly committed to strictly overseeing compliance with the laws and regulations related to information disclosure and transparency as follows:



- ◆ The company publishes information in line with the set criteria through channels of the SET, Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) and via the company's website in both Thai and English with regular information updates.
- ◆ The board of directors reports corporate governance compliance results through the Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) and company's website.
- ◆ The board of directors compiles reports on the board of directors' responsibilities for financial transactions displayed together with the auditor's report and arranges for reports on corporate governance by the Board of Audit in the Annual Report (Form 56-2).
- ◆ Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) the board of directors publishes name list, roles and responsibilities of members of the board of directors and sub-committees, number of meeting and number of meetings attended by each director in each year through the Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2).
- ◆ The company has set policy for information disclosure through the Annual Disclosure Form (Form 56-1) to assure compliance with the Capital Market Supervisory Board's notification on the criteria, terms and methods for information
- ◆ disclosure regarding a company's financial status and business performance in the following areas: 1) general information; 2) risk factors; 3) characteristics of business operations; 4) business operations of each product line; 5) assets utilized in business operation; 6) legal disputes; 7) capital structure; 8) management; 9) internal control; 10) related transactions; 11) financial status and business performance; and 12) other related information 13) Financial Highlight 14) Management discussion and analysis
- ◆ The board of directors and executives report shareholdings and the changes in shareholdings in line with regulations set by the Securities and Exchange Commission.
- ◆ The first four directors and executives counted from the Managing Director are under obligation to submit a report on their own stake holdings and the stake holdings of related individuals to the chairman of the board and the chairman of the Board of Audit with disclosure of information for all directors' awareness in line with the Securities and Exchange Act of 2008. The board of directors has set policy to designate executive level employees with the title of division manager to submit to the Board of Audit their personal stake holdings and the stake holdings of related individuals in order to assure transparency and fairness in business conduct.
- ◆ The board of directors has held the maintenance of the internal control system covering all aspect such as financial, operation, in accordance with the laws and regulations. And provide a check and balance mechanism powerful enough to protect and maintain the investments of shareholders and assets of the Company are always defined procedures. Has hired an internal auditor who is independent, reports directly to the Audit Committee for monitors the performance of all parts to adhere to the rules.

- ◆ The board of directors has held on risk management system that involves all aspects. Covering risks that related to vision, goals, business strategies, Management, Operations corruption and other operation aspects by taking to the likelihood and severity of the impact., setting a measures in prevention and monitoring. The Risk Management Committee is responsible for the risk assessment and proposed risk management plan to the Board of Directors.
- ◆ The board of directors arranges for the maintenance of effective internal controls in order provide reasonable assurance that accounting records are recorded accurately, completely and sufficiently to maintain the company's assets, and in order to be aware of the weaknesses so misconduct or significant irregular operations can be prevented. The board of directors has established the Board of Audit composed of non-executive directors serving to audit financial transactions, related party transactions and internal control systems. The Board of Audit directly reports to the board of directors.
- ◆ The company has established a company secretary for the purpose of communications with outside individuals, namely, shareholders, institution investors, general investors and related public analysts as follows:
  1. To disclose important information for public awareness.
  2. To thoroughly publish information to the people.
  3. To clarify rumors or news.
  4. To prevent the promotional disclosure of unreasonable information.
  5. To use inside information in the trading of listed companies with accuracy, sufficiency, modernity, equity, transparency and fairness.
  6. To carry out procedures when the securities trading of listed companies deviates from the market's normal conditions can be contacted through the following channels:

Telephone :	02-651-9995 extension 102
Fax :	02-651-9553
Email :	nitanc@gcapital.co.th
Website:	www.gcapital.co.th

In addition, the company has appointed the Chief Executive Officer or the Managing Director as the party with the authorization to provide the aforementioned information.

- ◆ The company has appointed contact persons who are authorized to coordinate with the SET in disclosing information.
  - Matters on the disclosure of information in line with events occurring, namely, asset acquisition/discharge (sales) transactions, related transactions, shareholders' meeting schedules, changes in directors and auditors, relocating headquarters, minutes to the shareholders' meetings and investment projects, dividend payments/ dividend payment suspensions are to be made by the Managing Director.



- The disclosure of information according to accounting cycle, namely, annual financial statements, and quarterly financial statement, Annual Disclosure Form (Form 56-1) and the Annual Report (Form 56-2) are to be made by the Managing Director.
- ◆ The Managing Director are the parties authorized to provide general news and information on corporate management to the media.
- ◆ Appointing contact persons with other related agencies:
  - The corporate secretary is the party to coordinate with Thailand Securities Depository Company Limited
  - The corporate secretary is the party to coordinate with the Securities and Exchange Commission.

## Investor Relations Activities

- ◆ Opportunity Day by SET with the objectives to clarify the information about the business and operations of the Company to securities analysts, investors, the media and interested persons joining the activity. The SET organizes this Opportunity Day after the announcement of quarterly financial statements; then the Company continuously joins this activity as well as reveals such information to shareholders and investors for a video retrospective from website of Company ([www.gcapiatal.co.th](http://www.gcapiatal.co.th)) and SET ([www.set.or.th](http://www.set.or.th)).
- ◆ Company Visit by the Company with the objectives to clarify the information about the business and operations of the Company to securities analysts, investors, the media and interested persons joining to acknowledge the administration and operations of the Company which establish good relationship between the Executives and investors joining this activity. Moreover, this activity creates confidence, reliability, impress and proud to be shareholders of the Company leading to expand base investment in the future.



Throughout the year of 2016, the Company allowed other listed companies to meet the Executives and management department such as, Asia Plus Group Holdings Securities Public Company Limited, Maybank Kimeng Securities (Thailand) Public Company Limited, CIMB Securities (Thailand) Company Limited. Consequently, securities analysts issued analysis of corporate which were shown on Company's website ([www.gcapiatal.co.th](http://www.gcapiatal.co.th)).



- ◆ mai FORUM 2016 on July 1, 2016 by Market for Alternative and Investment and Association of Listed Companies in the Market for Alternative and Investment organize this mai FORUM 2016 at Centara Grand at Central World with the objects to publicize information of listed companies in Market for Alternative and Investment to investors, securities analysts, the media and interested persons including policies, guidelines and previous business performance. Many activities relating to investments were demonstrated inside the forum i.e. the booth for details and products of listed companies, investment seminars, opportunity day, etc. The listed companies joining such forum were grateful and accomplished the attention of investors, securities analysts, the media and interested persons.



- ◆ Activities to publish information through different channels by the Company about its introductions, performances and interviews during its impact on negative information to shareholders, investors, all stakeholders and interested persons to continually receive correct information i.e. newspapers, TV broadcast, radio and narrator in the converse, etc.

## 5. Role and Responsibilities of the Board

The Board realizes the importance of role and responsibility of the board in determines corporate governance policy as well as monitor and follow-up the compliance of management on approved policies and plans and accountability for the board of director and shareholders. The Board of Directors comprise of directors who have diversity skills, knowledge, experience and agility sufficient as well as performed the duties with care, dedication and responsibilities. The Board must have leadership, vision, and freedom of decision-making in order to maximize the company's benefits and the overall shareholders.

The company balances its directors' power with the composition of 9 directors. Details are as follows:

Position	Executive Director	Non-Executive Director	Audit Committee	Total
Shareholder Representative	1	3	-	4
Independent Director	-	2	3	5
Total	1	5	3	9



Three of Audit Committees are Independent Committee or equivalent to 33.33 percent while five of the committees are Non-Executive Director or equivalent to 55.56 percent of the total committee. Thus, a total of eight committees (88.89 percent) is a Non-executive Committee. The Board of Directors is appointed with the Checks and balances system for its effective management. Moreover, the company also identifies company's corporate structure with clearly line of authority and decentralization to prevent the empowerment of individual or a group of person in decision-making.

Management structure of the company consists to 5 committees as follow:

1. The Board of Directors
2. Audit Committee
3. Executives Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee

(Remark : The details of each committee show on management structure content.)

## Terms of committee

According to the Public Company Act B.E. 2535, Term of the Committee and independent committee member is 3 years. However, the retired members are eligible to be re-elected for another term

## Board of Directors' Meeting

The Board of Directors meets on a quarterly basis with certain agenda and extraordinary meetings due to special requirements and has been conducted by the Chairman of the Board of Directors. Directors are freely to vote and express an opinion toward matters proposed agenda. Executive Directors and/or Independent Directors sometime will be invited to attend the meeting. In voting, each committee is entitled to one vote and the majority vote of the committee who attends the meeting and cast their votes. In the case of a tie vote, the chairman of the meeting shall have a casting vote.

All committees are required to attend the meeting except emergency case and any absence shall be informed to the company secretary in advance. The company secretary will arrange meeting agenda for the entire year and will sent invitation letter to directors at least 7 days in advance. The Company Secretary should propose, invite and inform agenda items to all directors for meeting preparation and arrangement which directors may propose an agenda which may incorporate into the meeting's agenda. Meeting minutes shall be submitted to the Chairman of the Board and keep confidential.

In addition, the Board of Directors will be invited to attend the executive committee meeting to provide further details as directly related. The company policy regarding the number of board quorum, directors are required to have at least half of all directors in order to form a meeting quorum.

(Remark : The details of directors' attendance for meetings, show on management structure content.)

## Reporting of information

1. The Board of Directors is responsible for the reporting of financial information and general information to shareholders and general investors in an accurate, truthful, comprehensive and transparent manner. Information comes with rational explanations and quantitative supporting evidence both in terms of policies and performances, future trends as well as successes and obstacles of the business.
2. The Board of Directors understands and supports the compliance with the professional standards of auditors.
3. The Company's Board of Directors has produced a report on the responsibilities of the Board of Directors on the provision and publication of financial reports of the business and has publicized it alongside the financial statements and reports of auditors. It covers;
  - Legal regulations assign the Board of Directors with the duty to produce financial statements to show the financial status and the performance in the previous year that are accurate/true and rational.
  - The responsibilities of the Company's Board of Directors in the provision of correct, comprehensive and sufficient accounting information to be able to maintain the Company's assets and to realize problem, threat to prevent corruption or abnormalities.
  - Confirmation that the Company has adhered to the generally accepted accounting standards. The Company uses appropriate accounting policies and constantly adheres to them. The Company has carefully considered the rationality and appropriateness in producing financial statements of the Company.

## Positions in other companies

The Board recognizes the importance of their duties as directors. And senior executives of the Company. Considering the performance of the incumbent companies carefully. To ensure that the time to act in the company. Adequately The policy determines the number of companies able to serve as Director and Managing Director positions in other companies, in line with best practice. According to the corporate governance of regulatory agencies such as the Stock Exchange of Thailand.

- ◆ The number of company in which each director holds office must be a director in no more than 5 listed company
- ◆ The position of Managing Director at the company. Board of Directors There are guidelines to follow, including the Companies Act 2535, regulations or rules of regulatory requirements related.

## Risk Management

The company assessed the Risk Management Committee responsible for consideration the overall organizational risks both internal and external, which shall have an effect in management such as financial risk, operation risk, market and competition risk, strategic risk, compliance risk, credit risk, asset management risk, and other risk factors. The Risk Management Committee shall classify risk levels, prescribe risk management guidelines and assign the responsible persons to carry out risks control measures to make them in acceptable level with aims to make the Company achieve the set objectives and strategies.



