



Lease IT Public Company Limited

TRUE FINANCIAL PARTNER





Vision

Committed to be the business leader of a non-financial (Non Bank) institute for developing financial products continuously in order to satisfy the customer needs with different variety of clients/partners. Especially to support funding throughout the business cycle (Full range services) and all types of product lines (Full range)

Mission

Activating alternative funding sources outside the financial sector (Non Bank) so as to create opportunities for entrepreneurs, small and medium enterprises (SME) to have access to capital in the business. Ultimately leading to higher levels of relationship as partners (True Financial Partner)

General Information

Lease It Public Company Limited

Understanding the small and medium enterprises, facing the limitations to have loans in financial institutions, Lease IT determines to provide financial freedom for businesses & entrepreneurs by offering customers the alternative access to capital in businesses. The company focused on developing wide range of financial services to provide "Total Financial Solution" for entrepreneurs. We offers products in several formats, which are leasing, hire purchase, factoring, including Bid Bond and Project Backup Financing in order to enhancing business with customers.

"Lease IT" is "Lease-it" not "Lease-IT (Information Technology)"

Lease It, not only serving businesses in IT (Information Technology) sector, but also offers credit to serve any business in every industry. We offer to support competitive financial funding for all business sectors.

True Financial Partner

With the experienced team of executives, we are confident that we are capable to respond to customer needs effectively with our full range of services. Promptly, we are committed to grow business together with you as the company mission to enhance level of relationship with customers. Because we are "True Financial Partner"

Board of Directors

**Mr.Suthud
Khancharoensuk**
Independent Director &
Audit Committee

**MRS.Nitirun
Suwangate**
Independent Director &
Audit Committee

**Police Lieutenant General
Jate Mongkolhutti**
Independent Director &
Audit Committee

**Mr.Prakob
Visitkitjakarn**
Independent Director &
Audit Committee

**Mr.Thienchai
Srivichit**
Director (Authorized Director
to be tied to the company)

**Mrs.Duangphorn
Sucharittanuwat**
Chairman of the Board and
Chairman of the Audit Committee

**Mr.Sompon
Aketerajit**
Chief Executive Officer and
Director (Authorized Director
to be tied to the company)



Executives Team

**Mr.Sompon
Aketerajit**
Director

**Mrs.Rungnapa
Ogas**
Assistant Managing
Director



**Mr.Teerawat
Khammuang**
Assistant Managing Director -
Sale and Marketing

**Mrs. Chonticha
Supaluxmetha**
Assistant Manager – Accounting
and Financial Control

Ms.Piyanan MONGkol
Assistant Manager-
Credit control

**Mr.Riththigrai
Bunthoathook**
Assistant
Manager-Sales and Marketing

Message from the President



Lease IT Public Company Limited is engaged in business of providing financial capital to customers who are entrepreneurs (small and medium enterprises) by offering financial services, such as, leasing, hire-purchase, factoring and other financial services. The company's business is growing steadily with the increasing number of customers, utilizing our variety of services.

On 25 March 2014, the company was listed on the Market for Alternative Investment (mai) and issued Initial Public Offerings (IPO) for the first time, which receive the tremendously respond from investors. This is an important step forward of the company to grow organically. The company offers various kinds of financial products to meet the requirements of our customers and business partners, and also expand its SMEs customer base. Moreover, the existing customers increase their use of our financial products. As the result, the company growth rate and yield is satisfactory in 2014, despite the economic fluctuations.

The company continues to focus on its business in accordance with the principles of good corporate governance to maintain benefits to all stakeholders and society. The company organized the Corporate Social Responsibility (CSR) by holding a charity rally competition, to build some restrooms, multi-purpose hall and also give the student scholarship to Wat Nong Bua School, Petchraburi in November 2014.

On behalf of the Board of Directors, we would like to thank our shareholders, investors, customers, business partners both in government and private sectors, financial institutions, management team and employees who fully support the operations of a company all along.

Mrs. Duangphorn Sucharittanuwat
Chairman of Board Director
Lease IT Public Company Limited

Message from the Executive



In the year 2014, on behalf of executive management and employees of Lease IT Public Company Limited, we are proud that our company securities have been registered as a securities licensed in the Stock Exchange of Thailand- Market for Alternative Investment (mai). This established the company's acceptance among investors, our customers, partners and financial institutions, and furthermore, this also creates our current and new employees confident to make the company grow in the future.

The executive management and employees make a commitment to grow the company organically by targeting yearly 30% growth rate of loan size, revenue and net profit in the next three years (2014: 2015: 2016). The performance of the year 2014 shows that our loan size, revenue and net profit has raised to 27.83 %, 22.39 % and 48.94% respectively. The growth rate of loan sizes are lower than target because of the precipitation of payment of public sector in the last quarter. And the incomes are below target due to the political unrest, which delayed the government's procurement in the first half. These are the result of the company offering 80% of loans to customers dealing with public sector and enterprises. However, the management team and employees are capable of driving the company's net profit growth to 48.94%. As we choose to utilize new financial instrument, which are



the issuance of Bill of Exchange (B.E) sold to investors, to decrease financial cost. Moreover, we manage our credit portfolio by focusing on financial products that make higher yield and we also control the debt expected to be incurred in acceptable risk.

In the coming year of 2015 is still the challenging year of the company due to the Thailand's and the world economic fluctuations. Entrepreneurs still lack of confidence in doing business. However, our executives and employees believe that we are capable to raise the company's growth in term of loan size, revenue and net profit by 30%, in order to ensure Lease IT's sustainable growth. This year, we focus on private debtor by aiming to reach 30% of loan outstanding, instead from 20% last year. Significantly, the factoring will be the key product of this year.

On behalf of our management team, we would like to pass on our great appreciation to all business partners who always be a part of our credit transactions as per our slogan states "True financial partner". Moreover, we would like to take this opportunity to thanks the creditors and B.E investors for your enormous contributions to our company over the past year. This highly appreciation is also passes onto our effective staff who dedicated to our successful goal.

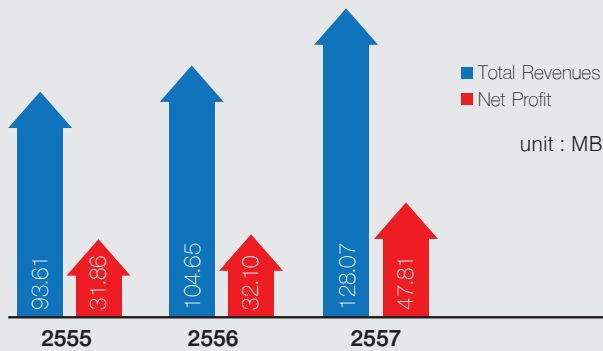
(Mrs. Rungnapa Ogas)
Assistant Managing Director
Supporting

(Mr. Sompon Aketerajit)
Managing Director

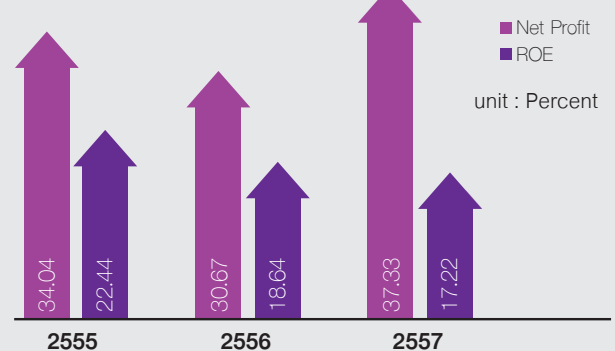
(Mr. Teerawat Khammuang)
Assistant Managing Director
Sale and Marketing

Financial Highlight

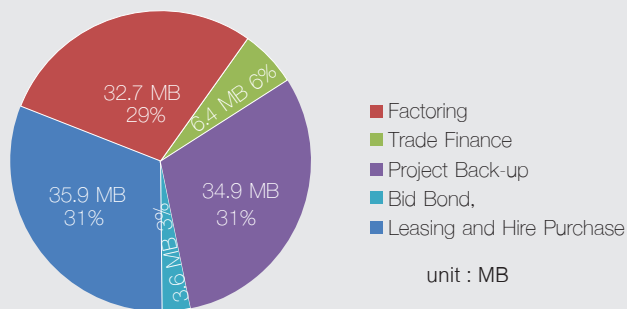
Total Revenues & Net Profit



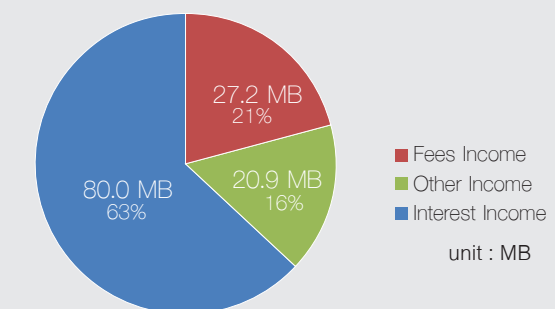
Net Profit Margin & ROE



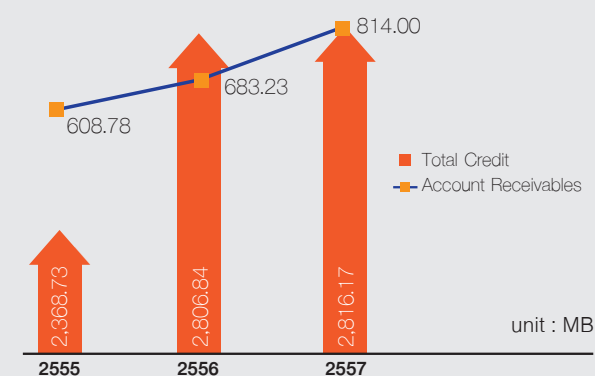
Product Contribution



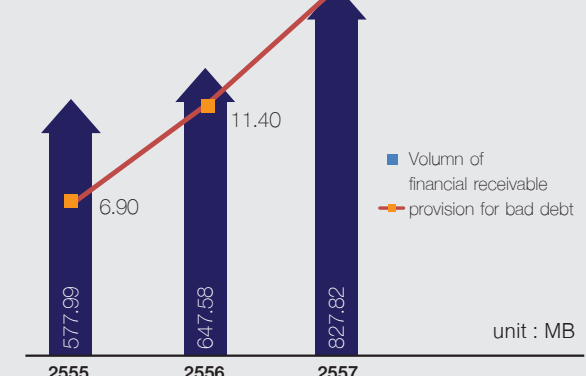
Revenue Contribution



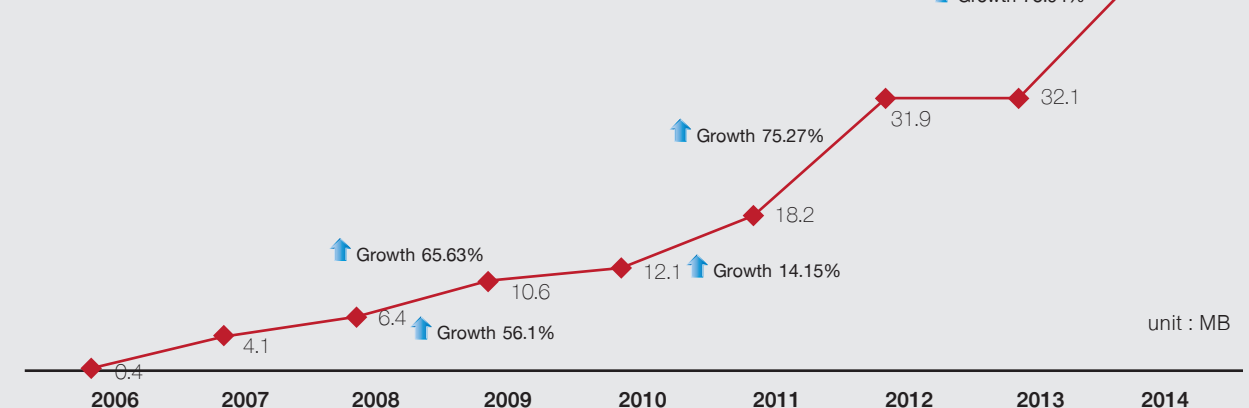
Total financing & Financial Receivable as at December 31,2014



Comparison of financial receivable and provision for bad debt



Road Map of Net Profit



Financial Ration

Financial Ration	2012	2013	2014
Profitability Ratio :			
Net Profit Margin (%)	34.04%	30.67%	37.33%
Return on Equity (%)	22.44%	18.64%	17.22%
Rate of interest on revenue (Include Fee and Service Income) (%)	17.16%	16.56%	15.90%
Rate of interest on financial cost (%)	7.90%	6.71%	5.36%
Interest Rate Spread (%)	9.26%	9.86%	10.54%
Rate of interest on revenue (Exclude Fee and Service Income) (%)	14.06%	13.25%	11.86%
Rate of interest on financial cost (%)	7.90%	6.71%	5.36%
Interest Rate Spread (%)	6.16%	6.54%	6.50%
Efficiency Ratio :			
Interest Income to Asset Ratio (%)	9.96%	10.15%	11.08%
Return on Assets (%)	5.93%	4.96%	6.18%
Current Ratio (Times)	0.17	0.16	0.17
Financial Ratio :			
Debt to Equity Ratio (Times)	2.97	2.59	1.36
Total Credit to Total Financing Ratio (%)	1.41	1.42	1.70
Dividend Payout Ratio (%)	57.12%	62.31%	**
Asset Quality Ratio :			
Allowance for Doubtful account to Total Credit Ratio (%)	1.18	1.75	2.03
Bad Debt to Total Credit to Total Credit Ratio (%)	0.05	0.0002	-

** Propose to pay a dividend and wait for the resolution of the Annual General Meeting of Shareholders in 2015**

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1. Policies and Overall Business Operations



1.1 History and Significant Developments

Lease IT Company Limited (the “Company”) was incorporated on the 25th of August 2549 (2006) with a registered capital of 200 million Baht, with a paid up capital of 60 million Baht. The SVOA Public Company Limited is the majority shareholder with 99.99 percent of the stake in the business. Initially, the business objective was to support the trade of the SVOA group. The company was a financial company (Financial Arm) of SVOA that provided loan, financial leases (Leasing) and loan purchase agreements (Hire Purchase) by targeting at those customers who were previously suppliers to the group of SVOA. The customers who were using the SVOA’s products had the privilege to use accounts receivable (Factoring) financing in case they need working capital prior to the maturity of account receivable.

The significant growth of the information technology in businesses (“Information Technology” or “IT”) made the IT products to be so versatile and diverse in

terms of different products in different markets. Meanwhile, due to the fact that SVOA was originally focused on some market products, the company turned to financing of goods outside the SVOA group as well as expanding credit facility beyond IT products in order to manage and compete with the same type of business competitors more effectively.

After the business model changed, as discussed above, the company emphasized more on growth and business competitiveness by developing a model of

the company emphasized more on growth and business competitiveness by developing a model of financial products so as to continue doing business in such a way meeting the needs of customers.

financial products so as to continue doing business in such a way meeting the needs of customers. To do so, the company added more variety of credit facilities such as Bid Bond, Project Backup Financing including Trade Finance.

On the 16th of May 2013, the company has become a public company, therefore changed its name to Lease IT Public Company Limited.

Accordingly, some of the major developments of the company over the past years are mentioned as the following:

- | | |
|---------------------------|--|
| 2007 | <ul style="list-style-type: none"> Registered capital has increased from 60 million Baht to 100 million Baht and fully paid up. Providing credit facilities for those retail customers of SVOA such as students and staffs of the Christian University. |
| 2009 | <ul style="list-style-type: none"> Originally, the company is SVOA's Financial Arm. The company has changed the objective to profit base which lead to the starting point (milestone) in presenting new financial products to customers. Starting a business service supplier (Trade Finance) for those customers that were using existing financial products, whether loan financial leases, hire purchase loans, or transfer right of claims. |
| 2010 | <ul style="list-style-type: none"> Starting Bid Bond facility by acting as an intermediary between the bank (guarantees) and those customers who were entrepreneurs. Gradually reducing the credit facility to retail customers due to the high cost and risk. |
| 2012 | <ul style="list-style-type: none"> Starting a set of business operations to support Project Backup Financing for customers of the company who have good records in terms of skills and capabilities toward the work on that project but there were some restrictions on working capital. The debtors who facilitate the government projects was emphasized. Moving the office from 32th floor to 21th floor, IT Professional Building in order to facilitate the expansion of the business. |
| January - May 2013 | <ul style="list-style-type: none"> Reducing the share capital from 200,000,000 Baht to 100,000,000 Baht by reducing the par value of shares from 10.00 Baht per share to 5.00 Baht per share, resulting in an authorized capital of 100,000,000 Baht consisting of 20,000,000 shares at 5.00 Baht and paid in full amount. Becoming a public company. Changing the par value of shares from 5.00 Baht per share to 1.00 Baht per share. Increasing the registered capital 16,000,000 Baht from the existing registered capital 100,000,000 Baht. The total registered capital is 116,000,000 Baht through issuing 16,000,000 new ordinary shares at par value of Baht 1.00 per share allocated to Dr. Prasit Kanjanasakchai*. This was a private placement offered Baht 1.50 per share. Increasing the registered capital 84,000,000 Baht from the existing registered capital 116,000,000 Baht. The total registered capital is 200,000,000 Baht through issuing 84,000,000 new ordinary shares at par value of Baht 1.00 per share. The details of the allocation is listed as follows: <ol style="list-style-type: none"> (1) Allocation of ordinary shares of 33,600,000 common shares to shareholders of the SVOA. Quantity of the shares depended on the shareholders in SVOA. (i.e., shareholders had the privilege of pre-emptive right) (2) Allocation of ordinary shares of 46,200,000 common shares to the public. (3) Allocation of ordinary shares of 4,200,000 shares to directors and employees of the company. <p style="margin-left: 40px;">In case of the remaining share from the reserved shares of SVOA's shareholders according to (1) an offer to sell such shares to the public in (2) would have been taken place.</p> |

2014

- During 12-14 March 2014, the company has offered to sell ordinary shares to the shareholders and holders of preferred shares SVOA in the proportion of shares held by the shareholders in SVOA, the total amount of 33.6 million common shares with a par value of THB 1.00 per share in the offering price per share of 1.80 Baht.
- During 17-19 March 2014, the company has offered to sell ordinary shares to the public, directors and employees of the total 50.4 million common shares with a par value of THB 1 per share in the offering price per share of 1.80 Baht. Company registered the issued and paid up capital from 116,000,000 Baht (ordinary shares of 116,000,000 common shares at par value of Baht 1.00 per share) to 200,000,000 Baht (ordinary shares of 200,000,000 common shares at par value of Baht 1.00 per share) with the Ministry of Commerce on March 20, 2014. The Stock Exchange of Thailand approved ordinary shares and began trading on 25 March 2014. The expenses related to the sale of such shares in the amount of 4.5 million baht (THB 1.1 million net of tax). The company treated as a deduction from share premium.
- 27 March 2014, Mr.Min Intanate has voluntarily resigned from the board in order to have the company operate more independently and effectively.
- 24 June 2014, Board of Directors has approved the issuance and the offering of Bill of Exchange with the total face value limit of 200 million Baht to private placement limited to 10 volumes that will enable companies to reduce financial costs.