## Self – Evaluation of the Board of Directors

The board of directors requires the evaluation on the operation of the board of directors annually at least 1 time per year to perceive problems and threats during the last year and improve the efficiency of operation of Board of Directors because they can perceive their responsibilities and duties explicitly. In addition to improve the relationship between Board of Directors and Management Department as well as improve direction of problem solving to meet with good corporate governance. Assessment criteria has the following details: board structure, a variety of membership, the nomination and appointment committees, knowledge development of director, prepare before a meeting, the appropriateness of the meeting, the acting of chairman of the meeting, performance management policy, lawfulness, corporate governance, code of conduct, internal control system, risk management, the duties of the committee, acting as the management of the company. In additions the company provide an assessment of the board of directors of the Company for satisfaction survey on the functioning of the committee. The results of the evaluation informed to the board of director for implementation.

## Succession Planning for director and managing director

The company plans to nominate directors and the managing director, as appropriate, and to ensure transparency to have a system of recruiting and managing director with professionalism. Recruitment is the recruitment process has to consider both internal and external parties. The Board of Nomination and Remuneration Committee. is recruiting individuals with the right to be elected. Through rules and procedures for recruitment, selection. As well as provides for the development, management, coupled with the succession plan. To ensure that the Company have a executives with the knowledge and ability to succeed is more important in the future.

## Orientation for New Directors

The Company will arrange an orientation program designed to familiarize new directors with the Company and operations, its management structure, shareholder structure, committees, business performance and financial highlight. Directors will be provided with information regarding corporate governance, Business ethic, rules and regulation as well as related law such as Public Limited Companies Act B.E. 2535, The Securities and Exchange Act (No.4) B.E. 2551.

- ◆ The company also announces that all new committees shall participate in training course of Director Accreditation Program (DAP) arranged by the Thai Institute of Directors (IOD) within 6 months of announcement of appointed.

## Directors and Management Development

The company attaches importance to the development of its directors and encourages directors to regularly participate in such courses or activities as will serve to enhance their knowledge and performance as members of the Board of Directors and Board committees. List of Training courses and participators in 2014 are as follows;

**Director Course of Training**

Mr.Spain Jingkaojai

- ◆ Director Accreditation Program (DAP 132/2016) held by Thai Institute of Directors (IOD)

Mr.Chaiyong Satjipanont

- ◆ Director Certification Program (DCP 212/2016) held by Thai Institute of Directors (IOD)

**Management Training**

- ◆ CSR Training held by Social Responsibility Center, The stock Exchange of Thailand

In addition, chief executive also participated as well as was a guest lecturer in many dialogue and seminar activities aimed to share their direct experience, knowledge and opinion.

In 2016, the company as a listed companies in Market for Alternative Investment (mai) was pilot project, from The stock Exchange of Thailand, to participate in Corporate Sustainability Advisory Program (continue from year 2014) aimed to enhanced the awareness of and understanding about socially responsible investment as well as sharing the board experiences with the broader development which will be useful for manage and develop organization with efficiency. The company also produced Sustainability Report Year of 2016 ,which divided from Annual Report, so as to disseminate the company policy and working process with good corporate governance to ensuring the company long-term sustainability growth as well as to advance social, economic and environment responsibility. All information is posted on The Company's website ([www.gcapital.co.th](http://www.gcapital.co.th))

## Corporate Governance Policy

The directors determine good corporate governance policy in written in accordance with the principles of Good Corporate Governance as well as strictly comply with company policies, rules, regulations and related law. All details of corporate governance are disclosed in the annual report and Form 56-1 and company website.

Directors and executives of the company must to be a good practice to follow CG policy. Management is responsible for the dissemination of knowledge, understanding and encourages all employees to abide by the policy of corporate governance and continuously create as part of the corporate culture in practice.

**Business Ethics**

The company has set guidelines regarding the code of conduct of the management and employees to provide relevant guidance in duties for the Company with honesty and integrity and operation with stakeholders. In addition, to monitoring of compliance with such guidelines regularly.

The Company was announced and communicated to all staff understand and adhere strictly observed. Including compliance with such guidelines. The Company had evaluation to understanding of ethics and business ethics of the Company.



## Internal Control

The Board has assessed the Company's internal control system for both financial and operation based on the company rules and regulation and work procedure as well as set up an examining procedure with check-balance and efficiency. Moreover, the company also appointed authorized Director in writing. The Company will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied. In addition, the company also hire Office Pitisevi Co., Ltd. as an Auditor Independence for inspection the Company's internal control system and internal audit system to ensure that they are suitable and efficient.

## Decision on acquisition or disposition of related party transaction of the company's asset

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

## Conflict of Interest

The committee determines conflict of interest policy and code of conduct that any action cause conflict of interest shall be avoid as for the highest benefit for the company. All cases of conflict of interest which involve with employees shall be declared to the Company and those who has the beneficial interest shall have no right to vote on that matter.

Any case of conflict of interest which involve with employees shall have to report to the Audit Committee for consideration and submit the issue to the Board of Director and Shareholder Meeting, which participated person will not attend. The said conflict of interest will be carefully examined to ensure that the transaction is complied with SET's regulation. All details of such transaction must be disclosed in the annual report (56-2) and Form 56-1 as well as financial statement remark.

## 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.

## Report of Interest of Directors and shareholding report

Our company assigns the committees and Board of Directors to report their own interests and those of related persons when they commence to hold the position or when there is any changing of information. In addition, they have to revise all information annually according to rules and methods of report on interests of company's committees and executives defined





## Corporate Social Responsibility

The Company has prepared a sustainability report 2016 separate from annual report for disclose the policy, operations of social responsibility and sustainable development of the company together with participation development for economic social and environment.

The Company send a sustainability report 2016 with the annual report to shareholder and disclose via the website of the company [www.gcapital.co.th](http://www.gcapital.co.th)

## Anti-Corruption

Board of Directors of the Company recognizes the importance of anti-corruption both inside and outside the organization. The Company commits to operate businesses with transparency and fairness, and can be verified each and every step of the work process, including a set of policies and measures to prevent such acts. The Company has a communication and relays information to all employees, in addition, the Company has the ethics of the organization to be aware of the actions of corruption that is perceived to undermine core business, society and country. Therefore, the implementation of the anti-corruption needs to engage all sectors as the driving force in cultivating and strengthening Thai society without such action.

On 10<sup>th</sup> April, 2013 the Company announced the intention to participate in the Private Sector Collective Action Coalition against Corruption (CAC) and also disclosed the policy against corruption to the employees and the public to be aware of the position of the Company. The Company has established a risk assessment and risk management on corruption, the preparation of the operations manual on anti-corruption and report the operating results to the Board of Directors and the Audit Committee respectively.

The Company has been assessed and certified as a membership of certified companies on 10th July, 2015 and has strived to implement the policy against corruption continuously. Moreover, the Company has joined the network of Partnership Against Corruption for Thailand (PACT Network) as well.

The Company has the policy to encourage partners and stakeholders in all sectors to be conscious of the importance of anti-corruption. This will be communicated through various appropriate channels to the stakeholders, in addition, there is support for the preparation of the system to prevent and be against corruption in the organization. Furthermore, the Company can support anti-corruption by participation as a member of associate that be against corruption in order to cooperate and push the corruption society away from Thailand.



# Internal Control and Risk Management

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

The efficiency internal control is an important management tools to the Company goals. The procedures are aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) that was improvement in 2014 to apply in operations management as follows:

## Internal Environment

- ◆ The Boards of Directors and management stipulate code of conduct and code of conduct for the Boards of Directors, management and staff.
- ◆ The Boards of Directors consists of 44.44 independent directors which are more than the regulation minimum requirement which allow independence from management in assessment and decision making for effective internal control.
- ◆ The Boards of Directors and management establish the Company Structure, appropriate responsibilities and segregate of duties to achieve effectiveness of the internal control.
- ◆ The Boards of Directors and management recognize the importance of the employees that are precious resources of the organization. The company has promoted the development and consider revenue, welfare of their employees appropriately.
- ◆ The Boards of Directors and management set up a system of corporate governance, good internal control that has a department to responsible for oversight and clearly.

## Risk Assessment

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

## Operation Control

- ◆ The Company has the control activities to mitigate the residual risks to the acceptable level including preventive control, segregate of duties, the level of assessment data and information control, the Level of authorization in business operations and business transactions and physical company assets controls.
- ◆ The Company has implemented and maintained s Business Continuity Policy including the event of an uncontrollable emergency situation to ensure continuous business operation.
- ◆ The Board of Directors set up a policy for control a management system from procedure and work instruction of each party and have set up an authorization approval for the management to continuing operations by taking into account the best benefit of the company.

## Information and Communication

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

## Monitoring

- ◆ The Company provides the Office of Pitisevi Company Limited Is independent internal auditor, evaluate the efficiency and effectiveness of internal control including the information technology control to ensure that the Company has appropriated business operations and the material financial activities including compliance with all laws and regulations in the business operation. Furthermore an annual internal audit plans was prepared base on Risk Based Audit Approach and aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) and was approved from the Audit Committee. The internal audit report was directly reported to the Audit Committee every quarterly.
- ◆ The Company have a compliance department to monitoring and review of operations in accordance with the law, regulations of the relevant authorities including operating according to the manual operation of the party and reports directly to the Managing Director and Audit Committee.

In 2016, The Board of Directors evaluated and assessed the Company internal control under the guidelines of the Office of the Securities and Exchange Commission and satisfied the Company maintains and appropriate and effective internal control.



## Related Party Transactions

The Company have related party transactions with connected persons who may have conflict of interest, all of which being made in a normal course of business of the Company. In approving the related party transaction, the Company set out policy to proceed according to normal trading terms by referring to appropriate market rate and condition. In case where the transaction is not normal business transaction or without normal trading terms, such transaction must be presented to the Board of Directors' meeting for approval. In approving the related party transaction, directors and persons with potential interest or potential conflict of interest will not be entitled to participate in the voting of such transaction. Such transaction must be reported to the Company's Board of Directors for further acknowledgement accordingly. In entering into such transaction, it must be ensured that the transaction must provide maximum benefit to the Company.

In considering the transaction, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction except where the related party transaction is the normal business transaction or has normal trading terms which can be approved by the Executive Board of Directors or Chief Executive Officer within the predetermined authorized limit. In case where the Audit Committee does not have expertise in considering the transaction arisen, the Company will arrange to have person with expertise and skill, e.g. the Company's auditor or independent expert, to provide opinion on such connected transaction. Opinion of the Audit Committee or expert will be used as support for decision making of the Company's Board of Directors or shareholders as the case may be.

In addition, the information on related party transactions will be disclosed in the notes to financial statements as audited by the Company and its subsidiary's auditor. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notification, order or provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions or the acquisition and disposal of the Company's asset in a strictly manner. The Company must also comply with the provision concerning the disclosure of information of connected transaction and acquisition or disposal of asset.

In entering into any potential related party transaction in the future, the Company will proceed according to the measure stipulated above. It has a policy to operate in accordance with normal course of business by referring to appropriate market rate and condition to maximize benefit to the Company.

### Details Related Party Transactions

According to the resolution from the Board of Directors meeting No. 1/2017 on February 20, 2017 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2016 and December 31, 2015, the Board of Directors provided opinion concerning related party transactions that such related party transaction were necessary for the ordinary course of business

whereas terms of such related party transactions with related persons during such period were according to the market rate, contractual and agreed price which were reasonable and in the ordinary course of business.