Note: * Though the current company demands for capital for business expansion, yet SVOA does not have a policy to expand the investment in non-core companies. Therefore it was necessary to find a new investor. Dr. Prasit Kanjanasakchai was the owner of 3 construction materials companies, as well as potential investors in the funds. He is able to invest with the company in a reasonable period of time relating to the financial requirement of the company. By investing, Dr. Prasit becomes a shareholder and does not participate in the management of the company.



1.2 Overview of the Business

The company provides credit services to customers who are entrepreneurs in small and medium enterprises who face limitations in having loans from financial institutions. Such services were divided into 4 main categories:

1. Leasing: service credit in the form of financial lease or contract within a term of more than 3 years, typically dealing with the government agencies, state enterprises, or large private enterprises.

2. Hire Purchase: service credit in the form of an instalment contract within a term of less than 3 years, including lease agreements with government agencies, state enterprises, or large private enterprises.

3. Factoring: The transfer of right of claims primarily through a purchase accounts receivable from a group of business operators owed by government agencies, state enterprises, or large private enterprises. The company purchases the accounts receivable at a discounted price approximately 70-95 percent of the

face value.

4. Services include:

- **Bid Bond:** credit facility in the form of a tender guarantee for individual entrepreneurs who want to bid for government agencies' and state enterprises' projects.
- **Project Backup Financing:** provides funding for the procurement and/or preparing the pre-finance products prior to delivery of products to government agencies, state enterprises, or large private enterprises.
- **Trade Finance:** provides products to a group of customer/entrepreneur who lacks of funds in the procurement process of products delivered to government agencies, state enterprises, or large private enterprises.

The company offers a full range of credit facilities, which allows entrepreneurs to perform operations starting bidding from products procuring, or lending money for procuring products. Customers can handover products the counter party. After delivering and being approved, the transaction will be financed in the form of financial leasing, hire purchase or factoring.

1.3 Revenue Structure

Type of Income	2011		2012		2013		2014	
	MB	Percent	MB	Percent	MB	Percent	MB	Percent
Interest income ¹⁾								
- Financial lease contracts	18.26	26.22	23.26	24.85	25.94	24.78	27.14	21.19
- Hire-purchase contracts	10.56	15.17	9.94	10.61	8.74	8.35	8.33	6.50
- Factoring contracts	20.25	29.08	21.81	23.30	22.13	21.15	24.08	18.80
- Loan contracts	-	-	10.11	10.80	16.74	16.00	20.41	15.94
Total interest income	49.07	70.47	65.12	69.56	73.55	70.28	79.96	62.43
Fees and service income ²⁾								
- Financial lease contracts	0.33	0.48	0.24	0.25	0.03	0.03	0.26	0.21
- Hire-purchase contracts	0.18	0.26	0.21	0.22	0.07	0.07	0.18	0.14
- Factoring contracts	6.80	9.76	4.25	4.54	4.63	4.42	8.61	6.72
- Loan contracts	-	-	8.87	9.48	11.28	10.78	14.50	11.33
- Guarantees	0.83	1.19	0.80	0.86	2.42	2.31	3.64	2.84

Type of Income	2011		2012		2013		2014	
	MB	Percent	MB	Percent	MB	Percent	MB	Percent
Total fees and service income	8.14	11.69	14.37	15.35	18.43	17.61	27.19	21.18
Other income :								
Trade Finance	7.95	11.43	8.13	8.69	5.61	5.36	6.42	5.01
Interest income	0.02	0.03	0.01	0.02	0.01	0.01	0.28	0.22
Other income ³⁾	4.45	6.38	5.99	6.38	7.05	6.74	14.21	11.10
Total other income	12.42	17.84	14.13	15.09	12.67	12.11	20.91	16.33
Total income	69.64	100.00	93.61	100.00	104.65	100.00	128.07	100.00

Remarks

- 1) Due to the fact that Bank's interest income was recorded in other types of income, Interest income in 2011 did not match the financial statements due to Bank's interest income was edited to other types of income for the sake of comparison.
- 2) Description of fee income and service
 - Leasing and Hire Purchase refers to a series of fees mentioned in the contract and transfer of right
 - Buying claims refers to the amount of fees and service charges.
 - Factorings may refer to the service fee.
- 3) Other incomes, such as interest income from late payment and Bank's interest income.

1.4 Business Goals

The company aims to be a non-financial source of alternative fund for Small and Medium Enterprises (SME) which cannot access to source of funds, encountering restrictions on collateral or duration of the business with less than 3 years, not being supported by financial institutions even through executives and staffs have good experience and skill in doing business and have potential to grow. Such businesses normally require funding outside the system (private lender) which is a barrier to succeed the company's goals and long-term objectives. On the other hand, the company considers developing a variety of financial products/services to provide total financial solutions for entrepreneurs. The goals are as follow:

(1) Be the principal operator (Non-financial institution) that provides credit support for financial lease and hire purchase contracts in order to provide equipment for teaching/learning IT to the government education sectors.

(2) Be the principal operator (no financial institutions as shareholders) that support factoring by emphasizing on buying debt reduction of government trade sector.

(3) Developing the various types of product (Tailor Made) in order to serve customers for choosing the service's options to increase the competitiveness against their competitors with respect to great revenue and increasing the sell, for example, Bid Bond, Project Backup Financing, and Trade Finance.

2. Nature of Business



2.1 Character of Products or Services

The company is engaged in the business of providing finance to customers who are entrepreneurs (or from small and medium enterprises) with limited sources of fund from financial institutions. Usually, the loan is divided into 4 categories:

2.1.1 Leasing

■ Assignment of Right of Claims – process the assignment of right of claims to receive installment from the debtors of the customer to the company. The company will give notice of the transfer of assignment of right of claims receiving installment to the debtors of the customer (government agencies, state enterprises, or large private enterprises) by transferring the absolute rights. Sales and marketing departments will take transferred right documents

The company is engaged in the business of providing finance to customers who are entrepreneurs (or from small and medium enterprises) with limited sources of fund from financial institutions. Usually, the loan is divided into 4 categories:

to the debtor to sign for acknowledgment even though debtors of customer will make installment to the company directly. However, the date for making a contract, customers must provide for post dated checks in advance according to installments. If the debtor of the customer does not pay the installment in due time, the company will give the customer's cheque for payment to the company instead. Later, if the debtor of the customer

has made a payment, the company will make a full refund of the payment to the customer immediately.

■ Without Assignment of Right of Claims - process to receive the installment from the customer directly without assignment of right of claims in receiving installment from the debtor of the customer. Customer will give the post dated cheque on the date that makes a contract. Cheque must be post dated.

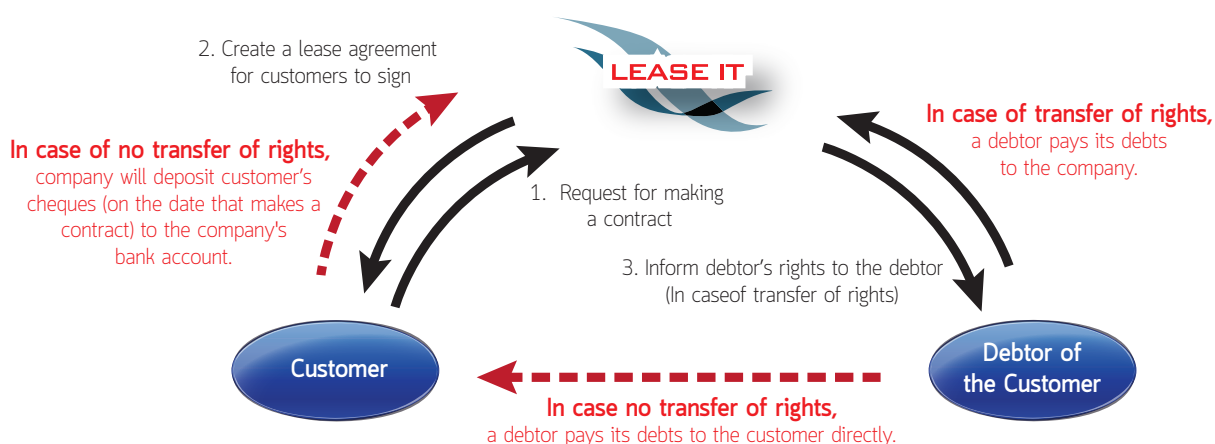
2.1.2 HirePurchase

The company provides hire purchase to entrepreneurs, who want to buy assets such as computer devices, software, IT devices, appliances, including teaching/learning equipment that has a lease agreement with the state enterprises or large private enterprises. The company will buy assets from customers and arrange hire purchase with customers. In some cases, the company may obtain the assets from the vendor (supplier) according to the needs of customers and arrange hire purchase with customers. The ownership of the assets belongs to the company. When installment is fully made, the customer will acquire ownership of the assets. The company must provide credit to customers at the rate of 70 - 100 of the product value with a fixed interest rate loan. Installment contracts provided by the company will last no more than 3 years. Installment contracts will be

made in the same manner as financial lease.

■ **Assignment of Right of Claims** - process the assignment of right of claims to receive installment from the debtors of the customer to the company. The company will give notice of the transfer of assignment of right of claims for receiving installment to the debtors of the customer (government sector, state enterprises, or large private enterprises). Customer will give the post dated cheque on the date that makes a contract. Cheque must be post dated.

■ **No assignment of claims** - process to receive the rent payment from the customer directly without assignment of claims in receiving installment payment from the debtor of the customer. Customer will give the post dated cheque on the date that makes a contract. Cheque must be dated prior to the due date of the contract.



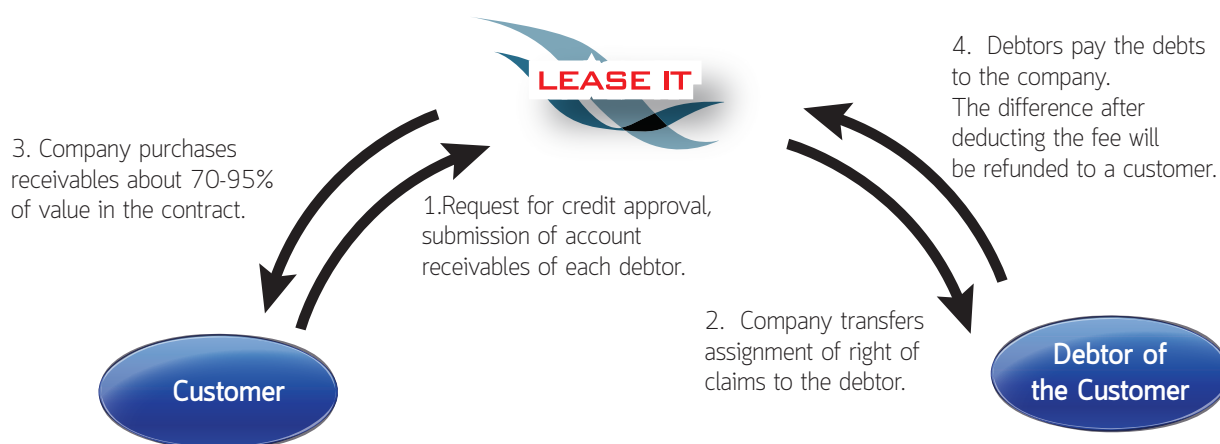
The differences between "Leasing" and "Hire Purchase" agreement

Feature	Leasing	Hire Purchase
The purpose of lease	Long-term assets, or nearly throughout its lifetime	To asset owners
Proprietary	Belong to the lessor until the end of the lease agreement At the end of the financial lease agreement, the lessee has the right to purchase the property.	Belong to the company until he or she has paid installment and vested in full compliance with the terms of the lease. The right will belong to the high purchaser.
Term loans	More than 3 years	Less than 3 years

2.1.3 Factoring

The company provides factoring (short term credit) for working capital for entrepreneurs. The company typically purchases receivables without having collateral but there is a transfer of commercial debt claims on customers to the company. Transfer of rights (with recourse) means that the company would have right to claim the customer. In case the debtor does not pay on time. The company will focus on providing service to entrepreneurs, small and medium enterprises who need cash to current operations and business of trading goods and services without complexity in the context of the accounts receivable. For example, purchasing and selling in general, commodities or maintenance services of IT equipment, general office equipment. Company usually avoids buying commercial debts by way of complex delivery terms because the goods and services

might contain complicated disputes in terms of the integrity of commercial debt (i.e., such as trade debt which results from the development of an IT system, or debt trades in the construction sector). As a result of that, the company would focus on the purchase of accounts receivable mainly from the government agencies and state enterprises including large private enterprises. In most cases, the company would purchase receivables less than 90 days all the way through the accounts receivable of approximately 70-95 percent of face value of the document. When payment is due, the company would bill the amount directly to the debtor. After deducting interest and fees, the company would refund the difference to customers. Interest rates would depend on the size of the business, financial position of customers, including the quality of the trade receivables.



Other business services

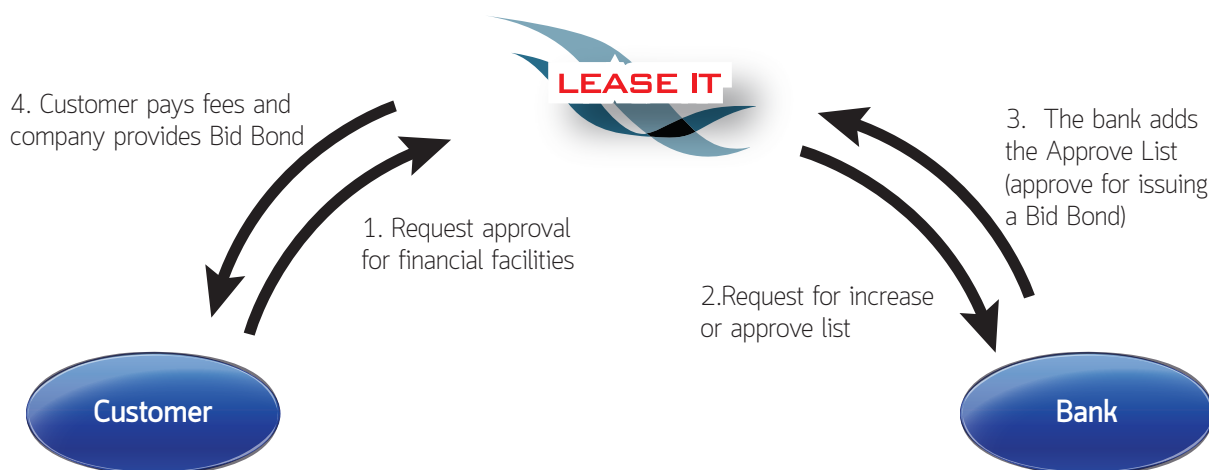
The company offers different variety of service formats in order to provide complete credit facilities. The service types of the company are more comprehensive in terms of loans in advance (Pre-Finance). It provides services mostly for an existing customer of the company with good payment record. The risk of additional service is relatively high

2.1.4 Bid Bond

The company started its business of providing Bid Bond in year 2010. The main goal was to support the issuance of a bank guarantee to those customers and operators who wish to bid in projects of the government agencies and state enterprises. The company provides loans credit in accordance with the bid bond. Customers must present a bank guarantee or

collateral returned to the company on the agreed date. The company will receive service payment in terms of

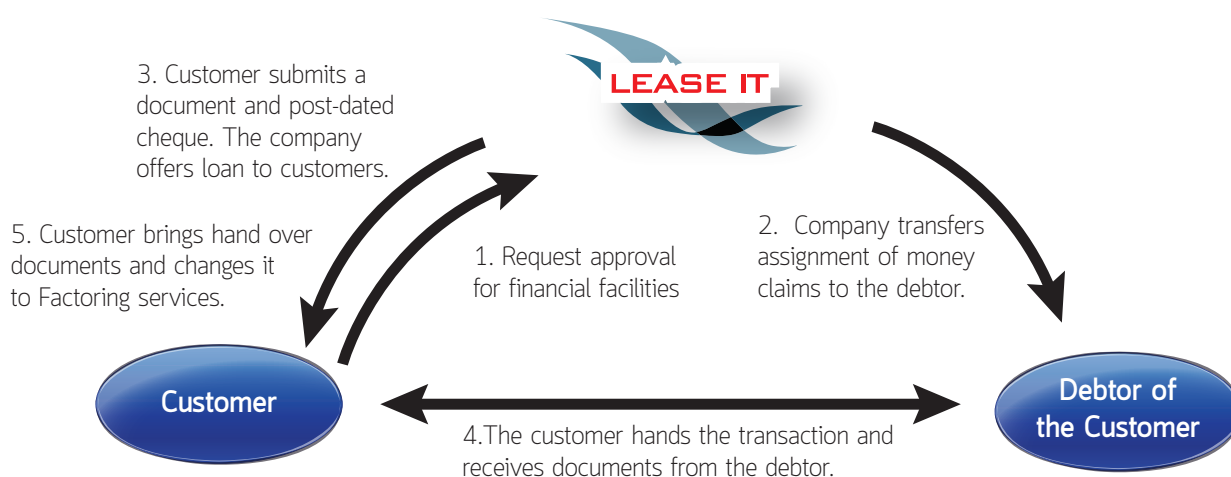
fee. The company will utilize credit facilities provided by the bank for issuing bid bond.