Details of the transaction can be summarized as follows:

Partiers with potential conflict/Nature of transaction	Type of transaction	Value of related party transaction for the period ended (Baht)		Reason and necessity of related party transaction/Remark
		December 31,2016	December 31,2015	
General Outsourcing Co.,Ltd  Related through directors	Maintenance Server	120,000	120,000	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.  Related party transactions are in accordance with a normal business and support the operation of the company, This transaction is considering and approval by Audit Committee and the Board of Directors.
	Reference Fee	79,200	-	
Director	Interest (Interest Rate 13.5%)	15,268	-	Related party transactions are in accordance with a normal business, This transaction is considering and approval by Audit Committee and the Board of Directors.  Related party transactions are in accordance with a normal business, This transaction is considering and approval by Audit Committee and the Board of Directors.
	Personal Loan Receivable (Personal Loan receivable-property secured mortgage)	2,544,309	-	

## Reasonableness of the Related Party Transactions

According to the resolution of the Board of Directors' Meeting No. 1/2017 on February 20, 2017 where the Audit Committee who are independent directors have attended, it was opined that the related party transaction is necessary in the normal operation of business. Terms of the related party transactions are made according to the market price, contractual price and agreed price, which are reasonable and in the ordinary course of business.

## Measures or Process for Related Party Transaction Approval

To prevent any conflict of interest arisen from the transaction, the related transaction between the company and a person with potential conflict of interest, which is neither in the normal course of business nor has normal term of trading must be presented to the Board of Directors' meeting for approval. Directors and persons with interest or potential conflict of interest in such transaction will not be entitled to vote on such matter and must report the Board of Directors accordingly. Such transaction must be entered for the maximum benefit to the Company. In considering such transaction, member of the Audit Committee must attend the meeting to provide opinion pertaining to the execution of such related party transaction, except if such related party transaction



entered by the Company or related companies is made in the normal course of business or normal trading terms. In such case, the Managing Director or high executives management is authorized to approve the transaction according to the predetermined approval authority limit. The execution of related party transaction, however, must be in accordance with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions and the acquisition and disposal of the Company's asset in a strictly manner.

## Policy or Tendency of Related Party Transactions

In entering into related party transaction in the future, the Company's procedures are as discussed earlier in order to maximize benefit to the Company. Accordingly, it is the Company's policy to undertake the transactions according to the normal course of business based on appropriate market price and conditions. The Audit Committee and/or Independent Director will be required to audit and provide opinion, taking into account pricing and return, on the necessity and appropriateness of the transactions. In relation to the execution of related party transactions in the future, the Board of Directors must comply with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the disclosure of information of related transaction and the acquisition or disposal of assets.

However in case of the Audit Committee have no special skill for consideration related transaction which occurred, the Company will provide specialists such as auditor of the Company or independent expert provide opinion on such related transaction. The opinion of the Audit Committee or specialist will be applied to decision of the Board of Directors or shareholders. Moreover, the Company will be disclosed the related transaction in the note of financial statement have been audited by the auditors of the Company and its subsidiary.



## Responsibilities for the Board of Directors for Financial Report

The Board of Directors of G Capital Public Company Limited is responsible for the preparation, disclosure and presentation of the Company's financial statements including financial information shown in Annual Report of 2016. Such financial statements were prepared according to general accepted accounting principles with thorough consideration in using appropriate, adequate and consistent accounting policies and estimation related to the financial statements to ensure that the financial report had no material incorrect information for the benefit of shareholders and general investors.

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

The financial statements have to be audited by a certified public accountant from Dharmniti Auditing 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.

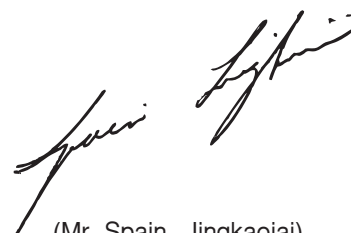
The Board of Directors has established proper and efficient control system, risk management system including internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well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

The Board 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 2016 are reliable and compliance with the financial reporting standards, the right practice and related regulations.



(Mr. Boonsak Chiempricha)

Chairman of the Board



(Mr. Spain Jingkaojai)

Manging Director

and Secretary of Board of Directors



## Risk Management Committee Report 2016

The Board of Directors recognizing the importance of risk management of organization, which has an important part to support the business has continued, achieve the goals, as well as reducing the impact, create opportunities and increase the competitiveness of the company. The Board of Directors appointed a Risk Management Committee to consider the important risks, proposed guidelines for appropriate risk management. The risk management committee consists from Directors and executives appointed by the Board of Directors.

In the year 2016, the Risk Management Committee has meeting 3 times to monitoring of risk management. In summary, as follows:

1. Risk Assessment and the impact on business operations.
2. The risk management plans and measures.
3. The proposed plan for managing risk.
4. Supervises, monitor and evaluate the risk management plan to be effective.
5. Report on risk management to the Board of Directors.

The Company by the Risk Management Committee has monitoring of risk management as report above. To ensure that risks management adequately and effectively. Had monitoring and follows risk management closely. This will result in the Company, can operate continuously and achieve the organization's business plan, as well as the principles of good corporate governance, create value added and sustainability to the company.



(Dr.Chaiyong Satjipanon)

Chairman of Risk Management Committee

# Nomination and Remuneration Committee Report 2016

Nomination and Remuneration Committee consists as follows

1. Mr.Prameson Pisitpan (Independent Director) as Chairman of Nomination and Remuneration Committee.
2. Mr.Chaiyong Satjipanon (Independent Director) as Nomination and Remuneration Committee.
3. Mr.Nattaphon Sarasas (Non-Executive Director) as Nomination and Remuneration Committee.

The Board of Directors has appointed the Nomination and Remuneration Committee, is responsible for recruiting persons that is qualified to serve as directors and various committees, the Managing Director, proposed the remuneration to the Board of Directors.

In 2016, the Nomination and Remuneration Committee held 3 meetings to consider and acknowledge related issues as follows:

**Nomination** : consider qualified candidates to be the directors, proposing the appointment of directors who retired by rotation to be elected for another term and presented to the Board of Directors. The Nomination and Remuneration Committee consider the qualifications of the directors who retired that such knowledge, ability to meet the criteria, act with caution as well as supporting the work of the Committee and recommendations on the management of the business is beneficial to our business.

To consider qualified person as Managing Director, presented to the Board of Directors. The Nomination and Remuneration Committee consider the director by comply the rules of the SEC and the SET. And noted that such individuals have the knowledge, ability, experience and expertise in the business, can operate in accordance with the plans and goals.

**Remuneration** : remuneration for the Board of Directors and Various committees, Managing Director. For the determining to remuneration, having considered the proper of performance of his duties and responsibilities as assigned, and comparison with other companies in the same industry with similar size of the business.

The Nomination and Remuneration Committee has performed its duties in accordance with the above duties and responsibilities as assigned by the Board of Directors, with to be fully operational. According to the principles of corporate governance, transparent for maximize of the benefits to all stakeholders.



(Mr.Prameson Pisitpan)

Chairman of Nomination and Remuneration Committee



## Report of the Audit Committee for the year 2016

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 3 members as follows:

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

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

In 2016, 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 quarterly 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 and monitor and improve the recommendations of the result of examination of the internal and external auditors to provide for a more efficient and effective..The Audit Committee is of the opinion that the internal control is adequate and no issue was found to be significant.

In 2016, 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.

**Compliance with the Securities and Exchange Commission, provision of The Stock Exchange of Thailand and the laws relating to the Company's business.** The Audit Committee has conducted a review of compliance with the Securities and Exchange Commission, provision of The Stock Exchange of Thailand and the laws relating to the Company's business. The Audit Committee have the opinion that the Company has complied with the law and no issue was found to be significant.

**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 and have constructive dialogue between the Committee and the auditors of the Company. On a quarterly basis to discuss the audit and discuss the findings of the inspection and find ways to resolve issues.

However, The Audit Committee has considered the performance of the external auditor, Mr. Pojana Assawasontichai from Dharmniti Auditing 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 2014 appointed , Mr. Pojana Assawasontichai from Dharmniti Auditing Company Limited to be CPA as the auditors of the Company.

**Risk Management** The Board of Directors and management focus and careful of risk management of the Company. As well as providing advice and recommendations to improve even further for support the operations of the Company. The Company Risk Management Committee responsible for assessing and reviewing risk, the risk management plan, risk control, monitoring and evaluation and reporting to the Board of Directors.

**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 and SEC by taking into account the interests of stakeholders every quarter regularly.

**Corporate Social Responsibility** The board of directors and management recognizes the importance with corporate social responsibility, has set up a Corporate Social Responsibility Committee to consider and propose the policy, plan and sustainability strategy and corporate social responsibility including to communication to employee to understanding at all levels thoroughly. And is responsible for monitor operation plan for company sustainable development for product, productivity and cluster development and to review the effectiveness to the Board of Directors to acknowledge and determine the matter involved. By the year 2016, the company has been selected by the Stock Exchange of Thailand Sustainability Investment 2016. The Company has been selected to receive the award for the second year consecutive.



**Anti-Corruption** The board of directors and management are aware of the corruption and corrupt. The board has established an anti-corruption committee to consider and propose the system, plan and and monitor the anti-corruption of internal and external to the company. The Company is communicated to the employees to have the knowledge and understanding and aware of the anti-corruption. The Company has set a policy and signed the Declaration of Intention of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).. By the year 2015, the company has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

The Committee was operating independently within the scope and responsibilities as assigned by the Board of Directors and the Charter of the Audit Committee. The Audit Committee is of the opinion 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 is operating under a system of internal controls and manage risks effectively and efficiently, compliance with laws and regulations, disclosure is accurate enough, consistent performer with good corporate governance, transparent and credible include responsibility to economic, social and environmental. This assures that G Capital Public Company Limited are ready to grow and maintain an organization with good corporate governance.



(Asst.Prof. Wipada Tantiprabpa)

Chairman of Audit Committee

# Management Discussion and Analysis

## Financial Statement

### 1) The Company's auditor

Year	Independent Auditor Name	Certied Public Accountant's Number	Independent Auditor's Company
2016	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.
2015	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.
2014	Mr.Pojana Asawasontichai	4891	Dharmniti Auditing Co.,Ltd.

### 2) Summary of auditor report

The auditor report for the financial statements in 2014-2016 expressed an unqualified opinion that the financial statements had been prepared accurately in accordance with the generally accepted accounting standards.

## Explanation and Analysis of Company's Financial Status and Performance

### Company's performances

G Capital Public Company Limited ,the company provide is hire purchase for agricultural machinery and others machine in new and used agricultural machinery such as rice harvester combine, corn harvester combine, farm tractor, wooden loader, sugar cane loader, grain dryer and crepe rubber machine. And provide financial for personal loans and nano finance under supervision of Bank of Thailand (BOT) and others loans.

The main business of the Company can be divided into 4 categories: 1) Hire purchase business 2) Refinance Loan Loans 3) Loans with collateral 4) Persoanal Loans and Nano Finance under supervision of BOT

### Economics Overview and the operations of the company in 2016.

In 2016, Thailand had economic expansion of 2.8 percent. The growth was driven by investment and government measures to stimulate the economy. For the agricultural economy in this year, which is caused by the drought and rainy periods. Liability issues for farmers, Prices of agricultural decline, the export sector continues to shrink, the policies and measures of the government encouraging farmers to reduce water consumption and reduce the area to planting that use a lot of water.