2.1.5 Project Backup Financing

The company provides credit to customers who need capital for the procurement of goods to be delivered to the government agencies, state enterprises, or large private enterprises. The applicants need a contract to deliver goods and services between the customer and the company's trade receivables for consideration. The loans take place in term of supporting projects for clients to supply or deliver goods and services are considered as high risk. Almost all customers have had business dealing records with the company already and have a good payment record. In order to reduce such risks of

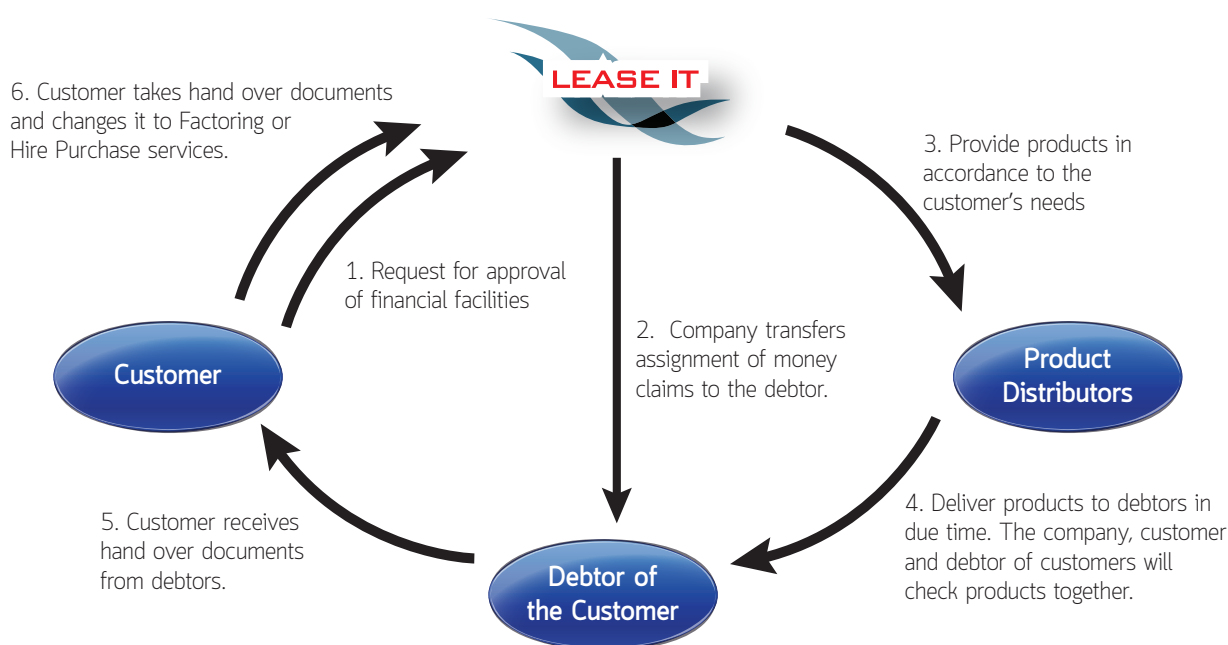
integrity, it also requires the transfer of right of claims in payment of amounts through the company. Once the customer has delivered the goods to the debtor and received the approval document. Most customers request for the factoring services with the company, their intention is primarily to make a loan payment. However, in cases the debtor of the customer has delayed in hand over of transaction, and then the customer cannot hand over documents to the company to receive factoring services within the due date. They will have to pay for the interest and penalty to the company.



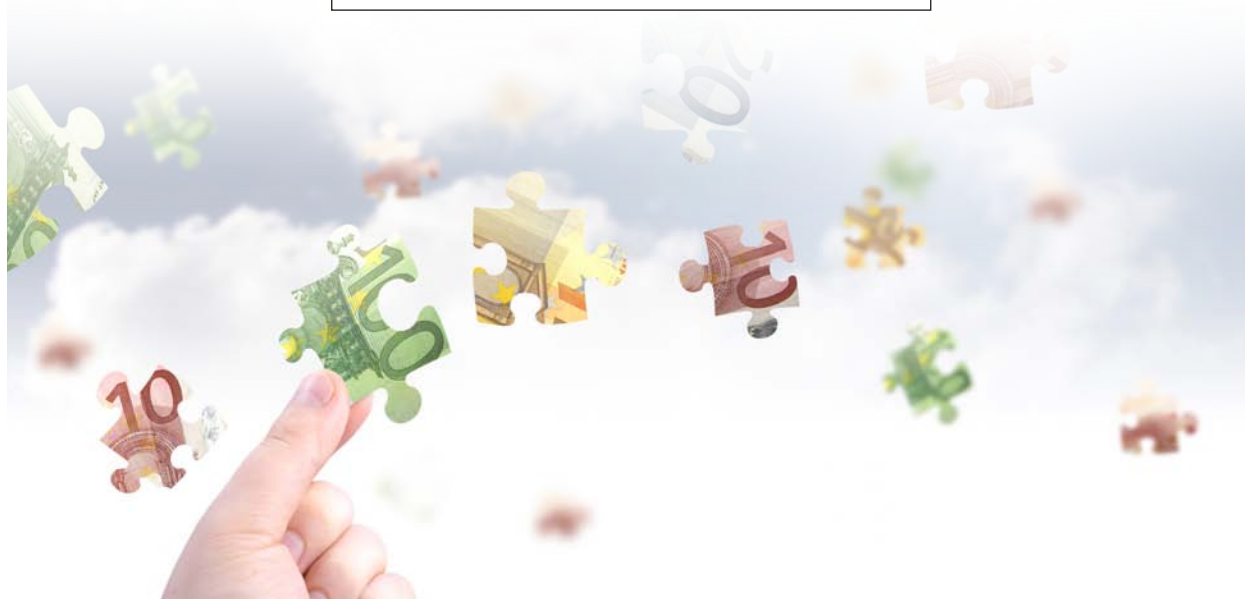
2.1.6 Trade Finance

The company arranges products for those entrepreneurs who lack of funds in order to supply the products to government agencies, state enterprises, or large private enterprises. The company aims to continue to provide products from suppliers in accordance the customer needs and take the difference between cost price and sale price (sale price minus cost price). The company will check the products together with the customer and the debtor on site. Trade finance is considered high risk; therefore, almost all customers are those customers who have previously had any business dealing records with the company already and had a good payment record in the system. To reduce such

risk, it also requires the transfer of right of claims in payment of amounts supported by the company or having a written authorization from the company. In most of the case, after the company has provided products for the customer and the customer has delivered them to the debtor and also received the approval document, the customer may request for factoring services, leasing services, or hire purchases services with the company in order to assure the repayment of such loans. However, in cases the debtor of the customer has delayed in hand over transaction, that causes the customer cannot take hand over documents to the company to receive loan within the due date. They will have to pay for the interest and penalty to the company.



3. Risk Factors



3.1 Credit Risk

The company offers credit without guarantee. Especially, in cases of leasing and hire purchase services, the credit risk depends on the quality of the account receivables, the quality of the customer, including the quality of products and services delivered by the customer to the debtor. For the factoring services, the credit risk mainly depends on the quality of the debtor. For the bid bond, project backup financing, and trade finance services, the credit risk mainly depends on the quality of the customers. The nature of the company's credit will not emphasize the importance of the collateral due to the transaction is deal with the government (debtor) thus reducing the risk to the initial level.

However, the company has credit management policies by setting rules and defining procedures to check both customers and debtors carefully before approving any types of loans. Because the company specializes in IT so that the company provides business loans for the IT business sectors. The company is able to check the quality of goods and services before granting credit to

customers. According to the policies, the company relies on the quality of customers, account receivable including products and services to be delivered. In addition, the company focuses more on transactions with account receivables relating to the government agencies or state enterprises in order to reduce risk at a certain level. In year 2012 and year 2013, the company's allowance for bad debts were 6.90 million baht and 11.40 million baht respectively, which accounted for 1.18 percent and 1.67 percent of total loans outstanding by the end of year 2012 and 2013.

3.2 Risk of Interest Rate Fluctuations

Typically, the lending interest rate is a major cost of the company that varies according to the market interest rate. It affects interest rate valuation for the customer. The change of interest rate valuation may affect the operation performance of the company.

The company has policies and risk management guidelines from interest rate fluctuations because they are a major cost of the company. In most cases, they are

short-term loans in factoring, bid bond, project backup financing, and trade finance services. The company is able to adjust the interest rates or fees based on the fluctuations in its financial costs. For the leasing and hire purchase services, the company's interest rates are fixed for customers, however, the difference between the cost of funds and interest rates will be added to compensate the risk of interest rate fluctuations in the future.

However, the company has managed to find a source of funds for a period corresponding to each loan type (Matching Source) to reduce the risk of fluctuations in interest rates by another way.

3.3 Liquidity Risk

As of December 31, 2014, the company has financial institutions that support source of investment, the total amount of 995 million Baht. Main financial amount (short-term financial amount) was 845.00 million Baht that consisted of overdraft account (O/D) and promissory note (P/N) which were at the risk of being called for repayment the money before the time due or in case of financial institutions did not renew a promissory note.

However, the company had managed the liquidity to hedge the risk by trying to allocate funding resources (Used of Fund) to comply with the sources of funds (Source of Fund) including the financing of new financial instruments which is the result of the company was listed on the Stock Exchange. Such as Bill of Exchange (B.E). This will enable the company to better manage liquidity including enhanced ability to find a source of funds for lending in the future. As of December 31, 2013, the company's ratio of debt to equity was equal to 2.59 times as at 31 December 2014. The company's ratio of debt to equity share was 1.36 times.

The company had managed the liquidity to hedge the risk by trying to allocate funding resources (Used of Fund) to comply with the sources of funds (Source of Fund)

3.4 Risk Competitive

The company has at risk to compete with financial institutions or lenders who have stakeholders being financial institutions. However, the target customer of the company is different from the target customer of other financial institution. Most of them are small and medium enterprises with limited authorized capital and collateral which they are not supported by their financial institution. Meanwhile, there might be delays in the process of financial institutions and most financial institutions did not focus on the debtor as government agencies or state enterprises because the timing of payments was not clearly identified as large private enterprises. The specific group of enterprises prefers to use the services of loan from non-financial institutions.

Most competitors of the company are non-financial institutions of loan servicing. They focus more on different types of loan services while our company provides a complete and integrated credit facilities i.e., pre-finance services such as bid bond (allow customers to conduct business from bidding), project backup financing and trade finance services (allow customers to provide products after finishing the bidding process). After that the company will provide Post-Finance services such as leasing, hire purchase, or factoring services. The important marketing strategies of

the company include a full service, quick and efficient processes, good relationship with customers, clear cut price, flexibility in lending, as well as expertise in the IT industry. Currently, government agencies, state enterprises, or large private enterprises are investing on the development of IT so that the company is able to compete with other companies effectively.

3.5 The Risk of Reliance on Personnel

Within the business model of the company, employees are the key personnel,

especially in sales and marketing, because they are the people who reach out and connect with customers. The personnel are considered an important resource in the business of the company. Therefore, the lack of personnel may affect the company's business. However, the company has set up the policy in relation to reduce the risk of loss of such personnel by focusing on the development and promotion of the proper personnel involved in the operation and growth. The company has paid compensation at market rates in order to attract very experienced and professional personnel who can work with the company for longer time. The company has allocated 4,200,000 shares of common stock to its directors and employees at IPO price. To enhance moral support and motivation for the personnel to work in the company for longer term. Furthermore, the company has a policy to develop its ability through working via a team (teamwork) rather than being attached to each individual effort or performance. This reduces the risk of dependence on an individual particularly. Accordingly, based on past records of the company, the turnover of the personnel in key positions has been very low, which reflects the loyalty of employees to the organization. This can bring great confidence toward the potential of the organization success.

3.6 Risk of Influence in the Management of Major Shareholders

As at 14 June 2013, the SVOA Limited Company (Inc.) ("SVOA") was the shareholder of the 86.21 percent of shares sold by the company. The SVOA sold 6,000,000 shares to the public. By selling those shares to the public at the same price, the allocation of the SVOA was reduced to 47.00 percent. The major shareholders have stipulated in the loan agreement in terms of legal provision and policies. They must receive the vote not less than 3 out of 4 from the shareholders who come to the meeting and have the right for voting. Due to the fact that 25 percent of the major shareholders able to have the right to oppose to resolutions. It results that the other stakeholders cannot take equilibrium the resolutions of

the major stakeholders.

However, the major shareholders are demanding the company to run the business with freedom. It is different from the SVOA's business. Although the SVOA is still a major shareholder but it is realized that this kind of business requires expertise in the administration. It will be seen that the executives of the company must have experience in financial business. Meanwhile, the company has appointed 5 independent committee members to the audit committee (from a total of 7 members). All of them have great experience in financial business or have specialized knowledge that will benefit to the company. Their duties include to advise on business operations, examining, considering, and screening in order to avoid items that might cause a conflict of interest in the future. To ensure transparency in the operations of the company, the structure of executive directors and senior managers are still the same after selling shares to increase capital of the company.

3.7 The Risk of the Conditions Set by Loan Agreement by a Financial Institution

As at 14 June 2013, the SVOA Limited Company (Inc.) ("SVOA") was the shareholder of the 86.21 percent of shares sold by the company. The SVOA sold 6,000,000 shares to the public. By selling those shares to the public at the same price, the allocation of the SVOA was reduced to 47.00 percent. The 3 financial institutions that offer loan to the company has defined the loan agreement terms and conditions that SVOA must hold the share not less than 47 percent. Although all shares held by SVOA must be banned for sale for 12 months since the date the shares were sold in the stock market. After 6 months the shares of the company were sold in the stock market, the SVOA can sell 25 percent of the banned shares and another 75 percent after 12 months. Therefore there is the potential risk of breach of the loan agreement via 3 financial institutions if SVOA sells shares held after the mentioned period. Altogether, the resulting shareholding SVOA will be less than 47 percent.

4. Stock Information, Shareholder and Dividend Policy



4.1 Securities of the Company

By 31st of December 2014, the authorized capital and paid up capital of the company was as follows:

Capital : 200,000,000 baht Paid : 200,000,000 baht
Shares : 200,000,000 shares Par value per share : 1 baht

The company listed its common shares in the Stock Exchange of Thailand on 25th March 2014.

4.2 Top 10 Major Shareholders by April 28, 2014

Major shareholders

By April 28, 2014: the shareholders of the company were as follows.

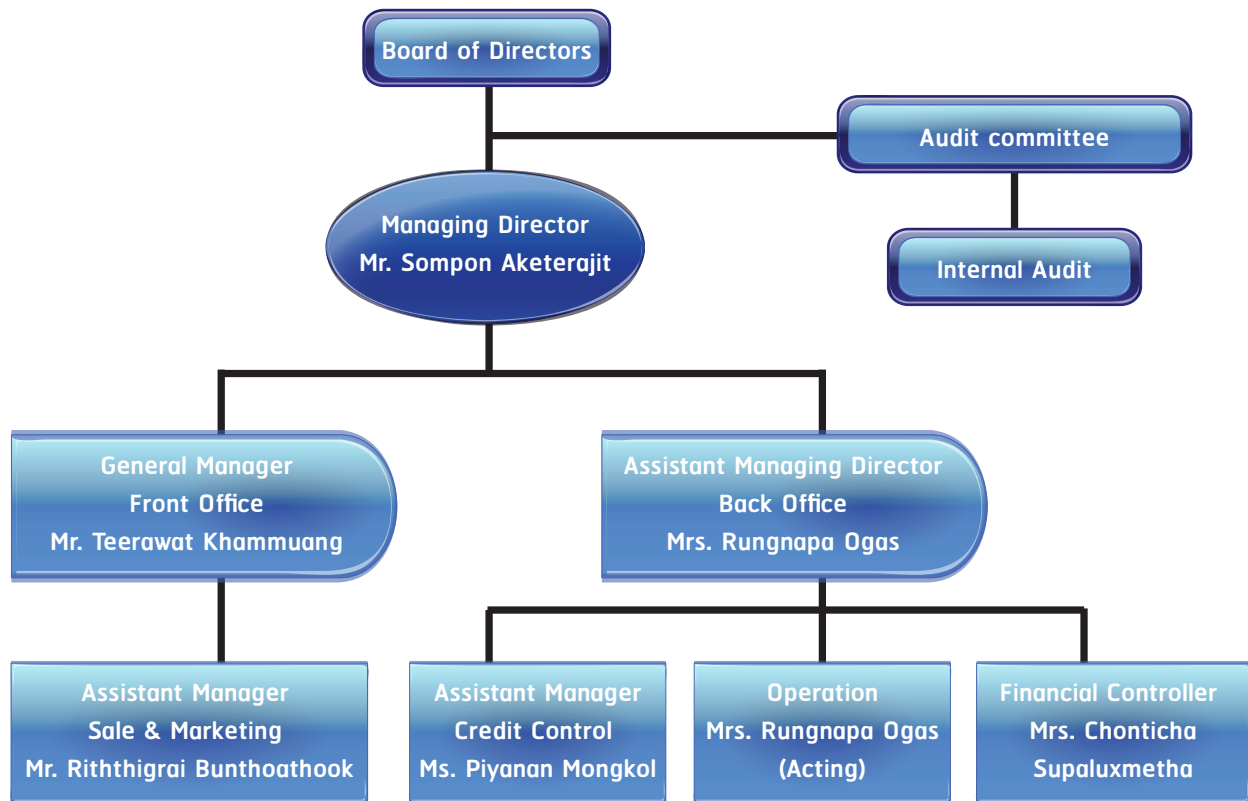
	List of Shareholders	Shares	Percent
1	SVOA Company Limited/1	93,999,965	47.00
2	Dr. Prasit Kanchanasakchai	16,000,000	8.00
3	Mr. Min Intanate	6,420,237	3.21
4	Mr. Songpol Chatchawalpun	3,000,000	1.50
5	Mr. Vivat Jitpredakorn	1,753,220	0.88
6	Mrs. Phakawadee Changvichukarn	1,600,000	0.80
7	Thai NVDR Co.,Ltd.	1,363,069	0.68
8	Mr. Suthee Thudsananukulkij	1,200,000	0.60
9	Mrs. Nitima Lukkhummul	1,163,000	0.58
10	Mr. Anirut Phrommee	1,021,000	0.51
	Other Investors	72,479,509	36.24
	Total shares	200,000,000	100.00



Dividend Policy

The Company has a policy to pay a dividend of not less than 50.00 percent of the net profit of the company after deducting corporate income tax and allotment of reserved fund according to legal each year. However, the company may pay dividends at different rates compatible with defined policies or approve the omission of the dividend payment of the company. It depends on turnover, liquidity, economy and the need of net working capital for the company's management and business expansion.