Operations of the Company In the previous year, still affected by the agriculture economy is still in a state of contraction by various factors. as mentioned above, as a result, farmers are cautious in their spending and delay





investment in the purchase of agricultural machinery in 2016 and 2015, the company had an revenue of 152.63 and 177.36 million baht respectively, decreased 24.73 million baht as a 14 percent and had net profit amount of 41.28 million baht and 5.21 million baht respectively, down 13.93 million baht as a 25 percent.

In 2016 the Company still continued the business of hire purchase of agricultural machinery as well, because of the company have experience and expertise in the business. In addition, the company has expanded the hire purchase of agricultural machinery, including hire purchase for grain dryer machine and crepe rubber machine. This expansion of the hire purchase of agricultural machinery is expanded to cover other economic crops. In addition, the company have provide financial service for lending and personal loans that the company granted a licensed to operate Personal loans and Nano-finance under supervision from Ministry of Finance on 14th October, 2015. After that, the company already started to operate the Personal Loan on December, 2015 and start Nano Finance Loan on March, 2016

## 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 2016 and 2015 amounted to Baht 152.63 million and Baht 177.36 million, decrease 24.73 million baht equivalent to 14 percent. Because of in recent years the government has a policy of encouraging farmers to reduce water use. And refrain from planting rice in some areas. And because of the drought and a prices of agricultural depression. As a result, farmers reduced planting and slowed investment in the purchase of agricultural machine. The income from the right under the hire purchase contract is considered as the main income of the Company equivalent to 81 percent and 88 percent of total revenues in 2016 and 2015, respectively.

Also in 2016, the company has expanded its personal loans to increased. As a result, interest income from personal loans in 2016 and 2015 were 10.15 and 3.88 million baht respectively increased 6.27 million baht , as a 162 percent and have others income in 2016 and 2015 were 2.70 and 3.46 million baht respectively, of the company management a property to achieve maximum benefit of the company

## Expenses

The expense of the company consists of cost of sales, administrative expenses and allowance for doubtful debt, which are detailed as follows:

### Selling Expense

The expense of the sale of the company was mostly from sales personnel costs, including salaries, bonuses,

allowances, transportation expenses, promotion expense, etc.

The selling expense for 2016 and 2015 were 6.73 million baht and 10.39 million baht, decrease 3.66 million baht equivalent to 4 percent and 6 percent of total revenues.

#### **Administrative Expenses**

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

The administrative expenses for 2016 were Baht 55.37 million equivalent to 36 percent of total revenues, increase than in 2015 at 3.51 million baht or equivalent to of 7 percent.

### **Financial cost**

The financial cost of the Company in 2016 and 2015 amounted to 28.95 million baht and 36.90 million baht respectively, decrease from 2015 as 7.96 percent. In 2016, the company has the management a debt structure from short-term to long-term loans, the Company issued a debenture a total of 200 million baht in 3 years to replace short-term loans, preparation for expansion of the business and to comply with the terms of the company borrowing and the term for the loans service of the company.

### **Profit**

The profit of the company in 2016 and 2015 were 41.28 million baht and 55.21 million baht, equivalent to 27 percent and 31 percent of total revenues.

### **Income tax expense**

In 2016 and 2015 the corporate tax is 20 percent.

### **Earnings per Stock (EPS)**

In 2016 and 2015 the company have an earnings per share is 0.21 and 0.28 baht per share, decreased 0.07 baht per share.

### **Profitability Ratio**

Profitability Ratio is the difference between interest rates for delinquent fines plus income and realty Income from loans to hire purchase contract with paid Interest rate. In 2016, the difference of capabilities to earn a profit margin of 14.20 percent. While in 2015 the difference in capabilities was 14.64 percent.

### **Financial Status**

#### **Assets**



Assets of the Company consist of as follows:

- 1) Current assets include cash and cash equivalents, current portion of lease receivables due within one year, receivables during the legal proceedings with collateral and other receivables.
- 2) Other current assets include accounts receivable under hire purchase and personal loan receivables due more than one year, receivable during the legal action, deferred tax assets and other non-current assets

Total assets of the Company at the end of 2016 was Baht 886.82 million, decreasing from the total assets in 2015 as 978.94 million baht or decrease 92.11 million baht equivalent to 9 percent. The significant factors of changes is cash and cash equivalents decreased by 64.33 million baht due to receive payments from the receivable. The hire purchase contracts decreased by 52.21 million baht, equivalent to 13 percent and personal loans increased by 29.15 million baht or equivalent to 154 percent.

### Hire-Purchase Receivables

At the end of 2016 and 2015, the Company had accounts receivable under hire purchase contract at 646.45 million baht and 754.68 million baht respectively, representing total assets at 73 percent and 77 percent respectively. The of Accounts 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.

### Personal Loan

In 2016 and 2015, the Company had personal loans receivable from 110.20 million baht and 30.21 million baht respectively, an increase of 80 million baht, representing 265 percent. The personal loan receivable show to value of the loan contract plus accrued interest minus allowance for doubtful accounts. By the year 2016, the company provide a personal loans that increased from the previous year, which offers personal loans for customers with good repayment records.

On 14<sup>th</sup> October, 2015, the company granted a license to operate Personal loans and Nano-finance under supervision from Ministry of Finance. After that, the company already started to operate the Personal Loan on December, 2015 and start Nano Finance Loan on March, 2016

## 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.

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

A/R	Provision for Doubtful Accounts
Normal Accounts Receivable	1 Percent of net accounts receivable
<b>Overdue period</b>	
Not more than 0.5 installment	2 Percent of net accounts receivable
0.5 - 1 installment	2 Percent of net accounts receivable
1 - 2 installment	2 Percent of net accounts receivable
2 - 3 installment	2 Percent of net accounts receivable
More than 3 installment	100 Percent of net accounts receivable after subtracting 62 % of collateral assessment

At an end of fiscal period, In case offound the allowance for doubtful accounts at the rate of 2.50 percent of accounts receivable under the lease 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.

In case of the recievable not payment more than 3 installments, the company will be stop to recognize revenue from the hire purchase contract



Table of Aging of accounts receivable under hire purchase contracts

Type of Accounts Receivable	For the year ended					
	2016		2015		2014	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
Normal	384.77	56	499.89	62	706.64	73
<b>Overdue</b>						
Special level (less than 0.5 installment)	13.94	2	19.39	2	15.43	2
Lower than Standard (more than 0.5 - 1 installment)	67.07	10	71.54	9	49.70	5
Suspicious level (more than 1 - 2 installment)	91.29	13	83.18	10	61.83	7
Doubtful level (more than 2 - 3 installment)	81.29	12	84.23	10	87.33	9
Doubtful level (more than 3 installment)	51.81	7	45.92	7	42.76	4
Total	690.17	100	804.15	100	963.69	100
Subtract provision for doubtful accounts	(43.72)	(6)	(49.47)	(6)	(60.79)	(6)
Net Accounts Receivable under Hire-purchase contracts	646.45	94	754.68	94	902.90	94

**Remark:**The period of payment of installments receivable is at 3 months.

In 2016 and 2015 the ratio of accounts receivable in excess of the due date in Doubtful level (more than 3 installment) is 5.71 percent of total receivables due to due to the government's cooperation in reducing farmers planting rice in some areas. Due to the effects of drought. However, the customers had paid partial payment and the Company has followed up and deal with the receivables overdue by having customer relationship management team visit the receivables 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 repay the loans such as planning and set up a due, Adding a collateral and delivery agriculture machinery back to the company. The company set up a down payment at 30 percent of a price of a products. In case of a products delivery from receivables, the company will announce to auction. If the company can not to sell the products, the Company still has an agreement with the partner to return the products.

## Personal Loan

The Company provided cash liquidity, loans with collateral and personal loans under supervision, which offers loans for customers with good repayment records, customers who have been affected by drought, and government policies encouraging farmers to reduce cultivation in some areas.

**Table of Aging of accounts receivable under personal loan contracts.**

Type of Accounts Receivable	For the year ended					
	2016		2015		2014	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
Normal	93.56	81	26.55	84	15.89	95.72
<b>Overdue</b>						
Special level (less than 0.5 installment)	0.76	1	-	-	0.71	4.28
Lower than Standard (more than 0.5 - 1 installment)	10.42	9	2.72	9	-	-
Suspicious level (more than 1 - 2 installment)	2.97	2	0.84	3	-	-
Doubtful level (more than 2 - 3 installment)	1.23	1	0.13		-	-
Doubtful level (more than 3 installment)	6.37	6	1.23	4	-	-
Total	115.32	100	31.47	100	16.60	100.00
Subtract provision for doubtful accounts	(2.78)	(2)	(1.26)	(4.00)	(0.53)	(3.19)
Net Accounts Receivable under personal contracts	112.54	98	30.21	96.00	16.07	96.81

## Receivables with net collateral during legal proceedings

Receivables with net collateral during legal proceedings 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 2016 and 2015, receivables during legal proceedings secured a net worth 19.02 million baht and 16.65 million baht or equivalent to 2 percent and 2 percent of total assets, respectively. In 2016 account receivable with collateral during the legal proceedings increased from year 2015 at 2.37 million baht or 14 percent.



### Receivable from sale of legal receivable claim

The Company has entered into an agreement for claim transfer on the payment of debt from account receivable and collateral (if any) in the receivable assets of the court order in total 25 accounts with the debt amount Baht 11.75 million with a local company. It was agreed to pay for the compensation on claim transfer in the amount of Baht 3.77 million, the installment to be completed within June 30, 2016.

### Other receivables

Other receivables consist of Revenue Department receivable, employee loans receivable, and other receivables, etc. At the end of 2016 and 2015, the values of other receivables was 2.31 million baht and 4.85 million baht, respectively.

### Receivables during legal proceedings

Receivables during legal proceedings are the debtors that the Company has sued for more because the collateral issued insufficient debt of the receivable. At the end of 2016 and 2015, receivables during the legal action was worth 1.28 million baht and 1.18 million, respectively.

### Equipment

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 5 years. By the end of 2016 and 2015, the equipment value was 4.97 million baht and 4.74 million baht.

### Deferred income Tax Assets

Deferred income tax assets are deferred income 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 Income 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 2016 and 2015, the deferred tax assets were 21.62 million baht and 20.67 million baht, equivalent to 2 and 2 percent of total assets, respectively. The increase in deferred tax assets was a result of the provision increased employee benefit obligations in accordance with accounting standards on employee benefits and the allowance for doubtful accounts from contract and personal loans receivable for each month.

### Liabilities

Total liabilities in 2016 and 2015 was 553.80 million baht and 649.20 million baht, respectively. In 2016, total liabilities decreased from 2015 at 95.40 million baht, representing 15 percent.



## 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 2016 and 2015 trade payables and other payables amounted to 40.95 million baht and 27.03 million baht, respectively.

Sources of funds of the Company are as follows:

Source of funds	For the year ended					
	2016		2015		2014	
	Value	Ratio	Value	Ratio	Value	Ratio
	(Million Bath)	(Percent)	(Million Bath)	(Percent)	(Million Bath)	(Percent)
<b>Loans</b>	<b>498.97</b>	<b>54</b>	<b>607.04</b>	<b>64.80</b>	<b>672.56</b>	<b>68.80</b>
Short - term loans from financial institutions	-	-	-	-	186.38	19.07
Short-term loans from third parties	-	-	-	-	14.85	1.52
Short-term unsecured debentures	-	-	-	-	164.91	16.87
Current portion of long-term loans from financial institutions within 1 year	-	-	8.33	0.89	-	-
Long-term unsecured debenture from financial institutions within 1 year	-	-	299.60	31.98	-	-
Long-term unsecured debentures	498.97	54	299.11	31.93	298.10	30.49
Long-term loans from financial institutions	-	-	-	-	8.32	0.85
<b>Shareholder's equity</b>	<b>333.02</b>	<b>36</b>	<b>329.74</b>	<b>35.20</b>	<b>305.01</b>	<b>31.20</b>
<b>Total</b>	<b>931.99</b>	<b>100.00</b>	<b>936.78</b>	<b>100.00</b>	<b>977.57</b>	<b>100.00</b>

## Shareholders' Equity

The Shareholders' Equity of the Company as of 31 December 2016 and 2015 were 333.02 million baht and 329.74 million baht, increasing by 3.28 million baht or equivalent to 1 percent. which the Company's return on equity in 2016 and 2015 were 12.46 percent and 17.40 percent, respectively.



### Audit Fee

In the fiscal year 2015, the Company paid Audit fee to the auditors to Dharmniti Auditing Co., Ltd. in the amount of 600,000 baht and non-other audit fee.

### Liquidity Analysis

Unit : Million

Items	2516	2515	2514
<i>Cash flow used for operations</i>	82.70	143.97	78.20
<i>Cash flow used for investment</i>	0.02	(0.31)	(3.04)
<i>Cash flows from financial activities</i>	(147.04)	(100.79)	13.73
<i>Net cash increase (decrease)</i>	(64.33)	42.87	88.88

### Cash Flows for Operations

The Company's cash to used in operating activities in 2016 and 2015 was 82.70 million baht and 143.97 million baht, respectively. Decrease 61.27 million baht ,due to the company have receive payment from receivable more than to get a new loans.

### Cash flow used for investment

The Company's cash used in investing activities in 2016 and 2015 were 0.02 million baht and 0.31 million baht, respectively. In 2015, he company rental an office space to operation and expand business.

### Cash flows from financial activities

The Company's cash flows from financial activities in 2016 and 2015 was Baht 147.04 million and Baht 100.79 million, respectively, increase from previous year 46.252 million baht, due to The Company had a restructuring of debt structure from short-term to long-term and have to pay back some debt.

### Source of fund

#### Capital Structure

Debt to equity shares at the end of 2016 and 2015 were 1.66 times and 1.97 times, respectively. due to The Company had a restructuring of debt pay back some debt, as result to decrease a debt to equity.

# INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of  
G CAPITAL Public Company Limited

## Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of G CAPITAL Public Company Limited as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

## Basis for Opinion

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

## Key Audit Matters

The Company has two groups of borrowers: monthly fixed income group and seasonal income group which relates to the agricultural farming group with uncertain income. Therefore, there are two approaches to provide the allowance for doubtful debts: monthly fixed income group will record the allowance for doubtful debts in accordance with the practice guidelines of the Bank of Thailand Sor.Nor.Sor.5/2559 Criteria for Classification and Reserve of the Financial Institution from July 2, 2016.

Seasonal income group is the group of agricultural machinery hire-purchase debtors. Most customers have direct and indirect income from agricultural output and the income is seasonal. Therefore, the ability to repay debts of this group is a risk in the business operation. The Company has provided the allowance for doubtful debts immediately in the month of lending to this group of borrowers using the past average damage rate at 2.5% along with setting the allowance for doubtful debts in accordance with the practice guidelines of Bank of Thailand and revenue recognition under the guidelines of the Federation of Accounting Professions. There are uncontrollable



factors to the adequacy of the allowance for doubtful debts for accounts receivable under agricultural machinery hire-purchase agreements such as weather condition, government policy, etc. resulting in uncertainty in the debt repayment ability of the debtor and passing the due date. As a result, the overdue debt affects the allowance for doubtful debts that is provided at 2.5% of the hire-purchase value as at the agreement date as recorded by the company to be lower than the criteria for debtor aging classification required by the company to provide adequate allowance for doubtful debts against the potential damage from the impairment of such receivable during the off-season production. The criteria for debtor aging classification follows the announcement of the Bank of Thailand Sor.Nor.Sor. 5/2559 Criteria for Classification and Reserve of the Financial Institution as at July 2, 2016.

The appropriateness of the allowance for doubtful debts is a significant matter which requires considerable judgment by the management by relying on past information. The identification of debtor impairment and the determination of recovered amount are processes that involve unavoidable uncertainty because they rely on various assumptions and factors such as financial position of accounts receivable and future cash flow estimate. Additionally, the differing assumption used in the calculation may result in significant difference in the amount of the allowance for doubtful debts. The disclosure of related risk management is a complex issue and depends on the information quality of each account receivable.

I have assessed and tested the system and the efficiency in preparing the estimate relating to the calculation of the allowance for doubtful debts, including assessment of the quality of information and approach used in the estimation for the allowance for doubtful debts that is calculated from each debtor. I have tested the assumption used in identifying the impairment and verifying the calculation of the allowance for doubtful debts which includes testing the estimate of damage value from payment default. Additionally, I have tested the appropriateness and verified the correctness of the information used in preparing the debtor's quality rating report. I have also assessed and tested the control and effectiveness of related information disclosure control, including the disclosure of the value from seized property and the recoverable value.

## Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify




my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



(Mr. Pojana Asavasontichai)

Certified Public Accountant

Registration No. 4891

*Dharmniti Auditing Company Limited*

*Bangkok, Thailand*

*February 20, 2017*



# Financial Statement

G CAPITAL PUBLIC COMPANY LIMITED  
AS OF DECEMBER 31, 2016





## G CAPITAL PUBLIC COMPANY LIMITED

## G CAPITAL PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2016

## ASSETS

	Note	Baht	
		2016	2015
Current assets			
Cash and cash equivalent	5	77,163,527	141,489,697
Current portion of hire-purchase receivables	6	364,547,734	416,760,487
Current portion of personal loan receivables	7	48,096,858	18,943,109
Corporation loan receivables	8	2,335,787	-
Receivables under litigation enforcement process with collateral	9	19,016,719	16,645,540
Receivables from sales of legal receivable claim	10	-	3,016,966
Other receivables	11	2,306,107	4,854,252
Total current assets		513,466,732	601,710,051
Non-current assets			
Hire-purchase receivables - net of current portion	6	281,900,975	337,921,691
Personal loan receivables - net of current portion	7	62,103,793	11,265,764
Receivables under litigation enforcement process	12	1,283,892	1,178,012
Equipment	13	4,968,085	4,737,314
Deferred tax assets	14	21,622,406	20,671,125
Other non-current assets		1,477,120	1,452,120
Total non-current assets		373,356,271	377,226,026
Total assets		886,823,003	978,936,077

Notes to financial statements form an integral part of these statements.

# G CAPITAL PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

### (CONT.)

AS AT DECEMBER 31, 2016

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht	
		2016	2015
Current liabilities			
Trade and other payables	15	40,946,702	27,025,456
Current portion of long-term loans from financial institutions	16	-	8,328,454
Current portion of long-term unsecured debentures	17	-	299,596,892
Current portion of liabilities under financial lease agreements	18	628,824	714,894
Accrued income tax		5,380,765	7,129,834
Total current liabilities		46,956,291	342,795,530
Non-current liabilities			
Long-term unsecured debentures	17	498,965,342	299,114,612
Liabilities under financial lease agreements	18	970,675	328,142
Employee benefit obligations	19	6,909,263	6,958,958
Total non-current liabilities		506,845,280	306,401,712
Total liabilities		553,801,571	649,197,242

Notes to financial statements form an integral part of these statements.



## G CAPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION  
(CONT.)

AS AT DECEMBER 31, 2016

## LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht	
	Note	2016	2015
Shareholders' equity			
Share capital			
Registered share capital			
200,000,000 common shares at Baht 0.50 per share		100,000,000	100,000,000
Issued and paid up share capital			
200,000,000 common shares at Baht 0.50 per share		100,000,000	100,000,000
Premium on common shares		105,950,000	105,950,000
Retained earnings			
Appropriated to legal reserve		10,000,000	10,000,000
Unappropriated		117,071,432	113,788,835
Total shareholders' equity		333,021,432	329,738,835
Total liabilities and shareholders' equity		886,823,003	978,936,077

Notes to financial statements form an integral part of these statements.

# G CAPITAL PUBLIC COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht	
	Note	2016	2015
Revenues			
Income from hire-purchase contracts		123,549,634	156,181,984
Income from penalty on hire-purchase contracts		16,336,668	13,837,657
Interest income - personal loans	4	9,929,539	3,875,038
Interrest income - corporation lans		217,292	0
Other incomes		2,596,093	3,464,041
Total revenues		152,629,226	177,358,720
Expenses			
Selling expenses		6,727,730	10,392,052
Administrative expenses		55,370,367	51,860,569
Allowance for doubtful accounts		9,779,691	9,208,814
Total expenses		71,877,788	71,461,435
Profit before finance costs and income tax expenses		80,751,438	105,897,285
Finance costs		28,948,064	36,904,568
Profit before income tax expenses		51,803,374	68,992,717
Income tax expenses	14	10,524,215	13,785,110
Profit for the year		41,279,159	55,207,607
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial losses arising from post-employment benefit, net of income tax		-	(481,408)
Total comprehensive income for the year		41,279,159	54,726,199
Earnings per share			
Basic earnings per share (Baht)		0.21	0.28
Weighted average number of issued and paid-up common shares (shares)		200,000,000	200,000,000

Notes to financial statements form an integral part of these statements.



G CAPITAL PUBLIC COMPANY LIMITED

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Baht				Total
		Share capital issued and paid-up	Premium on share capital	Retained earnings		
				Appropriated - legal reserve	Unappropriated	
Beginning balance as at January 1, 2015		100,000,000	105,950,000	9,210,622	89,850,504	305,011,126
Legal reserve	20, 21	-	-	789,378	(789,378.)	-
Dividend paid	21	-	-	-	(29,998,490)	(29,998,490)
Total comprehensive income for the year		-	-	-	54,726,199	54,726,199
Ending balance as at December 31, 2015		100,000,000	105,950,000	10,000,000	113,788,835	329,738,835
Legal reserve	20, 21	-	-	-	(37,996,562)	(37,996,562)
Dividend paid	21	-	-	-	41,279,159	41,279,159)
Total comprehensive income for the year		-	-	-	54,726,199	54,726,199
Ending balance as at December 31, 2016		100,000,000	105,950,000	10,000,000	117,071,432	333,021,432

Notes to financial statements form an integral part of these statements.