5. Management Structure



6. Board of Directors



6.1 Board of Directors

In general, the management structure of the company consists of the board of directors and a sub-committee member as the Audit Committee (Due to the company is a small organization, the Audit Committee also in charge of the remuneration committee, the

nomination committee and the corporate governance committee as well). The board of the company is made up of a group of audit executives and directors whose qualification is compatible with Section 68 of the companies' Act 2535, and Notification of the Capital Market Act. More details about the management structure of the company are demonstrated as follows:

The board of directors consists of seven persons.

Name	Position
1. Mrs. Duangphorn Sucharittanuwat	Chairman of the Board/ Chairman of the Audit Committee
2. Mr. Thienchai Srivichit	Vice Chairman
3. Mr. Sompon Aketerajit	Managing Director
4. Police General Jate Mongkolhutthi	Independent Director & Audit Committee Member
5. Mr. Prakob Visitkitjakarn	Independent Director/ Audit Committee Member
6. Mr. Suthud Khancharoensuk	Independent Director/ Audit Committee Member
7. Mrs. Nitirun Suwannaked*	Independent Director/ Audit Committee Member

Remark *A director appointed by the Board Committee Meeting on 28 April 2014.

Committee members with signing authority

Committee members with signing authority of the company are Mr. Thienchai Srivichit and Mr. Sompon Aket-erajit sign and seal of the company.

6.2 The Audit Committee

The audit committee of the company is comprised of 5 persons.

Name	Position
1. Mrs. Duangphorn Sucharittanuwat*	Chairman of the Audit Committee
2. Police General Jate Mongkolhutthi	Audit Committee Member
3. Mr. Prakob Visitkitjakarn*	Audit Committee Member
4. Mr. Suthud Khancharoensuk	Audit Committee Member
5. Mrs. Nitnirun Suwannaked	Audit Committee Member

Remark *The members must have sufficient knowledge and experience in order to serve and verify the reliability of the financial statements. Mrs. Duangphorn Sucharittanuwat is a Certified Public Accountant (CPA). She has great experience from several financial institutions such as BT Securities Company and CIMB Thai Bank Public Company Limited. Mr. Prakob Visitkitjakarn holds a Master degree in Business, Finance and Treasury. In addition, he has had enormous experience in the field of finance from Bank of Ayudhya Public Company Limited. (For more details refer to the attached document no. 1 which explains more about the executives and the authorized persons of the company).

Mr. Pattarapon Siriviboon is the secretary of the audit committee.

6.3 Nomination Committee, Remuneration Committee and Corporate Governance Committee

Due to the company is a small organization, the Audit Committee has been assigned to look after the nomination committee, remuneration committee and corporate governance committee without obtaining additional remuneration as follows:

Name	Position
1. Mrs. Duangphorn Sucharittanuwat	Chairman of the Nomination Committee, Remuneration Committee and Corporate Governance Committee
2. Police General Jate Mongkolhutthi	
3. Mr. Prakob Visitkitjakarn	Nomination Committee, Remuneration Committee and Corporate Governance Committee
4. Mr. Suthud Khancharoensuk	
5. Mrs. Nitnirun Suwannaked	

6.4 Company Secretary

Based on the board meeting on 19th December 2012 (13/2555), the board committee appointed Mrs. Rungnapa Ogas as the secretary of the company in order to comply with Section 89/15 of the Securities Exchange

Act of 2535 and amendments of Securities and Exchange Act (No. 4) BE 2551. Mrs. Rungnapa will attend the CSP program during 3rd to 4th of February 2014.



6.5 Executives

The company's executive management consists of 6 persons.

Name	Position
1. Mr. Sompon Aketerajit	Managing Director
2. Mrs. Rungnapa Ogas	Assistant Managing Director – Back Office
3. Mr. Teerawat Khammuang	Assistant Managing Director – Front Office
4. Ms. Piyanan Mongkol	Assistant Manager – Credit Control
5. Mr. Riththigrai Bunthoathook	Assistant Manager – Sales and Marketing
6. Mrs. Chonticha Supaluxmetha	Assistant Manager – Financial Controller

6.6 Remuneration of Directors and Executives

■ Monetary compensation

Remuneration Committee

Directors' remuneration for the year 2014 are detailed as below:

(Unit: Baht)

Name	Numbers in attending the meeting/Total meetings 2014	Remuneration Committee 2014
1. Mrs. Duangphorn Sucharittanuwat	12/12	1,865,000.00
2. Mr. Min Intanate*	3/12	135,000.00
3. Mr. Thienchai Srivichit	12/12	540,000.00
4. Mr. Sompon Aketerajit**	12/12	-
5. Police General Jate Mongkolhutthi	12/12	665,000.00
6. Mr. Prakob Visitkitjakarn	11/12	660,000.00
7. Mr. Suthud Khancharoensuk	11/12	660,000.00
8. Mrs. Nitnirun Suwannaked ***	8/12	440,000.00
Total		4,960,000.00

Remark

- * On 27th March 2014, Mr. Min Intanate resigned from the directorship of the company.
- ** Mr. Sompon Aketerajit (the Managing Director of the company) has expressed a desire not to receive monthly remuneration as a director because he receives a monthly salary as the managing director of the company.
- *** On 28th April 2014, a director was appointed by the Board of Directors.
- **** The Board of Directors' Meeting No. 1/2015 held on January 15, 2015, resolved to approve the proposed bonus in the amount of 400,000 Baht from the result of year 2014 to the Annual General Meeting of Shareholders No. 2/2015 on April 10, 2015. However, such bonuses are not included in remuneration for 2014 above.

Executive Compensation

In 2014, the company paid remuneration to executives as 12.97 million Baht. Such a compensation amount included salary, bonus, and any other contribution to provident fund.

Year	Number of Executives	Amount of Compensation (Baht)
2014	6	12,972,900.00

7. Governance



The company considers governance as an important mechanism leading to the efficient management transparency and accountability. Therefore, the main focus of the company is on good governance. This will help the company to build trust and confidence amongst its stakeholders, investors, shareholders and all the concerned parties. Moreover, having good corporate governance can be assumed as a tool to add value, create competitiveness, and promote sustainable growth of the company in the long term. Nevertheless, the company requires a policy of good governance. As defined by the SET, the Board of Directors had a meeting on 15th of July 2013 (3/2013) to discuss and cover 5 main categories as follows:

Section1: The Rights of Shareholders

The company recognizes the importance of fundamental rights of shareholders as the following: (a) the right to sell or transfer shares. (b) the right to receive a share of company profits. (c) the right to receive

adequate information of the company. (d) the Right to attend and vote at a meeting by the shareholders to appoint or remove directors. (e) the right to appoint an auditor and make a decision about the matters affecting the company such as dividend payments. (f) the right to determine or modify regulations and the memorandum and articles of association as well. (g) the right to reduce or increase the company's capital and so on.

Apart from the above-mentioned rights and empowerments, the company has worked on various matters in order to promote and facilitate the exercise of shareholders as the following:

1. Informing the shareholders to attend a meeting at least seven days in advance, specifying the date, time, place and agenda while handling the documents related to the matter entirety.
2. If the shareholder is unable to attend the meeting, the company allows shareholders to delegate an independent director or any other person instead. Those attending the meeting as a proxy will be informed via

invitation letter as well.

3. The company also provides registration channels at the meeting venue specifically for individual shareholders and institutional investors and also arranges the computer system for registration and vote counting to expedite the registration and vote computation process.

4. Providing opportunity for shareholders to ask questions fully and freely.

5. Eventually at the end of the meeting, the company will prepare a report with details correctly. Subsequently, that report can be verified by shareholders.

Company held the 2014 Annual General Meeting of Shareholders on 28 April 2014 at ASIC meeting room, IT Professional Tower 34th floor, Bangkok, Thailand. There were 9 directors and management attending the 2014 Annual General Meeting of shareholders.

The company engaged the Thailand Securities Depository Co.,Ltd., its registrar, to send the invitation notice to the meeting, together with the supporting documents on its website at www.leaseit.co.th at least 21 days prior to the meeting in order to facilitate the shareholders with an easy and prompt access to the information relating to the meeting

The company provided opportunities for the shareholders to submit questions relevant to the meeting agenda in advance of the 2014 Annual General Meeting of shareholders during 13 October – 31 December 2014. However, no question was submitted.

The company must state the opinion of the Board of Directors in the notice of AGM. Within period required by the SEC or Securities Exchange so that shareholder can study the information before meeting. Typically, the shareholders will receive information through the electronic email, company's official website, and newspapers according to public companies limited act. The public company limited has a policy to invite the shareholders and board of directors simultaneously including the president of committees (i.e. Audit Committee Chairman, etc). Doing this jointly clarify and respond to inquiries by the shareholders attending the meeting.

Before the meeting began, the company explained to all shareholders the criteria and the procedures for vote casting. There was also an external legal advisor who supervised the meeting and the voting process to ensure that they were conducted in accordance with applicable laws and the Articles of Association of the Company. At the meeting, the chairman of the meeting provided opportunities for the shareholders to express their opinions and to make inquiries relevant to the company and the meeting agenda.

On the next day after the conclusion of the meeting, the company informed the resolution of each agenda of the 2014 Annual General Meeting of shareholders by indicating the votes as "approved", "disapproved" or "abstained from voting" to the Stock Exchange of Thailand including the company's website.

Section2: The Equitable Treatment of Shareholders

The Board of Directors places importance on fair and equitable treatment to all shareholders; including both shareholder executive and non-executive shareholders. No matter shareholders are Thai or foreigner. Similarly, doesn't matter shareholders are in majority or minority. The following actions have been implemented:

The company has a policy to protect the rights of all shareholders. At the Annual General Meeting of shareholders, the chairman of the meeting conducted the meeting in accordance with the agenda as set forth in the invitation notice to the meeting. No agenda was added without prior notification to the shareholders. All shareholders were entitled to vote base on the amount of shares held by each shareholder whereby one share was equal to one vote.

During 13 October – 31 December 2014, the Company provided opportunities for the shareholders to propose matters that they considered necessary for inclusion in the agenda of the 2015 Annual General Meeting of Shareholders and to nominate candidates for election as directors. The Company also posted the criteria and procedures in relation thereto in the form of a newsletter to the Stock Exchange of Thailand and on its website at

www.leaseit.co.th. However, no shareholders proposed matters for inclusion in the agenda of the meeting nor nominated any candidates for election as directors.

The shareholders who could not attend the meeting in person were entitled to appoint an independent director of the company or any other person to attend the meeting and vote on their behalf. The company prepared proxy forms as prescribed by the Ministry of Commerce, whereby the shareholders may give their proxies voting instruction. The proxy forms were delivered to the shareholders together with the invitation notice to the meeting. Additionally, the shareholders could download the proxy forms from the company's website at www.leaseit.co.th

The meeting will be in accordance with the regulations of the company. The details of the agenda will be informed via the invitation letter entirely. Nevertheless, some unnecessary details about the agenda not added in notification letter of shareholders. The agenda itself is important due to the fact that shareholders have to take time to study it before making any decision whether attend or not. Therefore, the Board has used some measures in order to prevent the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992.

The company prepared the minutes of the Annual General Meeting of shareholders, and posted the minutes of the meeting on the company's website at www.leaseit.co.th

The company has a policy in the involved

transaction is deemed to be approved by shareholders in accordance with the requirements of the Stock Exchange of Thailand prior to the transaction. The Company will disclose the name and the relationship of the related parties, pricing, the value, including the comment of the Board of Directors on the transaction for shareholders to be clear in the Annual General Meeting.

Company prohibits the transaction in a manner that provides financial assistance such as lending and credit guarantees

The Company has transactions with affiliated company which was done at a fair and at arm's length.

Section 3: The Role of Stakeholders

a) The rights of stakeholders

The company realizes the rights of all groups of stakeholders, whether inside or outside the company, and has undertaken to ensure that such rights are well protected and treated, in order to create good understanding and co-operation between the company and its stakeholders, which will be advantageous to the operation of the company, create confidence and stability for the company and its stakeholder and increase the ability of the company to complete in the long term as the following:

1. Rights of Employees: The main focus of the company is on the personnel selection. The company seeks to hire those kinds of employees who are appropriate to the position having the relevant experience compatible with the nature of the company. The company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the company. Accordingly, the company aspires to increase the potential of its employees throughout their career path by improving skills, knowledge and aptitude of its employees, as well as providing every employee with an opportunity to improve its career path on an equitable basis and offering incentives in remuneration so as to be reasonable compared with other leading companies in market as well as the quality of life for all employees equally. The company has a policy to

pay compensation in accordance with the results of operations of the company in the short term, including the ability to make a profit each year in the form of incentives and bonus. The company used the form of performance measures based on the Balanced Scorecard by using Key Performance Indicators (KPIs) as a tool to assist in the management strategy into action. By measurement or evaluation that helps organizations achieve consistency in unison. And focus on the things that are important to the success of the organization. In addition, the company is in the process of studying the EJP to employees savings and investment returns over the long term and participate in the ownership of the company.

The company places importance on the welfare and safety of its employees. The company provides fundamental welfare and benefits as required by law, such as working hours, holidays, annual leaves, and any other types of leave, as well as social security, compensation fund and provident fund, and constantly communicates all benefits to its employees. In addition to those as prescribed by law, the company also provides other welfare to its employees, such as health insurance, which covers outpatient and inpatient treatment, life insurance, personal accident insurance, annual health check-up, as well as providing healthcare measure, such as communication of preventive measures for epidemics and provision of protective masks and alcohol-based hand gel for its employees and visitors. In addition, the company also provides financial aid to its employees in various cases, such as wedding, childbirth, ordination, death of close relatives and natural disasters, etc.

2. Rights of Business Partners:

The Company treats its business partners based on trade agreements which specify conditions and guidelines to practice everything clearly and fairly. Moreover, the agreement cooperate the involved

partners in such a way that brings benefit for two parties.

2.1. Customers: Company provides a very transparent policy and practical guidance to customers acknowledging the fair conditions toward customer service, as well as assisting and advising clients with courtesy while listening to their problems (and finally providing solutions to customers) without revealing on the clients' personal information.

2.2 Creditors: Company aspires to maintain sustainable relationship with its creditors. The company has a policy to treat its creditors equitably and fairly by providing correct, transparent and verifiable information to its creditors, and to strictly honour the terms and conditions of the contracts it has with its creditors whether in relation to the repayment of principal, interest and fees, maintenance of financial ratio or other conditions, etc. The company will immediately inform its creditors in case the company fails to comply with any condition in order to jointly find solutions. In the past year, the company had no event of default obligation.

3. Competitors: Though there are many competitors in the market, the company is committed to operate in such a way compatible with morality, ethics and high standard of service. Similarly, the rivals of the company are considered and treated based on the moral and ethical issues. The first priority of the company is to treat competitors with tightening a mutual understanding

and cooperation between providing financial and quality standards to customers as well.

4. Society, communities and the environment: The Board of director has a policy to focus on the practical conduct with regard to their responsibilities to society and the nation. The company offered various types of activities with co-operation from several public and private organizations to support community, society and environment can be found under Section "Social Responsibility".

The Company treats its business partners based on trade agreements which specify conditions and guidelines to practice everything clearly and fairly

The Board of Directors has adopted a policy on the environment and promote the efficient use of resources. The company has set guidelines that can be implemented within the company such as energy saving, water saving, Recycle paper, a campaign of the waste, including waste water treatment prior to discharge into the sewer.

In addition, the Board of directors of the company encourages employee education and training with regard to environment matters. The company has a policy to protect the environment which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. The company has continuously taken actions to reduce environmental impact and control activities that may have environmental impact, including management of waste from the company's operation.

b) International Human Rights Principles

The company supports internationally declared human rights which include declarations and treaties of the United Nations on human rights. Directors, executives and employees of the company and other persons acting on behalf of the company shall respect personal dignity, privacy and individual rights of each person they are in contact with in the course of their duties, and shall not take any action which results in or supports the violation of any human rights as prescribed in the code of conduct "Corporate Ethics-Good Governance of the company".

c) Anti-corruption and Bribery Policy

The Board of directors is determined to reject all kinds of corruptions and bribes in every level, whether in the transactions with government sector or private sectors. The company has developed the anti-corruption policy in year 2014, and make a procedure document to prevent and monitor the risk of fraud.