# G CAPITAL PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht	
	2016	2015
<b>Cash flows from operating activities</b>		
Profit before income tax expenses	51,803,374	68,992,717
Adjustment to reconcile profit before income tax expenses to net cash provided by (used in) operating activities:		
Gain on sale of in investments in securities held - for - trading	(927,530)	-
Gain on sale of fixed assets	-	(49,999)
Depreciation	1,944,600	2,134,753
Allowance for doubtful accounts	9,779,691	9,208,814
Estimation of employee benefit obligations	1,394,394	1,713,509
Finance costs	28,948,065	36,904,568
Profit from operation before changing in operating assets and liabilities	92,942,594	118,904,362
(Increase) decrease in operating assets		
Hire-purchase receivables	113,770,050	159,550,034
Personal loan receivables	(81,518,179)	(14,861,482)
Corporation loan receivables	(2,335,787)	-
Receivables from sale of legal receivable claim	3,016,966	(3,016,966)
Receivables under litigation enforcement process with collateral	(2,950,081)	(18,946,399)
Other receivables	2,548,145	(485,950)
Receivables under litigation enforcement process	(13,316,849)	(9,779,980)
Other non-current assets	(25,000)	(38,969)
Increase (decrease) in operating liabilities		

Notes to financial statements form an integral part of these statements.



Trade and other payables

15,111,099

(35,879,777)

## G CAPITAL PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht	
	2016	2015
Cash received from operating activities	127,242,958	195,444,873
Cash paid for employee benefit	(1,647,150)	-
Cash paid for finance costs	(29,674,473)	(34,175,719)
Cash paid for income tax	(13,224,565)	(17,294,632)
Net cash provided by operating activities	82,696,770	143,974,522
<b>Cash flows from investing activities:</b>		
Cash paid for investment in securities held - for - trading	(205,000,000)	-
Cash received from investment in securities held - for - trading	205,927,530	-
Cash paid for purchase of fixed assets	(914,075)	(363,585)
Cash received from sales of fixed asset	6,204	50,000
Net cash provided by (used in) investing activities	19,659	(313,585)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans from financial institutions	-	(190,000,000)
Decrease in short-term loans from third parties	-	(15,000,000)
Cash received from short-term unsecured debentures	-	60,000,000
Cash paid for short-term unsecured debentures	-	(225,000,000)
Cash received from long-term unsecured debentures	200,000,000	300,000,000
Cash paid for long - term unsecured debentures	(300,000,000)	-
Cash paid for long-term loans from financial institution	(8,335,000)	-
Cash paid for liabilities under financial lease agreements	(711,037)	(793,486)
Cash paid for dividend	(37,996,562)	(29,998,490)
Net cash provided by (used in) financing activities	(147,042,599)	(100,791,976)
Net increase (decrease) in cash and cash equivalents	(64,326,170)	42,868,961
Cash and cash equivalents, beginning of the year	141,489,697	98,620,736
Cash and cash equivalents, end of the year	77,163,527	141,489,697
<b>Supplemental disclosures at cash flow information</b>		
During the year, the Company acquired fixed assets		
by means at hire - purchase contract	1,267,500	-

Notes to financial statements form an integral part of these statements.



## G CAPITAL PUBLIC COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

**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 became a public company limited on February 29, 2012. The Company’s principal activity is to act as an agent to acquire the asset, in provide hire-purchase agreements and personal loan under the supervision and retail business loan under the supervision.

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****2.1 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.

**2.2 The new and revised accounting standards are effective in the current year**

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2016, are as follows:

Conceptual Framework for Financial Reporting (Revised 2015)

TAS 1 (revised 2015)	Presentation of Financial Statements
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TAS 2 (revised 2015)	Inventories
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TAS 7 (revised 2015)	Statement of Cash Flows
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TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting
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	Estimates and Errors
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TAS 10 (revised 2015)	Events After the Reporting Period
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TAS 11 (revised 2015)	Construction Contracts
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TAS 12 (revised 2015)	Income Taxes
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TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-Based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities

TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The management of the Company evaluated that these new and revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.



### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 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.

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).

Income from personal loan

The Company recognizes interest income from personal loan in accordance with the accrual basis based on the effective interest rate method.

The Company has stopped recognizing interest income from personal loan when the customer has overdue amount more than 3 consecutive installments.

The Company recognizes the income from penalty on hire-purchase contracts upon settlement of payment.

Other income such as interest income, discount from sale of asset under hire-purchase contract and discount from insurance agent are recognized in accordance with the accrual basis.

#### 3.2 Expenses recognition

Expenses are recognized on the accrual basis.

#### 3.3 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 from the acquisitions date and not subject to withdrawal restrictions.

#### 3.4 Hire-purchase receivable - net and allowance for doubtful accounts

Hire-purchase receivables - net are presented net, of unearned interest income plus value added tax paid by the company 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) (1 installment = 3 Months)		Percent for allowance
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 reporting 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.

### 3.5 Personal loan receivable - net and allowance for doubtful accounts

Personal loan receivables - net are presented at the contract value plus accrued interest income and less allowance for doubtful accounts.

The Company has a policy to set allowance for doubtful accounts at the rate of 2.5% of the loan contracts receivable and compare to the benchmark of the Company And set allowance for doubtful accounts equal to the criteria of the Company by providing an allowance for doubtful accounts in accordance with the announcement of Bank of Thailand Sor. Nor. Sor. 5/2559 regarding the basis for classification and reserve of the financial institution announced as at June 10, 2016. The classification of receivable and allowance for doubtful accounts is as follows:

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

Installment of overdue	Percent for allowance
Not yet due	1% of personal loan receivables - net
Over due:	
0 - 3 installments	2% of personal loan receivables - net
Over 3 installments	100% of personal loan receivables - net

At the end of the reporting period, if the allowance for doubtful accounts of the loan contracts receivable which occurred in each accounting period is not sufficient when compared to the above benchmark, the Company shall provide an increase in the allowance for doubtful accounts accordingly.

### Mortgage loan receivable - net and allowance for doubtful accounts

Mortgage loan receivables - net are presented at the contract value plus accrued interest income and less allowance for doubtful accounts.

The Company has a policy to set allowance for doubtful accounts at the rate of 1% of the loan contracts receivable and compare to the benchmark of the Company.

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

Installment of overdue	Percent for allowance
Not yet due	1% of receivable - net and less 70% of the appraisal price of the mortgage
Over due:	
0 - 3 installments	2% of receivable - net and less 70% of the appraisal price of the mortgage
Over 3 installmentS	100 % of receivable - net and less 70% of the appraisal price of the mortgage



### Corporation loan receivable and allowance for doubtful accounts

Corporation loan receivables - net are presented at the contract value plus accrued interest income and less allowance for doubtful accounts.

The Company has a policy to set allowance for doubtful accounts equal to the criteria of the Company by providing an allowance for doubtful accounts in accordance with the announcement of Bank of Thailand Sor. Nor. Sor. 5/2559 regarding the basis for classification and reserve of the financial institution announced as at June 10, 2016. The classification of receivable and allowance for doubtful accounts is as follows:

The classification of the loan contracts receivable and policy on allowance for doubtful accounts are as follows:

Installment of overdue	Percent for allowance
Not yet due	1% of receivable plus accrued interest income less guarantee
Over due:	
0 - 3 installments	2% of receivable plus accrued interest income less guarantee
Over 3 installments	100 % of receivable plus accrued interest income less guarantee

### **3.6 Receivables under litigation enforcement process with collateral**

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

(if the price is unknown, the redemption price should be used)

### **3.7 Investment in securities**

Investment in securities held-for-trading are determined at fair value, gain or loss arising from changes in the fair value of securities are recorded in the statement of comprehensive income.

The fair value of unit trusts is calculated from its net asset value of the fund.

### **3.8 Equipment and depreciation**

Equipment is stated at cost less accumulated depreciation, which is 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

### 3.9 Income tax

Income tax comprises current income tax and deferred tax.

#### Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

#### Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.





### 3.10 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are recorded as assets at the whichever is lower fair value of the leased assets and the present value of the minimum lease payments, The outstanding rental obligations, net of finance charges, are recorded as long-term liabilities, 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 leased 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.

### 3.11 Employee benefits

#### Short-term benefits

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

#### Post-employment benefit-defined benefit plan

In 2015, the obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

### 3.12 Using of accounting estimation

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.

### 3.13 Basic earnings per share

Basic earnings per share are determined by dividing the profit 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, 2016 and 2015, the significant transactions with related parties can be summarized as follows:

		Baht	
	Pricing policy	2016	2015
Related through directors			
General Outsourcing Co., Ltd.			
- Maintenance server	Contract price	120,000	120,000
- Reference fee	Contract price	79,200	-
<u>Director</u>			
Director	Interest rate 13.50%	15,268	-
<u>Balance as at December 31, 2016</u>			
<u>Director</u>			
Personal loan receivable		2,544,309	-
(Personal loan receivables-property secured by mortgage)			

#### Management compensation - for key management personnel

Management compensation - for key management personnel for the years ended December 31, 2016 and 2015 as follows :-

	Baht	
	2016	2015
Short-term benefits	18,588,244	17,381,166
Post-employment benefits	906,264	1,420,725
Total management compensation	<u>19,494,508</u>	<u>18,801,891</u>

#### 5. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht	
	2016	2015
Cash on hand	100,000	101,000
Deposits at bank - saving account	76,886,445	140,449,511
Deposits at bank - current account	177,082	939,186
Total cash and cash equivalents	<u>77,163,527</u>	<u>141,489,697</u>



## 6. HIRE-PURCHASE RECEIVABLES

This account consisted of:

	Baht					
	Current portion of hire - purchase receivables - net		Hire - purchase receivables - net of current portion and not exceed 5 years		Total	
	2016	2015	2016	2015	2016	2015
Hire-purchase receivables	479,991,430	555,072,098	368,792,206	434,533,694	848,783,636	989,605,792
<u>Less</u> Unearned income from hire-purchase contracts	(92,251,628)	(112,250,829)	(66,366,883)	(73,207,320)	(158,618,511)	(185,458,149)
Total	387,739,802	442,821,269	302,425,323	361,326,374	690,165,125	804,147,643
<u>Less</u> Allowance for doubtful accounts	(23,192,068)	(26,060,782)	(20,524,348)	(23,404,683)	(43,716,416)	(49,465,465)
Hire-purchase receivables - net	<u>364,547,734</u>	<u>416,760,487</u>	<u>281,900,975</u>	<u>337,921,691</u>	<u>646,448,709</u>	<u>754,682,178</u>

As at December 31, 2016 and 2015, 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: -

	Baht			
	2016			
	Hire-purchase receivables-net	Based amount For computation	Rate for allowance[%]	Allowance for doubtful account
Not yet due	384,769,146	384,769,146	1	3,847,691
Over due:				
0 - 0.5 installments	13,935,677	13,935,677	2	278,714
Over 0.5 - 1 installments	67,066,015	67,066,015	2	1,341,320
Over 1 - 2 installments	91,289,886	91,289,886	2	1,825,798
Over 2 - 3 installments	81,291,292	81,291,292	2	1,625,826
Over 3 installments	51,813,109	31,501,562*	100	31,501,562
Total	<u>690,165,125</u>	<u>669,853,578</u>		40,420,911
General reserve more than specific				3,295,505
Total allowance for doubtful accounts (general reserve)				<u>43,716,416</u>

	Baht			
	2015			
	Hire-purchase receivables-net	Based amount For computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due	499,888,029	706,645,352	1	4,998,880
Over due:				
0 - 0.5 installments	19,391,314	19,391,314	2	387,826
Over 0.5 - 1 installments	71,541,236	71,541,236	2	1,430,825
Over 1 - 2 installments	83,175,395	83,175,395	2	1,663,508
Over 2 - 3 installments	84,229,096	84,229,096	2	1,684,582
Over 3 installments	45,922,573	27,358,026*	100	27,358,026
Total	<u>804,147,643</u>	<u>785,583,096</u>		37,523,647
General reserve more than specific				<u>11,941,818</u>
Total allowance for doubtful accounts (general reserve)				<u>49,465,465</u>

\* 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 (Notes 9 and 12).