The company supports internationally declared human rights which include declarations and treaties of the United Nations on human rights

The code of conduct imposes restriction on directors, executives, employees and other persons acting on behalf of the company in engaging in giving or receiving illegal or inappropriate gifts, whether in cash or in kind, in order to achieve business advantages or relationship with business partners, and requires for a risk assessment in relation to such anti-corruption regularly. The directors, executives and all employees are obliged to report the breach of such anti-corruption policy. In this regard, the company has arranged appropriate protection measures for the reporters. Each year, the company has arranged trainings for employees who are interested in, or working in relevant departments, to acknowledge the importance of, and have understanding on, the anti-corruption policy and procedures, as well as the risk assessment on corruption actions. The company makes an assessment on the overall compliance with the anti-corruption policy at the end of each year.

d) Measures on Whistleblowing and Protection for Whistle blowers

The company has set up a communication channel through its website at www.leaseit.co.th to provide opportunities for shareholders and interested persons to opine or complain directly to the Board of directors of the company in case there is an unfair treatment or a

trouble arising from the action of the company. Furthermore, all employees must report an event or a behavior which is unlawful or suspected to be unlawful or violates the good governance of the company or any rules or laws to their supervisors. The company has also provided a channel for employees to consult or report directly to the assistant managing director upon becoming aware of or suspecting any conduct which is unlawful or violates the policy and has or may have impact on

employees, other interested persons and the company. And will be assigned to the Internal Audit team to examine facts, summarise details of such event to report to the Audit Committee for consideration and recommendation to take remedial or legal action towards such offence. The information of the whistle blower and other details received by the Internal Audit team will be kept confidential for the confidence of the whistle blower or employees.

Section4: Disclosure of Information and Transparency

One of the major concerns of the board of directors is to establish a very complete and accurate disclosure in transparency of the financial reporting, as well as providing general compliance with the rules of the Securities and Exchange Commission. Financial reports include important information that may affect the price and securities of the company, which eventually affects the decision making process of the related investors. The Company decided to distribute the company's information (equally and transparently) to shareholders and public via the media disclosure and the company's website at www.leaseit.co.th. The company also holds an analyst briefing in each quarter to announce its quarterly operating results to shareholders, investor, analysts, fund managers, and other interested persons. The analyst briefing is attended by the management of the company who will clarify and answer inquiries raised by attending persons.

Board of directors was well aware of the crucial responsibility towards the financial statements, therefore their main emphasis was to provide accurate and complete information which are true and reasonable. Accordingly, the financial statements of the company were prepared in accordance with generally accepted accounting standards. By choosing the appropriate accounting policies and practices regularly (and implementing cautious discretions including adequate disclosure in the financial statements notes), the Board has managed to establish and maintain an effective internal control system in the financial office. All these

transitions, let the company to ensure reasonably that the accounting records are maintained properly (with accurate, complete, and sufficient information) leading to identify weaknesses and flaws in order to prevent fraud or abnormal operation significantly. The appointed audit committee consisted of non-executive directors to serve on the audit of financial reports. Finally, the audit committee will report transactions and internal audits to the Board of Directors in terms of reports and surveys.

The company has established an investor relations department to efficiently and regularly communicate with its shareholders and general investors, to ensure that significant information is disclosed accurately, promptly and transparently. Any interested person can obtain the company's information from the Investor Relations Section at telephone number +6626863229 or email address IR@leaseit.co.th. Nevertheless, the investor relation section of the company has not been established so far, due to the fact that activities of the specialized agencies are still not much to be considered for investigation. Instead, it is the Chief Executive Officer and Assistant Accounting Manager that acts as a direct information provider in regard to shareholders, analysis and agencies.

Section5: Responsibilities of the Board of Directors

1. Structure of the Board

At present, the structure of the Board of Directors is comprised of independent directors, more than one in three of the committee. The company currently has a total of 7 persons consisting of 1 executive directors and 6 non-executive director including 5 audit committees. The Board of Directors appoints the audit committee in order to assist in the governance of the Company. The Audit committee has rights and duties to acknowledge and investigate the authority of other sections. At least one of the audit committee members must have knowledge and experience in accounting sufficient to verify the reliability of the financial statements of the company. There is no director holding more than five directorship positions in publicly listed companies and no executive director holding more than two directorship positions in publicly

listed companies. The Chief Executive Office has work experience in the business of the company.

The company has an independency policy that a chairman and the president will not be the same person in order to prevent any arbitrary of one subject in voting process. Therefore, the scope of authority of each position is clearly defined in the operation model of the Company. Board of Directors is supposed to be determined based on the elements of authority, and all the other directors also are appointed in the same way. The Chairman has been elected by the directors of the company and acts as the chairman of the meeting. The chairman has the responsibility to ensure that the meetings of the Board of Directors of the company proceed in accordance with the agenda, encourage all directors to participate in the meeting (such as asking questions or making observation notes), give advice and recommendation to the Management and support the business operation of the company. However, the Chairman will not interfere with the work of the Management of the company.

The Board of Directors of the company is composed of directors who possess of directors who possess qualifications, knowledge, expertise and experiences in various areas, including finance and accounting, business administration, law and telecommunications business. The independent directors possess higher qualifications than those required by the Securities and Exchange Commission and The Stock Exchange of Thailand, details of which can be found under section "Corporate Governance – Independent Directors".

The managing director or chief executive of the company, not as an employee or partner of the external auditors since the company was established.

Similarly, the Board of Directors is supposed to appoint the duties and responsibilities of the company's secretary under the Act of Securities and Exchange.

2. Role, Duties and Responsibilities of the Board of Directors

The company assigns the duties to the Board to

follow the Code of Best Practices according to guidelines provided by the Stock Exchange of Thailand. The Board of Directors of the company approves the vision, missions, strategies, business direction and operational policy, business plan and annual budget of the company, and directs the management to perform in compliance with the established policies and business plans in accordance with applicable laws, objectives and Articles of Association of the company, and resolutions of the Board of Directors' and shareholders' meetings, taking into account the utmost benefits of the company and the stakeholders, in order to build sustainable growth of the company and increase long-term value for the shareholders. The Board of Directors will review and approve the vision, mission, strategies, business direction and operational policy on an annual basis in order to adapt to the changing situation and business conditions. The Board of Director necessarily must understand and be aware of their assigned roles as well as responsibilities. Similarly, the Board must act according to objectives, laws and regulations of the company. They have to handle the decisions (made in shareholders' meetings) with integrity and take it into account all the interests of the company and major shareholders.

Policy on conflicts of interest

The company has taken some measures in order to prevent the conflicts of the interests that may arise (within the transaction process) of the company and those persons who may create inconsistency. Due to the fact that the stakeholders in any subject will not be able to take part in the transaction, therefore it is the Board of Directors to oversee whether the company complies with the laws and regulations of the Securities and Exchange Commission announcements (as well as requirements of the Capital Market Supervisory Board and Exchange) or not. In addition, the Board of Directors have to monitor all the disclosure requirements relating to the transactions (and acquisition or disposition of assets) of the company. Their job is to strictly investigate the compliance (of transactions and assets) with the accounting standards

set by the Association of Accountants.

In addition, the company may assign the Audit Committee or independent experts to examine and comment on the appropriateness of the price strategies as well as reasonableness of the transactions. The results of the investigations will be disclosed in the form of financial statement notes in Annual Report Form (Form 56-1) and annual reports (Form 56-2). These forms have been audited or reviewed by the auditors of the company.

Internal control

The company focuses more on the importance of internal control system for both management and operational levels, and it has the power to determine the scope and authority of the internal processes. Implementation of such control properly will benefit the company the most. Some of the benefits of the internal control includes: the separation of the approved responsibilities, recording transactions and data information, and storing and evaluating the assets separately. To achieve a balance between the validity and integrity of the system, financial department of the company provides financial reports to the managing director in charge. On the other hand, the Internal Audit Department is responsible for monitoring the internal control system, as well as providing reports directly to the audit committee.

The company is aimed to target all the business operations clearly in terms of measurable operational tasks. To do this, management level compares the actual performance (of the sections) with the defined goals on a monthly basis. Moreover, there will be an assessment of the risk factors, both externally and internally, within the operational tasks. The company also determines, analyzes, and tracks all the risk factors including measures to reduce risk as well. Sometimes the company may hire and assign the relevant agencies to identify the risks by making progress reports to the Board at the end.

The Board of Directors conducts an evaluation on the performance of the Board of Directors and an individual director self-assessment on an annual basis in order to provide an opportunity for each directors to express his or

her view on the performance of the Board of Directors as a whole and to consider and review the results, problems and obstacles on its performance over the previous year.

The Board of Directors holds a Board of Directors' meeting without the presence of the executive director or member of the management at least once a year. The meeting provides the directors with the opportunity to review the performance of the Board of Director, the management and the company as well as to consider and discuss management issues or other issues which are of the interest of the Board of Directors. The resolutions of the meeting would be notified to the Chief Executive Officer for acknowledgement and consideration for further improvement. In 2014, the Board Directors held one meeting without the presence of the executive director and the management.

3. Meeting of the Board

A meeting of the Board of Directors of the company is held at least once for every quarter. The company informs the directors of the dates and time of the meetings in advance every year so that the directors can manage their schedule to attend the meetings accordingly. There are clear agendas for each meeting. The company sends the meeting invitation, together with the supporting documents, to the directors at least five days in advance to allow the directors having sufficient time to study the information prior to the meeting. The senior management of the company will join the meeting in order to clarify and answer the Board of Directors' queries. The chairman will allow every director to express his/her opinion before proceeding with the vote and concluding a resolution of the meeting in each agenda. In addition, the company has a policy that requires a minimum number of quorum at the time of the commission will vote on all must be present for at least 2 out of 3 of its members. The company records the minutes of the meetings in writing and kept the originals with the meeting invitation notices and the relevant supporting documents and are also maintained to facilitate the directors and relevant persons for the purpose of examination.

In years 2014, the company held twelve Board of Directors' meeting; the attendance of each director is as follows:

List of Committee Names	Position	Numbers inattending the meeting/Total meetings 2014
1. Mrs. Duangphorn Sucharittanuwat*	Chairman of board, Independent director, Chairman of Audit Committee	12/12
2. Mr. ThienchaiSrivichit**	Vice Chairman	12/12
3. Mr. SomponAketerajit	Managing Director	12/12
4. Police General Jate Mongkolhutthi	Independent director & Audit committee	12/12
5. Mr. PrakobVisitkitjakarn	Independent director & Audit committee	11/12
6. Mr. SuthudKhancharoensuk	Independent director & Audit committee	11/12
7. Mrs. NitnirunSuwannaked***	Independent director & Audit committee	8/12
8. Mr. Min Intanate*	Director	3/12

Remarks * On 27thMarch 2014, Mr.MinIntanateresigned from the directorship of the company.

**On 28thApril2014, a Vice Chairman was appointed by the Board of Directors.

***On 28thApril 2014, a director was appointed by the Board of Directors.

Audit Committee

The Audit Committee consists of five independent directors and is responsible for reviewing the financial reporting process of the company, the internal control system and internal audit system, compliance with laws relating to the business of the company, considering and selecting the company's auditors and reviewing connected transactions, transactions of interested persons or transactions which may give rise to conflicts of interest, etc.

In carrying out its duty on the selection of the auditors of the company, the Audit Committee will consider the selection of auditors pursuant to the company's assessment criteria, which consist of the auditors' experience,

performance, understanding of the financial business and expertise on auditing, as well as their independence in performing their works during the past year, in order to propose the appointment of the auditors to the Board of Directors and the shareholders' meeting for consideration. At the 2014 Annual General Meeting of shareholders, which was held on 28 April 2014, Ms.SiriwanSurataepin, certified public accountant No.4604, Ms.RatanaJala, certified public accountant No.3734, Ms.RachadaYongsawadvanich, certified public accountant No.4951, all from EY Office Limited were appointed as the auditors of the company.

A meeting of the Audit Committee is held approximately once a quarter, In 2014, the company held 4 Audit Committee meetings as the follows;

List of Audit Committee Names	Position	Numbers inattending the meeting/Total meetings 2014
1. Mrs. Duangphorn Sucharittanuwat*	Chairman of Audit Committee	4/4
2. Police General Jate Mongkolhutthi	Audit committee	4/4
3. Mr. Prakob Visitkitjakarn	Audit committee	4/4
4. Mr. Suthud Khancharoensuk	Audit committee	4/4
5. Mrs. Nitirun Suwannaked*	Audit committee	4/4

Remark: *On 28th April 2014, audit committee was appointed by the Board of Directors.

Remuneration Committee

The Remuneration Committee of the company consists of five independent directors. The remuneration committee is responsible for considering and giving recommendation on remuneration of the chairman and other directors, considering and approving remuneration of the Chief Executive Officer and considering the correctness and appropriateness of the remuneration policy, etc.

Remuneration of Directors and Executives

The company has determined remuneration for the directors and executives at an appropriate level, which is

sufficient to retain competent directors and executives. While it avoids paying excessive remuneration, it remains the rate at the level comparable to companies in the same group of industry. Factors to be considered include experience, obligations, appraisal and scope of roles and responsibilities. The remuneration payment of the directors must be approved by the company's shareholders. For remuneration of executives, it will be in accordance with principles and policies as determined by the Company's Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each executive, and operational performance of the company.

At the 2014 Annual General Meeting of shareholders, the meeting approved the remuneration of the Board of Directors and the subcommittees as follows;

Position	Monthly Allowance	Meeting Allowance
Chairman of Director	130,000.-	5,000.-
Chairman of the Audit Committee	20,000.-	5,000.-
Director & Independent Director	40,000.-	5,000.-
Audit Committee	10,000.-	5,000.-

In determining the remuneration of the Chief Executive Office, the Remuneration Committee will consider the performance of the Chief Executive Officer during the previous year pursuant to the specified key performance indicators (KPIs), each of which has

different weighted scores. Also in 2015, the company is prepared to grant to management to buy securities. This is a rather long-term incentive compensation that is consistent with the company's portfolio and benefits given to shareholders.

Nomination Committee

The Nomination Committee of the company consists of 5 independent directors. The nomination committee is responsible for selection of qualified candidates to be nominated for election as directors of the company and its key subsidiaries. Additionally, the nomination committee has considered and nominated a qualified candidate for appointment as the Chief Executive Officer of the company to the Annual General Meeting.

Corporate Governance Committee

The Corporate Governance Committee consists of five independent directors. The Corporate Governance Committee is responsible for developing and promoting a good corporate governance so as to be in compliance with the international standard and acceptable to shareholders, investors, regulators, and other stakeholders.

4. Development of Directors and Executives

Board of Directors has set a policy to promote and facilitate the training and education of the personnel involved in the governance of the company, including the committee, audit committee, management and the company's secretary. The main objective of the company was to provide continuous operational improvements by means of courses taught in Thai Institute of Directors Association: IOD.

5. Monitoring the Use of Internal information

1. The directors, management and employees of the company are prohibited to reveal the confidential and/ or private data about the company. The reason is to stop the personnel to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly and whether they received benefits or not.

2. The directors, management, employees, spouse, and children of the staff of the company are prohibited to

use some internal data (not publish to the public yet) because it may affect the price of the securities of the company. Knowing such kind of information has potential risk to let the people take advantage of buying, selling, offering, or persuading other to do business with the securities of the company, whether directly or indirectly, or whether such action is done for the benefit of themselves or others, or to allow others to do so by their benefits. Obviously, the risk is only when the data have been made public yet. Any violation of such terms will be punished by disciplinary measures of the company.

3. The company has informed the executives about the securities report of the company and also identified to their spouses and underage children. More details about the conditions and possibilities of violation of the personal/sensitive information are discussed in Section 59 of the Securities and Exchange Commission.

4. The Company has defined the rules in not allowing the board, committee, employees, spouse and children of staffs sell or buy securities during the period of 1 month prior to the public disclosure of financial statements. The Company will inform the executive officers and employees of the company to know about the above requirements

6. Personnel

Labor dispute

- NON

Number of employees by 31st of December 2014 in the company (exclude team management 6 persons) is detailed as below:

Department	Number of Employees
1. Sales and Marketing	7
2. Accounting and Service	2
3. Credit	1
4. Operation	10
5. Internal Audit	1
Total	21

8. Director & Executive Management Profile

Mrs.Duangphorn Sucharittanuwat (63 years)

Chairman of the Board and Chairman of the Audit Committee

Qualifications

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University ZSecond Class Honors)
- Certified public Accountant
- Director Certification Program (DCP) (8/2001)
- Refresher Course DCP (DCP) (3/2006)
- Role of the Chairman Program (RCP) (19/2008)
- Audit Committee Program (ACP) (38/2012)
- Director Certification Program Update2 (DCPU2/2014) -IOD



Shareholding*

-none-

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2013-Present	Chairman of the Board and Chairman of the Audit Committee, LEASEIT PCL. <i>Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
2013-Present	Audit Committee I.C.C. INTERNATIONAL PCL.
2014-Present	Director, The Foundation of The 50th Anniversary Mahavajiralongkorn Hospital <i>Selling cosmetics and fashion items, ladies costumes gents costumes and children, Food and household equipment.</i>
2010-Present	Director, World Buddhism Television (WBTV)
2006-Present	President/Consultant, The Foundation of substance, battle robots
2005-Present	The Energy Committee, The Thai Chamber of Commerce
1997-Present	Director and Treasurer, Thailand Management Association
2012-2013	Director and Treasurer, Srisangwan school for the disabled Foundation <i>Promote and accelerate industrial development of the developing countries, especially.</i>
2011-2012	Director, United Nations Industrial Development Organization (UNIDO)
2002-2012	Senior Executive Vice President, CIMB Thai PCL. <i>Commercial Banks</i>
2001-2011	Chairman of the Board, CIMB-Principal Asset Management Company Limited

Mr.Thienchai Srivichit (82 years)

Director (Authorized Director to be tied to the company)

Qualifications

- The Institute of Chartered Accountants in England & Wales, London
- Director Accreditation Program (DAP) (36/2005)
- Role of the Chairman Program (RCP) (18/2008)
- Chairman Forum (R-CF) 1/2012

Shareholding*

300,000 Share



Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2006-Present	Director, LEASE IT PCL. <i>Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
1997-Present	Director, IT CITY PCL <i>Sells office equipment/telecommunication services.</i>
1993-Present	Chairman of the Board, SVOA PCL. As a supplier of computers and peripherals.

Mr.Sompon Aketerajit (53 years)

Chief Executive Officer and Director

Qualifications

- Master of Science in Accounting, Thammasat University
- BA, Accounting (Costing), Chulalongkorn University
- Director Accreditation Program (DAP) (15/2004)

Shareholding*

1,571,332 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2006-Present	Chief Executive Officer and Director, LEASE IT PCL. <i>Lease/loan service, hire-purchase and transfer of credit claims as well as with other financial services such as loans guarantee supply, project loans and services supply.</i>
2007-2012	Chief Executive Officer, SVOA PCL <i>As a supplier of computers and peripherals.</i>
2007-2012	Chairman of the Board, Asys Computer Co.,Ltd <i>Sales of Computer parts and related accessories.</i>



Police Lieutenant General Jate Mongkolhutti (62 years)

Independent Director & Audit Committee

Qualifications

- Master's degree, Faculty of law, Chulalongkorn University
- Director Accreditation Program (DAP) (8/2004)
- Audit Committee Program (ACP) (14/2006)
- Finance for Non-Finance Directors (FND) (30/2006)
- Directors Certification Program (DCP)(117/2009)



Shareholding*

150,000 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2012-Present	Audit Committee, LEASE IT PCL. <i>Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
1999-Present	Audit Committee, Sino-Thai Engineering & Construction PCL. <i>Engaged in the business of construction work of all kinds is divided into 2 major categories: civil and mechanical work.</i>
1999-Present	Audit Committee, STP & I PCL. <i>Business Fabrication, assembly and pipe welding, assembly factories. And other steel products processing.</i>
2013-Present	Independent Director & Audit Committee, Southeast Insurance PCL. <i>Insurance</i>
2013-Present	Independent Director & Audit Committee, Southeast Life Insurance PCL. <i>Life Insurance</i>
2013-Present	Consultant, SVOA PCL. <i>As a supplier of computers and peripherals</i>
2011-Present	Advisor to the Board, National Credit Bureau (NCB) <i>Data provider credits.</i>

Mr. Prakob Visitkitjakarn (75 years)**Independent Director & Audit Committee****Qualifications**

- Master of Business Administration (Finance), Indiana University, USA
- Chartered Director Class (R-CDC) (3/2008)
- Directors Certification Program (DCP)(33/2003)
- Role of the Chairman Program (RCP) (5/2001)
- Monitoring Fraud Risk Management (MFM) (1/2009)
- Monitoring of the Quality of Financial Reporting (MFR) (8/2009)
- Audit Committee Program (ACP) (27/2009)

**Shareholding***

80,000 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2012-Present	Audit Committee, LEASE IT PCL. <i>Leasing, Hire Purchas, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
2009-Present	Chairman of Audit Committee, ARIP PCL. <i>Print Media Business, Exposition, Trade Fair, Event and Seminar Organizing Business, The Business of Digital and Other Media</i>
1997-Present	Chairman of Audit Committee, Sri Trang Agro-Industrial PCL. <i>Manufacturer and Exporter of Rubber</i>
1999-2011	Chairman of Audit Committee, Siam City Cement PCL. <i>Manufacturer of Cement Products</i>

Mr.Suthud Khancharoensuk (56 years)

Independent Director & Audit Committee

Qualifications

- Master of Business Administration, Thammasat University
- Director Accreditation Program (DAP) (15/2004)

Shareholding*

1,350,000 Share

Kin Relationship with the Executive Management

-none-



Working Experience for the last 5 Years

2013-Present	Audit Committee, LEASE IT PCL. <i>Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
1996-Present	Director, RPCG PCL. <i>Petro Chemical Products</i>
1991-Present	Director, Petro Instruments Co.,Ltd. <i>Import and Repair of electronics equipment, tools and machinery.</i>

MRS.Nitnirun Suwangate (62 years)**Audit Committee****Qualifications**

- Master of Economics, Long Island University, NY, USA.
- Bachelor of Economics, Chiangmai University, Thailand
- The High-Level Government Executives Training Course1, Group 40, Office of the Civil Service Commission

**Shareholding***

-

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2014-Present	Independent Directors & Audit Committee Member, LEASE IT PCL <i>Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
2009–Present	Adviser, Foundation for Thai Entrepreneurship Development <i>Research study for SMEs Policies. To assist SMEs. in management and marketing for both domestic and international market.</i>
2004 – 2009	Deputy Director General, The Office of SMEs Promoting Ministry of Industry <i>To formulate SMES promotion's policies, plans and action. Support and develop SMEs promotion system. Integrate all SMEs Promotion works to be in line with the master and action Plan. Develop SMEs database and administering SMEs promotion.</i>
2001 – 2004	Chief, Office of the Minister of Industry, Ministry of Industry <i>Facilitating and coordinating matters assigned by the Ministers, Assisting the Ministers in political matters, including coordinating with the parliament and responding to public enquiries. Handling the Minister appointments, clarifying petitions and public inquiries,</i>
2001 – 2009	Investment Policy committee, SMEs Venture Capital Fund, Ministry of Industry and Ministry of Finance <i>Provident an alternative source of fund in term of equity financing besides the current debt financing from financial institutions.</i>
2002	Subcommittee in the corporate debt Restructuring advisory subcommittee, Thai Asset Management Corporation (TAMC) <i>Restructuring the bad debt of the industrial companies.</i>

Mrs.Rungnapa Ogas (52 years)

Assistant Managing Director

Qualifications

- Master's degree, Business Administration, Ramkhamhaeng University

Shareholding*

5 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2006-Present Assistant Managing Director, LEASE IT PCL.

*Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond
Project Backup Financing, and Trade Finance*



Mr.Teerawat Khammuang (44 years)

Assistant Managing Director – Sale and Marketing

Qualifications

- Bachelor's degree, Marketing, Ramkhamhaeng University,
Dhurakij Pundit University

Shareholding*

30,005 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2007-Present The General Manager, LEASE IT PCL.

*Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond
Project Backup Financing, and Trade Finance*



Ms.Piyanan MOnkol (43 years)

Assistant Manager-Credit control

Qualifications

- Master's degree, Industrial Economics,
School of Development Economics,
National Institute of Development Administration

Shareholding*

33,005 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2006-Present Assistant Credit Manager, LEASE IT PCL.

*Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond
Project Backup Financing, and Trade Finance*

**Mr.Riththigrai Bunthoathook Assistant (44 years)**

Assistant Manager-Sales and Marketing

Qualifications

- Bachelor's degree, Management,
Faculty of Fine Arts, Suan Dusit Rajabhat University

Shareholding*

40,005 Share

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2008-Present Manager Sales and marketing department, LEASE IT PCL.

*Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond
Project Backup Financing, and Trade Finance*

2007-2008 Research Officer, Thai national industry funding Corporation

*State financial institutions are providing financial assistance to small and medium industrial
enterprises. And to encourage and support entrepreneurs.*

2000-2007 Research Assistant credit, Bank of Ayudhya PCL.

Commercial banks



Mrs. Chonticha Supaluxmetha (43 years)

Assistant Manager – Accounting and Financial Control

Qualifications

- Bachelor's degree, Accounting, Faculty of Account, Siam University
- Bachelor's degree, Statistics, Faculty of Science, Silpakorn University
- IRCA Lead Assessor (ISO9001:2008)

Shareholding*

-

Kin Relationship with the Executive Management

-none-

Working Experience for the last 5 Years

2014-Present	Assistant Manager – Accounting and Financial Control , LEASE IT PCL. <i>Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond Project Backup Financing, and Trade Finance</i>
2000-2014	ISO Consultant & Trainer, Quality System Development International (Thailand) Co.,Ltd. <i>Consultant and Training – Quality Management System ISO, GMP, HACCP & SQF2000</i>
2011-2014	Independent Accountant



9. Corporate Social Responsibility (CSR)

Lease IT Company Limited is committed to provide appropriate corporate governance processes (with respect to society and the environment) by setting clear guidelines for managers and employees to conform. In order to attain the principles of appropriate governance, strict ethical transparency need to be verified.

9.1 Anti-corruption and Bribery Policy

The company is committed to conduct its business with transparency. Anti-bribery and anti-corruption are defined as the main policy, or better said “Code of Conduct” of the company. A code of conduct is a set of rules outlining the responsibilities of or proper practices for an individual, party or organization. Related concepts include ethical, honor and moral codes. Accordingly, directors, management and employees are required to comply with the Code of Conduct. Every single transaction through the company is exempted from

being involved in paying/offering bribes to other parties (or other agencies in all forms), whether the deviation from the Code of Construct is conducted directly or indirectly. On the contrary, the company is highly encouraged to join the practices that will benefit all parties, or profit the operations of the company legally and safely. In the past and up to this point, the company has never ever faced any reports or complaints concerning bribery and corruption violations.

9.2 International Human Rights Principles

Moreover, the company aims to expand basic human rights in terms of promoting respect for the rights and freedom of every individual through non-discrimination and anti-racist values. The concept of non-discrimination includes equality with respect to gender, social class, religion, or political beliefs of people. The company freely accepts and tolerates those who



think and believe in different ways. However, the company does not merely focus on the promotion and protection of human rights. But it also emphasizes on the moral and ethical policies for all the employees involved with the company. The rights for freedom of speech and expression of ideas also are fully considered under the company's policy. As an instance, it is important for the company to respect the all rights of stakeholders equally. Beyond of that, the company takes social and ethical responsibility towards all its business operations in addition to different groups of people including customers, employees, investors, shareholders, stakeholders, board of directors, management, corporate governance team, and even the environment.

9.3 Treat all employees fairly

Considering the concept of wage or salary, the company provides an opportunity for employees to grow fairly, without any discrimination or bias throughout the payment process. To achieve such goals, some structural changes were implemented in order to let the company's point of reference (i.e., including laws and regulations relating to labor regulations) be compatible with the Code of Conduct policy. Consequently, implementation of such values resulted in establishment of a good working environment, providing the appropriate welfare for everyone, in the company.

9.4 Operations with fairness and responsible partners.

The company focuses on providing services in such good ways that result in the utmost satisfaction of the clients. To achieve such goal, customers need to receive detailed product risk-return terms correctly and appropriately. Similarly, the company must be sincere to handle the customer complaints including trying to fix the defects that probably are caused by the service.

9.5 Community Development and Environmental Preservation

To achieve successfully and sustainable in a

socially responsible and environmentally, the Chief Executive Officer has established a policy of commitment to social responsibility and environmental activities.. CSR policy functions are built to achieve continuity through the following procedures:

- To take continuous action.
- To link the various projects and activities together.
- All employees are required to participate in the activity.
- To build a network, such as CSR partner involvement of partners and so on.

Year 2014, Company, employees and partners jointly organized "Rally for Charity" to the society. The objective of this project is the third major respects as follows;

1) **Corporate Social Responsibility** - The company has built and delivered the restroom for kindergarten children, landscape and vegetable plot to Wat Nong Bua School, A.Tayang, Petchraburi. And gave the scholarships to students, who have a good grades but penniless. All this for community development, save the environment and a well-sharing to the children.

2) **Teambuilding** - To establish a good relationship with the staff to work together as a team. To cultivate good conscience of the employee for giving. As a result, we can enhance the quality of life in society.

3) **Customer Relation** - To establish a good relationships with customers and extension of social responsibility to customers.



10. Internal Control and Risk Management

In the board meeting No.2/2015 held 16th February 2015, 5 audit committees member attended the meeting. They evaluated the adequacy of the internal control system of the company through making inquiries from executives. As a result of that, they concluded that the evaluation of the internal control system of the Company includes 5 parts as follows:

1. Organizational Control and Environmental Measures

2. Risk Management Measure

3. Management Control Activities

4. Information and Communication Measure

5. Monitoring

The majority of the members of Board of Directors were agreed upon developing an internal system which controls transactions with major shareholders, directors, executives or related persons sufficiently, adequately and appropriately.

10.1 Actions about the Company's Internal Control System

The Company's Audit Committee acts as a unit which deeply involved in handling of internal control and

internal audit appropriately and effectively. Moreover, the unit has the responsibility to review the performance of the company (according to the Securities and Exchange Commission) as well as reviewing all the regulations and laws relating to the company's business. The members of the Audit Committee meet each other (at least every quarter) in order to consider or take action on correct financial report and disclosures of the company, such as those transactions that may have conflict of interest in accordance with the laws and regulations of the Capital Market Supervisory Board. In some cases, exchange auditors may attend such meetings to make observations of the auditors of the company.

To make sure the internal control system of the company is effective. The internal audit department is responsible for preparing a report on the assessment and monitoring of internal controls of the company. The report is directly sent to the Audit Committee (on a quarterly basis). The company takes the actions to correct and improve the operations in various departments according to the recommendations of internal auditors.

10.2 Observations of Internal Audit on Internal Controls of the Company

Internal audit department has been monitoring the management system core areas by providing feedback to the company. In practice, the internal audit department leads to improve the quality of internal audits continuously by increasing the checks and balances (Check and Balance) on every control system. The internal audit department conducted a follow-up check-in on systems of Q4 2555 (4th quarter of the year) to Q3 2556 (3rd quarter of the year). The results of such investigation of internal audit on internal controls could provide good detections and recommendations for the company to revise various issues successfully.



11. Connected Transactions

Opinions of the Audit Committee

The Company's Audit Committee has considered information concerning the related transactions and has the opinion that such related transactions were reasonable and were transactions which occurred as per market prices or fair prices and there were no differences from selling and purchasing from other third parties.

- ***Necessities and reasonableness of related transactions***

Operations concerning the related transactions were necessary and reasonable for the maximum benefits of the Company and were as per normal business

- ***Procedures on approval of related transaction***

For procedures on approval of related transaction in the future, the Company shall comply with the laws on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Any transactions which the director or other person may have conflict of interest with the Company has been stipulated in the connected transactions and acquisition and disposal of assets of the Company, except when it is an approval of transaction in the nature course of the business of the Company. In addition, the Company has specified approval authorization rights clearly.

- ***Trends of related transactions in the future***

The Company expected that such related transactions shall continue to occur in the future because the related transactions of the Company and the person who may have conflict of interest shall be as per normal business practices of the Company. In addition, the

Company has appointed the Audit Committee to Audit and consider the disclosure of information of related transactions which may have conflict of interest so they shall be correctly and completely be in accordance to the law on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as compliance with the regulations related to disclosure of information on connected transactions and acquisition or disposal of assets and in accordance with the generally accepted accounting standards specified by the Federation of Accounting Professions.

- ***Policy on Conflict of Interest***

The Company has established measures to prevent conflict of interest that may arise from related transactions of the Company and persons who may have conflict of interest. The Executives and Stakeholders are not allowed to take part in the approval of those transactions. The Company's Board of Directors must ensure that the Company has complied with the Securities and Exchange Act, and regulations, notifications regarding the disclosure of related transactions, the acquisition or disposition of significant assets of the Company, and the accounting standards prescribed by the Federation of Accounting Professions.

In addition, the Company will provide the audit committee or auditors or independent specialist as the case may be, to review and give opinion on the suitability of prices and justification of transactions, and will disclose related transactions in the notes to the financial statements that have been verified or reviewed by the Company's Auditors, annual information reporting form (56-1) and annual report (56-2)

12. Financial Position and Results of Operations



12.1 Financial Statements

12.1.1 The audit report

(a) Fiscal year 2012 audited by Ms.Siriwan Surataepin, CPA No. 4604 of Ernst & Young Company.

The auditor audited the financial statements of the company. The financial statements was reported that as of December, 31 2012 the operations and cash flows for the year end were correct and complete according to the matter of financial statement standards.

(b) Fiscal year 2013 audited by Ms.Siriwan Surataepin, CPA No. 4604 of Ernst & Young Company.

The auditor audited the financial statements of the company. The financial statements was reported that as of December, 31 2556 the operations and cash flows for the year end were correct and complete according to the matter of financial statement standards. The ex-

planatory paragraph described about the adoption of accounting report issue number 12, "Income Taxes" for practical, the company edited financial statements in December 31, 2012 and showed the comparative data to reflect changes in accounting policy. In addition the company presented statement of financial position as at January 1, 2012 for a comparison using such accounting policies as well.

(c) Fiscal year 2014 audited by Ms.Siriwan Surataepin, CPA No. 4604 of EY Office Limited.

The auditor audited the financial statements of the company. The financial statements was reported that as of December, 31 2014 the financial performance and cash flows for the year end were correct and complete according to the matter of financial statement standards.