As at December 31, 2015, the Company has transferred the rights on hire-purchase receivables to Government Savings Bank, net book value of Baht 9.81 million, to secure short-term loans and long-term loans from Government Savings Bank of Baht 8.33 million (Note 16).

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.

However, this accounting guideline provides an alternative, if a company believes that the guideline is not appropriate, the company shall disclose its accounting guideline with relevant reasons. The Company has a policy to cease recognizing 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, 2016, 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.

As at December 31, 2016, the outstanding hire - purchase receivables excluding unrecognized income from hire-purchase receivables which are over 3 consecutive installments contractually past due amounted to Baht 51.81 million and the recognition of revenue had stopped for Baht 3.12 million.



## 7. PERSONAL LOAN RECEIVABLES

This account consisted of:

	Baht		
	2016		
	Current portion of personal loan receivables-net	Personal loan receivables-net of current portion and not exceed 5 years	Total
Personal loan receivables	47,900,475	63,357,241	111,257,716
Accrued interest income	1,726,793	-	1,726,793
	49,627,268	63,357,241	112,984,509
<u>Less</u> Allowance for doubtful accounts	(1,530,410)	(1,253,448)	(2,783,858)
Personal loan receivables - net	<u>48,096,858</u>	<u>62,103,793</u>	<u>110,200,651</u>

	Baht		
	2015		
	Current portion of personal loan receivables-net	Personal loan receivables-net of current portion and not exceed 5 years	Total
Personal loan receivables	19,124,830	11,713,998	30,838,828
Accrued interest income	627,502	-	627,502
	19,752,332	11,713,998	31,466,330
<u>Less</u> Allowance for doubtful accounts	(809,223)	(448,234)	(1,257,457)
Personal loan receivables - net	<u>18,943,109</u>	<u>11,265,764</u>	<u>30,208,873</u>

As at December 31, 2016, and 2015 the personal loan receivable plus accrued interest and allowance for doubtful accounts is classified by the overdue installments by the percentage used in providing an allowance for doubtful accounts (calculated from the overdue installment amount) as follows:-

Baht				
2016				
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due				
Personal loan receivables	80,076,618	80,076,618	1	800,766
Personal loan receivables				
- property secured by mortgage	11,151,655	- *		-
	91,228,273	80,076,618		800,766
Over due				
Over 1-3 installments	15,384,282	10,334,234	2	206,685
Over 3 installments	6,371,954	886,362**	100	886,362
	112,984,509	91,297,214		1,893,813
General reserve more than specific reserve				890,045
Total allowance for doubtful accounts (general reserve)				2,783,858

Baht				
2015				
	Personal loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-				
Personal loan receivables	24,685,464	24,685,464	1	246,854
Personal loan receivables				
- property secured by mortgage	1,861,968	- *		-
	26,547,432	24,685,464		246,854
Over due				
Over 1-3 installments	3,690,094	3,690,094	2	73,802
Over 3 installments	1,228,804	- **	100	-
	31,466,330	28,375,558		320,656
General reserve more than specific reserve				936,801
Total allowance for doubtful accounts (general reserve)				1,257,457

\* Amount of personal loan receivables net from property secured by mortgage.

\*\* Amount of personal loan receivables net from value of 70% of collateral appraisal value.



## 8. CORPORATION LOAN RECEIVABLES

This account consisted of:

	Baht		
	2016		
	Current portion of corporation loan receivables-net	Corporation loan receivables-net of current portion and not exceed 5 years	Total
Corporation loan receivables	2,326,352	-	2,326,352
Accrued interest income	9,435	-	9,435
	2,335,787	-	2,335,787
<u>Less</u> Allowance for doubtful accounts	-	-	-
Corporation receivables - net	<u>2,335,787</u>	<u>-</u>	<u>2,335,787</u>

As at December 31, 2016, the corporation loan receivable plus accrued interest and less allowance for doubtful accounts is classified by the overdue installments by the percentage used in providing an allowance for doubtful accounts (calculated from the overdue installment amount) as follows:-

	Baht			
	As at September 30, 2016			
	Corporation loan receivables - net	Based amount for computation	Rate for allowance (%)	Allowance for doubtful account
Not yet due:-	2,335,787	-	1	-
Over due				
Over 1-3 installments	-	-	2	-
Over 3 installments	-	-	100	-
	<u>2,335,787</u>	<u>-</u>		<u>-</u>

\* Base amount for computation is amount of corporation loan receivables net from collateral value.



## 9. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS WITH COLLATERAL

This account consisted of:

	Baht	
	2016	2015
Receivables under litigation enforcement process with collateral	35,663,310	32,713,229
<u>Less</u> Allowance for doubtful accounts	(16,646,591)	(16,067,689)
Receivables under litigation enforcement process with collateral - net	<u>19,016,719</u>	<u>16,645,540</u>

## 10. RECEIVABLE FROM SALE OF LEGAL RECEIVABLE CLAIM

On September 30, 2015, the Company has entered into an agreement for claim transfer on the payment of debt from account receivable and collateral (if any) in the receivable assets of the court order in total 25 accounts with the debt amount Baht 11.75 million with a local company. It was agreed to pay for the compensation on claim transfer in the amount of Baht 3.77 million (included VAT) by the first installment paying Baht 0.75 million. The remaining amount is divided into 3 installments (every 3 months) at Baht 1.01 million per installment to be completed within June 30, 2016. However, the account receivable has postponed the final payment to July 8, 2016 which the company has already received in the full amount.

## 11. OTHER RECEIVABLES

This account consisted of:

	Baht	
	2016	2015
Loans to employees	94,143	211,075
Deposit	757,600	52,500
Others	1,454,364	4,590,677
Total other receivables	<u>2,306,107</u>	<u>4,854,252</u>

## 12. RECEIVABLES UNDER LITIGATION ENFORCEMENT PROCESS

This account consisted of:

	Baht	
	2016	2015
Receivables under litigation enforcement process	43,243,961	29,927,112
<u>Less</u> Allowance for doubtful accounts	(41,960,069)	(28,749,100)
Receivables under litigation enforcement process - net	<u>1,283,892</u>	<u>1,178,012</u>



### 13. EQUIPMENT

This account consisted of:

	Baht			
	As at	Movements during the year		As at
	January 1, 2016	Additions	Disposals	December 31, 2016
<b>Cost</b>				
Computer and equipment	4,176,417	196,717	(28,846)	4,344,288
Office improvements	5,401,469	87,227	-	5,488,696
Furniture and office equipment	3,007,685	107,632	-	3,115,317
Vehicles	8,900,402	1,690,000	-	10,590,402
Software	221,500	100,000	-	321,500
<b>Total</b>	<b>21,707,473</b>	<b>2,181,576</b>	<b>(28,846)</b>	<b>23,860,203</b>
<b>Accumulated depreciations</b>				
Computer and equipment	3,632,413	249,739	(22,641)	3,859,511
Office improvements	3,803,815	516,901	-	4,320,716
Furniture and office equipment	2,340,504	230,423	-	2,570,927
Vehicles	6,971,930	937,974	-	7,909,904
Software	221,497	9,563	-	231,060
<b>Total</b>	<b>16,970,159</b>	<b>1,944,600</b>	<b>(22,641)</b>	<b>18,892,118</b>
<b>Equipment - net</b>	<b>4,737,314</b>			<b>4,968,085</b>

	Baht			
	As at	Movements during the year		As at
	January 1, 2015	Additions	Disposals	December 31, 2015
<b>Cost</b>				
Computer and equipment	4,064,729	111,688	-	4,176,417
Office improvements	5,395,969	5,500	-	5,401,469
Furniture and office equipment	2,991,288	246,397	(230,000)	3,007,685
Vehicles	8,900,402	-	-	8,900,402
Software	221,500	-	-	221,500
<b>Total</b>	<b>21,573,888</b>	<b>363,585</b>	<b>(230,000)</b>	<b>21,707,473</b>
<b>Accumulated depreciations</b>				
Computer and equipment	3,406,896	225,517	-	3,632,413
Office improvements	3,301,263	502,552	-	3,803,815
Furniture and office equipment	2,356,227	214,276	(229,999)	2,340,504
Vehicles	5,779,522	1,192,408	-	6,971,930
Software	221,497	-	-	221,497
<b>Total</b>	<b>15,065,405</b>	<b>2,134,753</b>	<b>(229,999)</b>	<b>16,970,159</b>
<b>Equipment - net</b>	<b>6,508,483</b>			<b>4,737,314</b>

Depreciation for the years ended December 31, 2016 and 2015 of Baht 1.94 million and Baht 2.13 million, respectively, were recorded in the statements of comprehensive income.

As at December 31, 2016 and 2015, the Company's equipment amounting to Baht 12.63 million and Baht 10.99 million, respectively, are fully depreciated but are still in use.

## 14. DEFERRED TAX ASSETS

Movements in deferred tax assets during the year were as follows :

	Baht			
	As at December	Revenue (expenses) during the year		As at December
		In profit	In other Comprehensive	
	31, 2015	or loss	income	31, 2016
<b>Deferred tax assets :</b>				
Allowance for doubtful account	18,363,258	995,022	-	19,358,280
Employee benefit obligations	1,391,792	(9,939)	-	1,381,853
In the litigation process	258,600	-	-	258,600
Unrecognized revenue	657,475	(33,802)	-	623,673
Total deferred tax assets	<u>20,671,125</u>	<u>951,281</u>	<u>-</u>	<u>21,622,406</u>

Tax expenses for the years ended December 31, 2016 and 2015 were as follows:

	Baht	
	2016	2015
Profit before income tax	51,803,374	68,992,717
Income tax rate	20%	20%
Income tax expenses as income tax rate	10,360,675	13,798,544
Non-deductible expenses by the Revenue Code	195,154	160,482
Double expenses by the Revenue Code	(31,614)	(173,916)
Income tax expense	<u>10,524,215</u>	<u>13,785,110</u>
The average effective tax rate	<u>20.32%</u>	<u>19.98%</u>

## 15. TRADE AND OTHER PAYABLES

This account consisted of:

	Baht	
	2016	2015
Trade payables	26,263,200	11,450,892
Other payables		
Accrued interest	4,758,850	5,948,703
Accrued expenses	2,347,341	2,036,818
Accrued withholding tax	1,691,845	1,730,104
Others	5,885,466	5,858,939
Total other payables	<u>14,683,502</u>	<u>15,574,564</u>
Total trade and other payables	<u>40,946,702</u>	<u>27,025,456</u>



## 16. LONG-TERM LOAN FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht	
	2016	2015
Long-term loans		
Long-term loans from financial institutions	-	8,328,454
<u>Less</u> current portion of long-term loans	-	(8,328,454)
Long-term portion of loans from financial institutions - net	-	-

As at December 31, 2015, the Company had long-term loans with a local bank of Baht 8.33 million which 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 with net book value of receivables of Baht 9.81 million, respectively. The Company had to comply with the conditions in the loan agreements.

And on July 8, 2016, the company has paid principle and interest in the full amount.