12.1.2 Summary of Financial Information

Lease IT Company Limited
Statements of Financial Position

(Unit : Million Baht)

	2012		2013		2014	
	MB	Percent	MB	Percent	MB	Percent
<u>Assets</u>						
<i>Current assets</i>						
Cash and cash equivalents	13.61	2.24	9.91	1.45	9.97	1.16
Trade and other receivables	53.42	8.77	60.49	8.82	51.87	6.03
Current portion of account receivables						
- Financial lease receivables	111.57	18.33	142.20	20.74	144.96	16.84
- Hire-purchase receivables	55.87	9.18	48.03	7.01	50.70	5.89
- Factoring receivables	145.56	23.91	138.29	20.17	253.66	29.47
- Project backup financial receivables	94.74	15.56	126.74	18.49	187.34	21.76
Refundable input tax	5.33	0.88	4.96	0.72	1.86	0.22
Other current assets	1.82	0.30	3.74	0.55	5.47	0.64
Total current assets	481.92	79.15	534.36	77.94	705.84	82.00
<i>Non-current assets</i>						
Restricted bank deposits	12.44	2.04	19.37	2.83	16.03	1.86
Project backup financial receivables - net	-	-	-	-	14.76	1.71
Factoring receivables – net of current portion	5.41	0.89	6.39	0.93	1.42	0.16
Financial lease receivables – net	89.66	14.73	97.76	14.26	88.05	10.23
Hire-purchase receivables – net	15.26	2.51	18.81	2.74	21.24	2.47
Equipment	1.62	0.27	5.25	0.77	7.78	0.90
Intangible assets	0.96	0.16	0.87	0.13	1.23	0.14
Deferred tax assets	1.57	0.26	2.73	0.40	4.43	0.51
Total non-current assets	126.92	20.85	151.18	22.05	154.95	18.00
Total assets	608.84	100.00	685.54	100.00	860.78	100.00
<u>Liabilities and shareholders' equity</u>						
<i>Current liabilities</i>						
Bank overdrafts and short-term loans from banks						
Current portion of Bank overdrafts and short-term loans	378.00	62.09	356.41	51.99	366.20	42.54
- Current portion of long-term loans from banks	4.77	0.78	28.07	4.09	23.88	2.77
- Current portion of undue output tax	12.05	1.98	13.95	2.03	13.88	1.61
Trade and other payables	2.56	0.42	7.01	1.02	8.38	0.97
Current portion of liabilities under	-	-	-	-	0.38	0.04
Income tax payable	4.41	0.72	4.19	0.61	6.29	0.73
Cash receipt awaiting for return to factoring receivables and financial lease receivables	24.06	3.95	14.30	2.09	30.85	3.58
Other current liabilities	10.38	1.70	32.16	4.69	24.73	2.87
Total current liabilities	436.23	71.65	456.10	66.53	474.58	55.13

Lease IT Company Limited Statements of Financial Position

(Unit : Million Baht)

	2012		2013		2013	
	MB	Percent	MB	Percent	MB	Percent
<i>Non-current liabilities</i>						
Long-term loans from banks – net of current portion	-	-	17.64	2.57	8.75	1.02
Guarantee received from factoring receivables	10.35	1.70	10.27	1.50	-	-
Liabilities under finance lease agreement – net of current portion	-	-	-	-	1.56	0.18
Provision for long-term employee benefits	1.57	0.26	2.74	0.40	3.12	0.36
Undue output tax – net of current portion	7.43	1.22	8.37	1.22	7.83	0.91
Total non-current liabilities	19.35	3.18	39.03	5.69	21.27	2.47
Total liabilities	455.58	74.83	495.13	72.23	495.85	57.60
<i>Shareholders' equity</i>						
Share capital						
Registered	200.00	32.85	200.00	29.17	200.00	23.23
Issued and fully paid-up	100.00	16.42	116.00	16.92	200.00	23.23
Share premium	-	-	8.00	1.17	70.72	8.22
Retained earnings						
Appropriated – statutory reserve	2.57	0.42	5.77	0.61	8.16	0.95
Unappropriated	50.69	8.33	60.64	9.19	86.06	10.00
Other elements of the shareholders			(0.75)	(0.11)		-
Total shareholders' equity	153.26	25.17	190.41	27.78	364.94	42.40
Total liabilities and shareholders' equity	608.84	100.00	685.54	100.00	860.78	100.00

Statement of Comprehensive Income

(Unit : Million Baht)

	2012		2013		2014	
	MB	Percent	MB	Percent	MB	Percent
Interest income*	65.12	69.56	73.55	70.28	79.96	62.44
Fees and service income	14.37	15.35	18.43	17.61	27.19	21.23
Other income	14.13	15.09	12.67	12.11	20.91	16.33
Total revenues	93.61	100	104.65	100	128.07	100
Expenses	7.88	8.42	9.15	8.74	11.75	9.17
Selling expenses	16.16	17.26	24.58	23.49	30.48	23.80
Administrative expenses	2.34	2.5	4.5	4.3	5.5	4.29
Total expenses	26.38	28.18	38.22	36.52	47.73	37.27
Profit before finance cost and Income tax expenses	67.23	71.82	66.42	63.47	80.34	62.73
Finance cost	25.95	27.72	26.31	25.14	21.47	16.76
Profit before income tax expenses	41.28	44.09	40.11	38.33	58.87	45.97
Income tax expenses	9.41	10.06	8.01	7.65	11.06	8.64
Profit for the year	31.86	34.04	32.10	30.67	47.81	37.33

Statement of Cash Flows

(Unit : Million Baht)

	2012	2013	2014
<u>Cash flows from operating activities</u>			
Profit before tax	41.28	40.11	58.87
Adjustment to reconcile profit before tax to net cash provided by (paid from) Operating activities:			
Depreciation and amortization	0.32	0.67	1.33
Allowance for doubtful trade and other receivables (reversal)	2.06	4.5	5.5
Provision for long-term employee benefits	0.19	0.23	0.39
Loss on disposal of fixed assets	0.02	-	-
Interest expenses	25.95	26.31	21.47
Amortisation of deferred interest income under the financial lease and hire-purchase agreements	(33.20)	(34.68)	(35.48)
Profit from operating actives before change in operating assets and liabilities	36.62	37.15	52.08
<u>Operating assets (increase) decrease</u>			
Trade and other receivables	(21.30)	(7.83)	7.70
Factoring receivables	13.68	3.99	(112.90)
Financial lease and hire-purchase receivables	(5.73)	(1.14)	38.10
Project backup financial receivables	(94.74)	(32.05)	(78.22)
Other current assets	1.02	(1.55)	1.37
Operating liabilities increase (decrease)			
Trade and other payables	(7.73)	4.45	1.37
Other current liabilities	16.98	13.34	10.62
Other non-current liabilities	0.67	0.87	(10.82)
Cash flows from (used in) operating activities	(60.52)	17.22	(90.70)
Cash paid for interest expenses	(25.22)	(25.74)	(22.84)
Cash paid for corporate income tax	(8.21)	(9.20)	(9.55)
Net cash flows used in operating activities	(93.95)	(17.72)	(123.09)
<u>Cash flows from investing activities</u>			
Increase in restriced bank deposits	(2.26)	(6.94)	3.34
Purchase of equipment and intangible assets	(1.53)	(4.20)	(1.25)
Net cash flows used in investing activities	(3.79)	(11.14)	2.09
<u>Cash flows from financing activities</u>			
Increase (decrease) in bank overdrafts and short-term loans from banks	118.63	(21.59)	9.79
Cash received from long-term from banks	(10.21)	(40.95)	(14.33)
Cash received from additional ordinary shares	-	24.00	145.60
Dividend paid	(10.91)	(18.20)	(20.00)
Net cash flows from financing activities	97.51	25.16	121.06
Net decrease in cash and cash equivalents	(0.23)	(3.70)	0.06
Cash and cash equivalents at beginning of the year	13.84	13.61	9.91
Cash and cash equivalents at end of the year	13.61	9.91	9.97

12.1.3 Summary of Key Financial Ratios.

Financial Ratio	2012	2013	2014
<u>Profitability Ratio :</u>			
Net Profit Margin (%)	34.04%	30.67%	37.33%
Return on Equity (%)	22.44%	18.64%	17.22%
Rate of interest on revenue (Include Fee and Service Income) (%)	17.16%	16.56%	15.90%
Rate of interest on financial cost (%)	7.90%	6.71%	5.36%
Interest Rate Spread (%)	9.26%	9.86%	10.54%
Rate of interest on revenue (Exclude Fee and Service Income) (%)	14.06%	13.25%	11.86%
Rate of interest on financial cost (%)	7.90%	6.71%	5.36%
Interest Rate Spread (%)	6.16%	6.54%	6.50%
<u>Efficiency Ratio :</u>			
Interest Income to Asset Ratio (%)	9.96%	10.15%	11.08%
Return on Assets (%)	5.93%	4.96%	6.18%
Current Ratio (Times)	0.17	0.16	0.17
<u>Financial Ratio :</u>			
Debt to Equity Ratio (Times)	2.97	2.59	1.36
Total Credit to Total Financing Ratio (%)	1.41	1.42	1.70
Dividend Payout Ratio (%)	57.12%	62.31%	**
<u>Asset Quality Ratio :</u>			
Allowance for Doubtful account to Total Credit Ratio (%)	1.18	1.75	2.03
Bad Debt to Total Credit to Total Credit Ratio (%)	0.05	0.0002	-

** Propose to pay a dividend and wait for the resolution of the Annual General Meeting of Shareholders in 2015**



13. Description, Analysis, Results of Operations, and Financial Position



13.1 Overview of Operating Results

A business cycle includes a wide range of financial products line. As a result, the operating outcomes of the company have been growing steadily. The total income of the company has increased from 104.65 million Baht in year 2013 reached to 128.07 million Baht in year 2014, representing a growth rate of 11.79 percent. Year 2014 also represented a growth rate in terms of total revenue, having 22.38 percent increase compared to year 2013.

(a) Revenue

The company's revenue in 2014 consisted of interest income, fees and service income, and other sources of income which accounted to 62.44 percent, 21.23 percent, and 16.33 percent, respectively. Interest income is the main source income for the company.

Interest income consists of extending loans, finance leases, hire purchase, factoring, and project backup financing services. As shown:

Interest Income	2014		2013		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
- Financial lease	27,143	33.95	25,937	35.26	1,206	4.65
- Hire purchase	8,332	10.42	8,743	11.89	-411	-4.70
- Factoring	24,080	30.11	22,129	30.09	1,951	8.82
- Project Backup Financing	20,409	25.52	16,737	22.76	3,672	21.94
Total Interest Income	79,964	100.00	73,546	100.00	6,418	8.73

As shown in the above table, in year 2014 the ratio of interest income in terms of long-term loans consisted of the financial leases (3.95 percent) and the hire purchase (10.42 percent).

Total of interest income in terms of long-term loans was 44.37 percent. Interest income in terms of short-term loans consisted of the factoring

(30.11 percent) and the project backup financing (25.52 percent). Total of interest income in terms of short-term loans was 55.63 percent. In year 2013-2014, the ratios of interest income in terms of long-term loans were 47.15 percent and 44.37 percent, respectively. The ratios of interest income in terms of short-term loans were 52.85 percent and 55.63 percent, respectively. It was clear that the ratio of interest income of each type of loans was not significant different.

Interest income from financial leases was increased to 4.65 percent compared with the previous year. The company must have a long-term source of income adequately and consistently, as the company set a target to increase market share. Therefore, the company has increased the number of sales personnel and developing sales performance including the introduction of new clients from existing customers. As a result, the company's increase market share and expanding customer base significantly in according to the goals. However, the number of hire purchase agreement has declined steadily reaching to 4.70 percent of the amount of the credit agreement. Currently, the company focuses more on making a contract with corporate clients. Due to high operating costs, the company has reduced services to

individual clients since 2010 onwards. Corporate clients focus on corporate financial lease contracts. Therefore, hire purchase loan has declined, while the number of lending in financial lease contract soared up. Interest income obtained from factoring service in 2014 was increased to 8.82 percent. In the above table you would see that the interest income from project backup financing has grown noticeably (i.e., it increased to 21.94 percent from a year earlier) because there was a new product launched since the year 2012 and has been serving the needs of customers more efficiently. However, loans to support projects still are at high risk. Therefore, almost all customers of project backup financing service always contact with the company and they have had a good payment record. This way the company is able to reduce those types of risks. As a result of all these changes and policies, the total interest income in year 2014 faced a significant growth rate increasing to 8.73 percent compared to year 2013.

Fees and service income consists of extending loans, finance leases, hire purchase, factoring, and project backup and bid bond services. The table below shows the changes of the fee and service income for year 2013 and 2014.

Fee Income/ Service Income	2014		2013		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
- Leasing	262	0.96	26	0.14	236	907.69
- Hire purchase	183	0.67	72	0.39	111	154.17
- Factoring	8,608	31.65	4,630	25.13	3,978	85.92
- Project Backup Finance	14,548	53.50	11,285	61.24	3,263	28.91
- Bid bond	3,594	13.22	2,413	13.10	1,181	48.94
Total	27,195	100.00	18,426	100.00	8,769	47.59

From the table above, in 2014 the proportion of fee income and service income from long-term financial lease of leasing and hire purchase are 0.96 and 0.67, respectively. The proportion of the fee income and service income of short-term credit of factoring service,

project backup financing, and bid bond are 31.65, 53.50, and 13.22 percent, respectively. The proportion of fee income mainly comes from providing short-term credit to 98.37 percent.

In year 2014, the fee income and service income of the long term loan are from leasing and hire purchase was increased due to the change in revenue recognition policy. The fee was recognized as an effective interest basis. Fee income and short-term loans, and the factoring were increased by 85.92 percent compared with the previous year. Moreover, the project backup financing were increased by 28.91 percent compared with the year due to credit to support a new product by the company. So the growth rate was quite high in line with income. The fee income of the bid bond grew sharply in 2014, since the bid bond was a new financing service of the company.

The service began in 2010 and number of customers has grown continuously for the year 2014. The company had credit facilities with banks to issue bid bond in order to open new channels for customers as an opportunity to compete in bidding and customer response as well. The results in a significant growth in terms of product revenue reaching to 48.94 percent compared with a year ago.

Other sources of revenue consisted of providing products and other income. However, other forms of income mainly comprised of interest income and default payment reaching to 30.67 percent and 69.33 percent, respectively, in year 2014.

Other Income	2014		2013		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
- Margin (Trade Finance)	6,415	30.67	5,612	44.28	803	14.31
- Others	14,498	69.33	7,062	55.72	7,436	105.30
Total	20,913	100.00	12,674	100.00	8,239	65.01

Revenue from the supply of goods in 2014 had increased (compared with the previous year) by 14.31 percent due to business growth and loans expansion. Other income primarily from penalty fee was increased of 69.33 percent over the previous year. Because the country is facing a political problem that result in multiple

projects were stopped. As a result, customers are unable to deliver their project and can not pay back the debt to the company on time. However in midyear 2014, many projects resumed its operation until its completion and loan repayment to the company were made.

(b) Expenses consist of cost of sales, administrative expenses, and the financial cost

Expense	2014		2013		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
Cost of sales	11,753	16.98	9,147	14.18	2,606	28.49
Administrative expenses	35,979	51.99	29,076	45.05	6,903	23.74
Financial expenses	21,466	31.03	26,314	40.77	-4,848	-18.42
Total	69,198	100.00	64,537	100.00	4,661	7.22

Cost of sales

In year 2014 the cost of sales increased by 28.49 percent (compared with the previous year) because

of the growth of credit expansion. The rate of growth in sales incentives also increased positively and in the same direction.

Administrative expenses

In 2014, administrative expenses were increased by 23.74 percent (compared with the previous year). Mainly due to the increasing of staff to support the growth and giving bonuses to directors and employees in according to operations for the year 2014. Moreover there were some provisions for doubtful accounts and the cost of operations for listing in the Stock Exchange of Thailand.

Financial costs

In 2014, financial cost was decreased by 18.42

percent (compared with the previous year) due to the capital increase by the leading companies listed on the Stock Exchange on Thailand including the funding source at a low cost. (i.e. Bill of Exchange). Interest paid to bank decreased due to a good credit worthiness.

Allowance for doubtful accounts

The table below shows more details about the allowance for doubtful accounts (for year 2013 and year 2014) for each financial product.

Financial Products/Services (Unit : Thousand Baht)	2014	2013
Products and Services		
Brought forward	2,443	1,683
Plus : Allowance for doubtful accounts	925	760
Minus : Doubtful accounts	-	-
Carry forward	3,368	2,443
Leasing		
Brought Forward	1,341	-
Plus : Allowance for doubtful accounts	-783	1,351
Minus : Doubtful accounts	-	10
Carry forward	558	1,341
Hire Purchase		
Brought Forward	49	-
Plus : Allowance for doubtful accounts	-12	49
Minus : Doubtful accounts	-	-
Carry forward	37	49
Factoring		
Brought Forward	7,513	5,217
Plus : Allowance for doubtful accounts	2,501	2,296
Minus : Doubtful accounts	-	-
Carry forward	10,014	7,513
Loan Agreement		
Brought Forward	57	-
Plus : Allowance for doubtful accounts	2,869	57
Minus : Doubtful accounts	-	-
Carry forward	2,926	57
Total	16,903	11,403

In year 2013, the company's allowance for doubtful accounts amounting to 11.40 Baht million, which showed

66 percent increase compared with the previous year due to the expansion of credit (as well as adaptive

provisioning guidelines provided by the Bank of Thailand). On March 22, 2556, the Board of Directors' Meeting No. 3/2556 has primarily approved the allowance for doubtful accounts.

In year 2014, the company set up additional allowance for doubtful accounts 5.5 Baht million, totaling 11.40 Baht million, which showed 48.33 percent increase compared with the previous year due to the expansion of credit and in order to comply with industry (3% of outstanding). As at 31 December 2014, the Company has included the provision for doubtful accounts for 2.0 percent of net accounts receivable (deduct reserve).

(c) Net Profit

During the years 2013 - 2014, the Company has a net profit of 32.10 million Baht and 47.81 million Baht, respectively. The increase represents a net profit margin of 30.67 percent and 37.33 percent which was a result of the boost in lending through adding various financial products (i.e., such as bid bond, providing products, hire purchase, factoring, or project backup financing services). The launch of project backup finance focused on the integrated services, making the total revenues for the company increased continuously. The results show that the company's net profit growth did well every year.

12.2 Financial Status

(a) Assets

At the end of the year 2013 - 2014, the company's total assets increased from 685.54 million Baht to 860.78 million Baht. The company's receivables from loans accounted for 93.17 percent, 94.57 percent of total

assets, respectively.

Current assets of the years 2013 - 2014 were 534.36 million Baht and 705.84 million Baht, respectively. Current assets included receivables based on current portion of leasing and hire purchase receivables, current portion of factoring receivables, and current portion of loan receivables (project backup financing) which accounted for 27.72 percent, 35.94 percent and 26.54 percent of total current assets in 2014.

Non-current assets of the years 2013 - 2014 were 151.18 million Baht and 154.95 million Baht, respectively. Non current assets included receivables based on leasing and hire purchase (net of current portion), receivables based on factoring (net of current portion) and loan receivables (project backup financing, net of current portion) accounted for 70.54 percent, 0.92 percent and 9.52 percent of total non-current assets in 2014.

Quality of Assets

The company has set guidelines to control the quality of the receivables. As mentioned earlier, accounts receivable is an asset which is the major proportion of the company in regard to the amount of loans. There is the policy for issuing various types of credit to the debtors of the company in order to achieve high quality debtors.

In addition, there is no significant concentration because of diversification of customers and number of customers. As we consider, the current portion of aging schedule are for all types of credit accounts 94.50 percent in the company. It means that the company has a good quality management system.