## 17. LONG-TERM UNSECURED DEBENTURES

This account consisted of:

	Baht	
	2016	2015
Debentures #1/2014	-	300,000,000
Debentures #1/2015	200,000,000	200,000,000
Debentures #2/2015	100,000,000	100,000,000
Debentures #1/2016	200,000,000	-
Long-term unsecured debentures, at face value	500,000,000	600,000,000
<u>Less</u> Unamortized costs relating to issuance of debentures	(1,034,658)	(1,288,496)
Total long-term unsecured debentures-net	498,965,342	598,711,504
<u>Less</u> current portion of long-term unsecured debentures	-	(299,596,892)
Net	498,965,342	299,114,612

According to the General Meeting of Shareholders No. 1/2015 dated April 23, 2015, the shareholders had approved the issuance and offering of the Company's debentures. The value of the outstanding debentures at a time has the total value not over Baht 1,600 million which is all types/all kinds of debentures. They may be subordinated debentures or unsubordinated debentures, type of gradually repay the principle or repay the principal one time when the maturity is due, with or without guarantee, with or without representative holder of debentures. It depends on the prevailing market conditions at the time of issuance and offering of such debentures to general public in local or to financial institutions in order to support the expansion of new loans and business.

#### Debentures #1/2014

On October 9, 2014, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity less than 1 year 6 months (547 days) maturity on April 9, 2015 with a credit line of Baht 300 million (300,000 units of Baht 1,000 per unit), carrying interest at 5.20% per annum, payment interest in every 3 months.

#### Debentures #1/2015

As at April 29, 2015, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 3 years with credit line of Baht 200 million (200,000 units of Baht 1,000 per unit) maturity on April 29, 2018, carrying interest at 5.18% per annum, payment interest in every 3 months.

#### Debentures #2/2015

As at April 7, 2016, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 3 years with credit line of Baht 200 million (200,000 units of Baht 1,000 per unit) maturity on April 7, 2019, carrying interest at 5.25% per annum, payment interest in every 3 months.

#### Debentures #1/2016

As at April 7, 2016, the Company issued unsecured debentures which are unsubordinated and have specified holder's name ; Maturity 3 years with credit line of Baht 200 million (200,000 units of Baht 1,000 per unit) maturity on April 7, 2019, carrying interest at 5.25% per annum, payment interest in every 3 months.



## 18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

This account consisted of:

	Baht	
	2016	2015
Due within 1 year		
Minimum payments	674,199	743,519
Deferred interest	(45,375)	(28,625)
Present value of minimum payment	628,824	714,894
Due over 1 year not over 5 years		
Minimum payments	1,026,285	332,091
Deferred interest	(55,610)	(3,949)
Present value of minimum payment	970,675	328,142
Total present value of minimum payment	1,599,499	1,043,036
Net book value of vehicle under finance lease agreements	2,680,498	1,848,621

## 19. EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

	Baht	
	2016	2015
Post-employment benefit plan		
Employee benefit obligations as at beginning of the year	6,958,958	4,500,576
Actuarial losses arising from post-employment benefit	-	601,760
Benefit paid by the plan	(1,647,150)	-
Past service cost on a straight-line basis	-	102,443
Current service cost recognition	1,394,394	1,611,066
Cost of interest	203,061	143,113
Net employee benefit obligations as at the end of the year	6,909,263	6,958,958

The Company has recognized the employee benefit obligations in the transition period as an expense on a straight-line basis for five years from the date of adoption. For the year ended December 31, 2015, the Company recognized fully of the employee benefit obligations.

The Company made defined benefits plan in accordance with severance payment under the compensation of the Thai labor law which entitled retired employees who have completed the specified service period such as over 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, 2016 and 2015 as shown in the statements of comprehensive income are as follows:

	Baht	
	2016	2015
Selling expenses	211,187	104,099
Administrative expenses	1,386,268	1,752,523
Total employee benefits expenses	<u>1,597,455</u>	<u>1,856,622</u>
Past service cost on a straight-line basis	-	102,443
Current service cost recognition	1,394,394	1,611,066
Cost of interest	203,061	143,113
Total employee benefits expenses	<u>1,597,455</u>	<u>1,856,622</u>

Principal actuarial assumptions (expressed as weighted average) are as follows:

	Percentage/Year	
	2016	2015
Discount rate	2.79	2.79
Future salary increase	6.00	6.00
Employee turnover rate by age group (depend on range of age)	0.00 - 50.00	0.00 - 50.00
Mortality rate (Based on the 2008 Thai Mortality Table)	50.00	50.00

Sensitivity Analysis shows the revalued Defined Benefit Obligations after the change to the key assumptions as at December 31, 2016 as follows:





	Baht
	The Present Value of Dened Benet Obligation
	Increased (decreased)
+1.0% Discount Rate	(503,158)
-1.0% Discount Rate	560,388
+1year Mortality	(30,613)
-1year Mortality <sup>a</sup>	27,302
-1% Salary Increase	(496,539)
+1% Salary Increase	541,010
-10.0% of Assumed Turnover	124,411
+10.0% of Assumed Turnover	(111,693)

The actuarial assumption of discount rate is estimated from the weighted average of yield rate of government bonds as at December 8, 2015 that reflects the estimated timing of benefit payments.

In 2015, the obligation under the defined benefit plan is calculated by a qualified independent actuary instead of by the company's management. The effect resulted in actuarial losses arising from post employment benefit in the amount of Baht 0.60 million, the Company are recognized in other comprehensive income.

## 20. 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.

## 21. DIVIDEND PAYMENT

### For the year 2016

At the ordinary shareholders' meeting No.1/2016 held on April 7, 2016, the shareholders unanimously approved to pay dividend from the Company's operation year 2015 to the shareholders at Baht 0.20 per share, in the amount of Baht 40.00 million. The dividend paid in the amount of Baht 10.00 million, appropriated for 200,000,000 shares of Baht 0.05 each, was paid on September 11, 2015 and the remaining in the amount of Baht 30.00 million, appropriated for 200,000,000 shares of Baht 0.15 each, was paid on April 25, 2016.

And at the Board of Directors' meeting No.5 /2016 held on August 10, 2016, it was unanimously approved to pay interim dividend from the Company's operation ending June 30, 2016 in the amount of Baht 8.00 million, appropriated for 200,000,000 shares of Baht 0.04 each. The dividends paid within September 8, 2016.

Total dividend payment in the year 2016 in the amount of Baht 38.00 millions.

### For the year 2015

At the ordinary shareholders' meeting for the year 2014 held on April 23, 2015, the shareholders unanimously approved to pay dividend from the Company's operation year 2014 to the shareholders. The dividend paid in the amount of Baht 32.00 million, appropriated for 200,000,000 shares of Baht 0.16 each. The dividend amounting Baht 12.00 million, was paid on September 5, 2015 and the remaining amount of Baht 20 million was paid to shareholders on May 21, 2015.

And at the Board of Directors' meeting No.4 /2015 held on August 5, 2015, it was unanimously approved to pay interim dividend from the Company's operation ending June 30, 2015 in the amount of Baht 10.00 million, appropriated for 200,000,000 shares of Baht 0.05 each. The dividend was paid on September 11, 2015 and legal reserve was set at Baht 0.79 million.

Total dividend payment in the year 2015 amounted of Baht 30.00 millions.

## 22. EXPENSES BY NATURE

The Company has significant expenses by nature for the years ended December 31, 2016 and 2015, comprised of the following:

	Baht	
	2016	2015
Management and employee compensation	41,609,467	39,724,149
Rental and service expenses	6,641,016	6,377,821
Sales promotion expenses	713,982	4,114,472
Depreciation	1,944,600	2,134,754
Allowance for doubtful account	9,779,691	9,208,814

## 23. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess the performance of the Company's operating segment.

The main operating segment of the Company is hire-purchase for agricultural machinery and extending credit in the primary geographical area of operations in Thailand. Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.



## 24. FINANCIAL INSTRUMENTS

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

### 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 credits 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 summarized in the table below;

	Baht				
	As at December 31, 2016				
	Fixed interest rates				Total
	Within 1 year	More than 1-5 years	Floating interest rate	Non-interest bearing	
<b>Financial assets</b>					
Cash and cash equivalents	-	-	76,886,445	277,082	77,163,527
Hire-purchase receivables	364,547,734	281,900,975	-	-	646,448,709
Personal loan receivables	48,096,858	62,103,793	-	-	110,200,651
Corporation loan receivables	2,335,787	-	-	-	2,335,787
Receivables under litigation enforcement process with collateral	-	-	-	1,283,892	1,283,892
<b>Financial liabilities</b>					
Long-term unsecured debentures	-	498,965,342	-	-	498,965,342
Liabilities under financial lease agreements	628,824	970,675	-	-	1,599,499

	Baht				
	As at December 31, 2015				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	More than 1-5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	140,449,511	1,040,186	141,489,697
Hire-purchase receivables	416,760,487	337,921,691	-	-	754,682,178
Personal loan receivables	18,943,109	11,265,764	-	-	30,208,873
Receivables under litigation					
enforcement process	-	-	-	1,178,012	1,178,012
Receivables from sale of legal					
receivable claim	3,016,966	-	-	-	3,016,966
<b>Financial liabilities</b>					
Long-term unsecured debentures	299,596,892	299,114,612	-	-	598,711,504
Liabilities under financial lease					
agreements	714,894	328,142	-	-	1,043,036
Long-term loan from financial					
institutions	-	-	8,328,454	-	8,328,454

### Fair value of financial instruments

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 as follow:-

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

The Company uses the market approach to measure their assets and liability that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.



Fair value hierarchy

- Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets.
- Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset, either directly (e.g. prices) or indirectly (e.g. derived from prices).
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

**25. CREDIT LIMIT**

As at December 31, 2016, the Company had short-term credit limit with a local bank as follow :

- 1) The Company had unsecured credit line for bank overdrafts of Baht 20 million. The interest rate is MOR.
- 2) The Company had a credit line for short-term loans of Baht 200 million by issuing the promissory notes with maturity within 6 months commencing from 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 when the loan is drawn down.

**26. COMMITMENT AND CONTINGENT LIABILITIES**

As at December 31, 2015, the Company has commitments with regard to operating lease agreements which the Company is the lessee with the lease term of 1-3 years. The Company had obligations to pay the lease and service payments in the future as follows:

	Baht
Due within 1 year	5.64
Due over 1 year but not exceeding 3 years	5.16
Total	10.80

**27. CAPITAL MANAGEMENT**

The Company has policy 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.

## 28. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director's meeting No. 1/2017 held on February 20, 2017 it approved to pay dividend from its operation for the year 2016 of 200 million shares at Baht 0.15 per share, amounting to Baht 30 million.

## 29. THE REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2017 are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting



TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

The management of the Company believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are revised will not have any significant impact on the financial statements for the year when they are initially applied.

### 30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on February 20, 2017







## Innovation Organization 2016

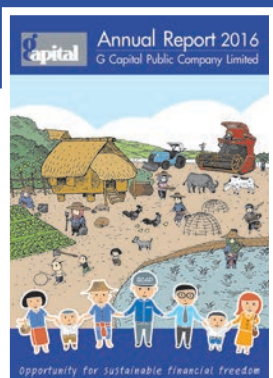


## Thailand Sustainability Investment 2016



Certified Company of Thailand's Private Sector  
Collective Action Coalition Against Corruption

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