Debtor	2014 Million baht	2013 Million baht	Increase/ (Decrease)	% Change
Financial lease	258.74	270.91	(12.17)	-4.49%
High purchase	78.03	72.92	5.11	7.01%
Factoring	265.10	152.2	112.90	74.18%
Loan	205.02	126.8	78.22	61.69%
Account receivable	52.15	60.41	(8.26)	-13.67%
Total	859.04	683.24		

Receivables from the table above show the amount before deducting allowance for doubtful accounts.*

The increasing or decreasing of Financial lease receivables and Hire-purchase receivables was not significant according to the normal of business.

In the years 2013-2014, receivables (under the factoring) has increased from 152.20 million Baht to 265.10 million Baht, respectively, representing an increase of 74.18 percent. The cause of the accelerated expansion of the customer base and the factoring in the private sector increased.

The company began offering project backup financing services in 2012. By the expansion of the debtor under the project backup financing reached to 94.74 million Baht and 126.80 million Baht in 2012 and 2013

respectively. Year 2014, receivable under the project backup financing reached 205.02 million Baht or an increase of 61.69 percent. The cause is for supporting existing customers who have used the company's main products.

Trade in supplier services (within the years 2013 - 2014) amounted to 60.41 million Baht and 52.15 million Baht, having a decrease of 13.67 percent. This is because the company has switched to alternative products. (Project backup financing) And due to the government policy of accelerate the disbursement of funds in the end of year 2014.

(b) Liquidity

(Unit : Million Baht)

	2014 Million Baht	2013 Million Baht	Increase/ (Decrease)
Cash flows from (used in) operating activities	(123.09)	(17.72)	(105.37)
Cash flows from (used in) investing activities	2.09	(11.14)	13.23
Cash flows from (used in) financing activities	121.06	25.16	95.90
Cash and cash equivalents at end of the year	0.06	(3.70)	3.76

In 2014, the company's cash flow from used in operating activities such as receivables from loans amounted to 123.09 million Baht. Accordingly, cash flow received from investing activities amounted to 2.09

million Baht showing a decrease in assets and deposits with banks as guarantees. Moreover, cash flow received from financing activities amounted to 121.06 million Baht with the issuance of shares for sale to investors.

(c) Source of funds

As at 31 December 2013 and 2014, the company has a detailed list of financial liabilities, equity shareholders, and the ratio of financial liabilities to equity shareholders as follows:

Item	2014	2013	Increase/ (Decrease)	% Change
<u>Financial Debts</u>				
Short-Term Loan from financial institutions	366.20	356.42	9.78	2.74
Long-Term Loan	32.63	45.71	(13.08)	(28.62)
Total liabilities	398.83	402.13	(3.30)	(0.82)
Total shareholders' equity	364.94	190.41	174.53	91.66
Net cash flows	763.77	592.54	171.23	28.90
Debt to Equity Ratio (Times)	1.09	2.11		

The major capital resource of the company came from short-term loans from financial institutions. The company was at risk of interest rate fluctuations in market. However, considering short-term credit, factoring, bid bond, project backup financing, and trade finance, the company was able to adjust the interest rate or fee based on the change in financial costs. The company offered a fixed interest rate to customers for leasing and hire purchase loans. The difference between costs and interest rates offered to customers to compensate the risk of interest rate fluctuation.

1. Liability

As at 31 December 2013 and 2014, the company had total liabilities of 495.13 million Baht and 495.85 million Baht, respectively. The company's liabilities included bank overdrafts and short-term loans from banks. The increase in total liabilities was result of the expansion of credit to the company.

As at 31 December 2013 and 2014, the company's ratio of loans per loan was 1.42 times and 1.70 times, respectively. As predicted for 2 years, the ratio of loans will not vary very often. This shows that the loan will be applied to all almost loans.

2. Equity Shareholders

Due to the company offers various types of credit and meet the financial needs of clients in the business which enabled the company to provide a more comprehensive market coverage and product/service diversification. As a result, the company's revenues and profits were increased every year, resulting in higher retained earnings to the company in the shareholders' equity On 31 December 2013 and 2014 with a total of 190.41 and 364.94 million Baht, respectively. In 2014, the company has issued 84,000,000 new ordinary shares of par value of Baht 1.00 per share offered to public. Eventually, through the offering price of Baht 1.80 per share, the equity shares of the company were increased.

In terms of returns to shareholders, during the years 2013 - 2014, the company make a profit for its shareholders at the rate of 18.64 percent and 17.22 percent respectively.

3. Appropriate Capital Structure

For year 2013 – 2014, the company's debt to equity

ratio was equal to 2.59 times and 1.36 times, respectively. The ratio of debt to equity shareholders of the company declined, and reflected capital structure that became stronger and stronger. Because the company was listed on the Stock Exchange of Thailand.

13.2.1 Factors Affecting the Future Operating Results

Adequate and diverse funding sources will be the key in driving the business to be more or less for returns. In 2014, The company has adjusted capital structure from the borrowing from a bank into raising funds through debt in various forms. The company has issued the Bill of Exchange (B.E) up to 200 million Baht and will be higher in year 2015. Meanwhile, the Board of Directors approved the issuance of bonds to be offered to the public. And will be presented to The Annual General Meeting No.2/2015 for consideration. If such resolution is approved, the company will have additional funding sources and be able to manage funds more efficiently.

According to the effect of increasing in capital and offer shares to the public (the Extraordinary General Meeting of Shareholders No. 5/2556 on May 7, 2556), the Board approved the allotment of shares to 84.00 million shares at par value of Baht 1.00 per share offered to the public. The proportion of selling such shares was 42.00 percent of the paid up capital after offering to the public. (Total ordinary shares were 200.00 million shares). It caused the net profit per share and return on equity decreased 42.00 percent according to dilution effect. However, such effects were not considered the capabilities of the company, business operations and the share that may arise after the sale of shares to the public at this time.

13.2.2 Remuneration of Auditors

On December 31, 2013, the company paid a remuneration disclosure to the auditors of the company (Audit Fee) (as well as auditors of the EY office Limited) in the amount of 900,000 Baht. The 2014 Annual General Meeting of Shareholders approved the remuneration for the auditors for the year 2014 in the amount of 900,000 baht. In return, the company has no other obligation to pay the auditors of the Office of Auditing, or any other parties related to the auditors.

*"Visit the link below for more detail (Form 56-1)
www.set.or.th or www.leaseit.co.th"*

Audit Committee's Annual Report for the Year 2014

To All Shareholders

The Audit Committee of Lease IT Public Company Limited (Lease IT) currently consist of 5 independent directors who are seniors in various fields such as accounting, financing, economic, and law. The current Audit Committee are :

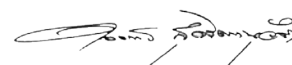
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|--------------------------------------|---------------------------------|
| 1. Mrs. Duanphorn Sucharittanuwat | Chairman of the Audit Committee |
| 2. Mr. Prakob Visitkitjakarn | Audit Committee Member |
| 3. Police General Jate Mongkolhutthi | Audit Committee Member |
| 4. Mr. Suthud Khancharoensuk | Audit Committee Member |
| 5. Mrs. Nitnirun Suwannaked | Audit Committee Member |

Mr. Pattarapol Sirivibul is the secretary of the Audit Committee.

The Audit Committee oversees the financial statements and reports to be accurate and reliable. Its role is to provide an appropriate and efficient internal control system including appointing auditor(s) for the company as well as performing other tasks according to the responsibilities assigned by the Board of Directors, in accordance with the requirements of the Stock Exchange of Thailand.

In the year 2014, the Audit Committee has held 4 meetings with management levels, chief executives, and auditors in order to discuss and exchange of ideas about certain matters such as agenda reports, financial statements, internal control of the company, transactions or potential conflict of interest, risk management, and financial statement disclosures of the company. The conclusions are summarized as follows:

1. The auditor from EY Company has the same opinion that (all) the reports and financial statements of the company are accurate and in accordance with the financial reporting standards.
2. The company has appropriate and sufficient internal control system.
3. In considering and reviewing the transaction or potential conflict of interest of the company, it was found that all are compatible with the rules of the Stock Exchange of Thailand. Thus, the transactions are reasonable and most beneficial to the company.
4. Nominating and presenting remuneration of auditors, to the Board of Directors in shareholders' meetings, for approval.
5. Consideration of Risk Management of the company, to prevent or reduce the risk at the acceptable level which can be evaluated, controlled and monitored.
6. Reviewing the practices of the company with regard to the tasks defined in the system, and following the Securities and Exchange Commission's Act, requirements of the office of the Securities and Exchange Commission, and the Stock Exchange of Thailand as well as other laws related to the business operations of the company.



Mrs. Duangphorn Sucharittanuwat
Chairman of the Audit Committee

Committee's Responsibility to Prepare Financial Report for the Year 2014

The Board of Directors realizes the duties and responsibilities of the committee members of the company listed on the Stock Exchange of Thailand. The duties are to oversee the financial statements of the company, in the year 2014, to be as adequate, accurate, transparent, and complete as possible. Moreover, the committee members are in charge of maintaining the assets of the company away from unusual operations (i.e., fraud protection) via following appropriate accounting standards and practices regularly throughout the business processes. In preparing the Company's Annual Report for fiscal year 2014, the committee members do their best to make judgment and estimates that are reasonable and prudent in terms of financial statements and financial information.

In order to make the stakeholders have confidence in the financial report of the company, the Board of Directors has appointed an Audit Committee comprising of independent directors who are qualified in accordance with the terms of the Stock Exchange of Thailand. They serve to review and verify the company's financial report and operations accurately and sufficiently. Disclosure should be made and conflict of interest of the company must be adequate, transparent, accurate, and complete. Assessing the risk management, internal control system, internal audit and supervision of the company also should be done appropriately and efficiently in accordance with laws, regulations, and other related policies of the Stock Exchange of Thailand.

The Board of Directors of the company has an opinion that (all) the financial statements and cash flows for the financial year 2014 (ended in December 31, 2014) are reviewed by the audit committee with managers, and audited by the auditor were accurate, complete, reliable, reasonable and compatible with generally accepted accounting standards. In addition, accounting policies were appropriate and able to be practiced and disclosed regularly. Transparency was sufficient, and able to be practiced in relation to laws and related regulations.



(Mrs. Duangphorn Sucharittanuwat)
Chairman of the Board



(Mr. Sompon Aketerajit)
Managing Director

14. Independent Auditor's Report

■ To the Shareholders of Lease IT Public Company Limited

I have audited the accompanying financial statements of Lease IT Public Company Limited, which comprise the statement of financial position as at 31 December 2014, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

■ Management's Responsibility for the Financial Statements

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

■ Auditor's Responsibility

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

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

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

■ Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lease IT Public Company Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 16 February 2015

15. Financial Statements

Lease IT Public Company Limited

Notes to financial statements

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Assets			
Current assets			
Cash and cash equivalents	7	9,974,542	9,912,891
Trade and other receivables	8	51,869,126	60,494,105
Current portion of loan receivables	9	187,339,798	126,739,123
Current portion of factoring receivables	10	253,664,894	138,291,231
Current portion of financial lease receivables	11	144,955,548	142,196,203
Current portion of hire-purchase receivables	12	50,704,088	48,028,401
Refundable input tax		1,856,561	4,960,062
Other current assets		5,474,132	3,739,814
Total current assets		705,838,689	534,361,830
Non-current assets			
Restricted bank deposits	13	16,032,627	19,373,785
Loan receivables - net of current portion	9	14,755,185	-
Factoring receivables - net of current portion	10	1,419,742	6,393,344
Financial lease receivables - net of current portion	11	88,049,842	97,757,681
Hire-purchase receivables - net of current portion	12	21,244,356	18,805,015
Equipment	14	7,781,094	5,250,598
Intangible assets	15	1,228,095	866,409
Deferred tax assets	27	4,434,934	2,734,609
Total non-current assets		154,945,875	151,181,441
Total assets		860,784,564	685,543,271

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

Lease IT Public Company Limited

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	2014	2013
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from financial institutions	16	366,201,061	356,414,112
Current portion of long-term loans	17	23,878,612	28,074,000
Trade and other payables	18	8,378,766	7,010,861
Income tax payable		6,285,752	4,192,290
Current portion of liabilities under finance lease agreement	19	379,187	-
Cash receipt awaiting for return to factoring receivables and financial lease receivables		30,846,213	14,301,229
Current portion of undue output tax		13,879,895	13,949,817
Other current liabilities		24,726,479	32,155,985
Total current liabilities		474,575,965	456,098,294
Non-current liabilities			
Long-term loans - net of current portion	17	8,754,145	17,643,000
Guarantee received from factoring receivables		-	10,274,733
Liabilities under finance lease agreement - net of current portion	19	1,560,182	-
Provision for long-term employee benefits	20	3,124,448	2,738,739
Undue output tax - net of current portion		7,830,491	8,374,163
Total non-current liabilities		21,269,266	39,030,635
Total liabilities		495,845,231	495,128,929

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

Lease IT Public Company Limited

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	2014	2013
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	21		
Registered			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Issued and fully paid-up			
200,000,000 ordinary shares of Baht 1 each			
(2013: 116,000,000 ordinary shares			
of Baht 1 each)		200,000,000	116,000,000
Share premium			
Retained earnings	21	70,718,399	8,000,000
Appropriated - statutory reserve			
Unappropriated	22	8,158,806	5,768,476
Total shareholders' equity		86,062,128	60,645,866
Total liabilities and shareholders' equity		364,939,333	190,414,342
		860,784,564	685,543,271
		-	-

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

Lease IT Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Profit or loss:			
Revenues			
Interest income	23	79,964,329	73,545,652
Fees and service income	24	27,194,665	18,426,596
Other income	25	20,913,131	12,674,474
Total revenues		128,072,125	104,646,722
Expenses			
Selling expenses		11,753,483	9,146,500
Administrative expenses		35,979,093	29,076,224
Total expenses		47,732,576	38,222,724
Profit before finance cost and income tax expenses		80,339,549	66,423,998
Finance cost		(21,465,691)	(26,313,785)
Profit before income tax expenses		58,873,858	40,110,213
Income tax expenses	27	(11,067,266)	(8,012,455)
Profit for the year		47,806,592	32,097,758
Other comprehensive income:			
Actuarial losses		-	(934,612)
Income tax effect		-	186,923
Other comprehensive income for the year		-	(747,689)
Total comprehensive income for the year		47,806,592	31,350,069
Basic earnings per share			
Profit	28	0.26	0.29
Weighted average number of ordinary shares (shares)		182,049,315	109,205,479

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

Lease IT Public Company Limited

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	2014	2013
Cash flows from operating activities		
Profit before tax	58,873,858	40,110,213
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	1,333,277	671,669
Allowance for doubtful trade and other receivables	924,989	760,464
Allowance for doubtful loan receivables	2,868,986	56,965
Allowance for doubtful factoring receivables		
Allowance for doubtful financial lease and hire-purchase receivables (reversal)	2,501,301	2,296,444
Amortisation of deferred interest income under the financial lease and hire-purchase agreements	(795,276)	1,389,575
Interest expenses	(35,475,185)	(34,680,414)
Provision for long-term employee benefits	21,465,691	26,313,785
Profit from operating activities before change in operating assets and liabilities	385,709	233,660
Operating assets (increase) decrease		
Trade and other receivables	52,083,350	37,152,361
Loan receivables		
Factoring receivables	7,699,990	(7,833,105)
Financial lease and hire-purchase receivables	(78,224,846)	(32,051,349)
Other current assets	(112,901,362)	3,988,003
Operating liabilities increase (decrease)	38,103,927	(1,142,469)
Trade and other payables	1,367,905	4,450,206
Other current liabilities	10,624,774	13,340,933
Other non-current liabilities	(10,818,405)	870,654
Cash flows from operating activities	(90,695,484)	17,223,097
Cash paid for interest expenses	(22,843,162)	(25,740,678)
Cash paid for income tax	(9,553,729)	(9,203,025)
Net cash flows used in operating activities	(123,092,375)	(17,720,606)

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

Lease IT Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	2014	2013
Cash flows from investing activities		
Decrease (increase) in restricted bank deposits	3,341,158	(6,935,860)
Purchase of equipment and intangible assets	(1,246,412)	(4,200,079)
Net cash flows from (used in) investing activities	2,094,746	(11,135,939)
Cash flows from financing activities		
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	9,786,949	(21,586,758)
Cash received from long-term loans	19,368,538	62,600,000
Repayments of long-term loans	(32,452,781)	(21,652,000)
Repayments of liabilities under finance lease agreement	(1,241,425)	-
Cash received from additional ordinary shares	145,597,999	24,000,000
Dividend paid	(20,000,000)	(18,200,000)
Net cash from financing activities	121,059,280	25,161,242
Net increase (decrease) in cash and cash equivalents	61,651	(3,695,303)
Cash and cash equivalents at beginning of the year	9,912,891	13,608,194
Cash and cash equivalents at end of the year	9,974,542	9,912,891
Supplemental cash flows information		
Non-cash item		
Assets acquired under finance lease agreements	2,979,047	-

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

Lease IT Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2013	100,000,000	-	2,568,566	50,695,707	153,264,273
Issued ordinary shares (Note 21)	16,000,000	8,000,000	-	-	24,000,000
Dividend paid (Note 31)	-	-	-	(18,200,000)	(18,200,000)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	3,199,910	(3,199,910)	-
Total comprehensive income for the year	-	-	-	31,350,069	31,350,069
Balance as at 31 December 2013	116,000,000	8,000,000	5,768,476	60,645,866	190,414,342
Balance as at 1 January 2014	116,000,000	8,000,000	5,768,476	60,645,866	190,414,342
Issued ordinary shares (Note 21)	84,000,000	62,718,399	-	-	146,718,399
Dividend paid (Note 31)	-	-	-	(20,000,000)	(20,000,000)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	2,390,330	(2,390,330)	-
Total comprehensive income for the year	-	-	-	47,806,592	47,806,592
Balance as at 31 December 2014	200,000,000	70,718,399	8,158,806	86,062,128	364,939,333

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

16. Notes to financial statements

Lease IT Public Company Limited

Notes to financial statements

For the year ended 31 December 2014

1. General information

Lease IT Public Company Limited ("the Company") is a limited company incorporated under Thai laws and registered the change of its status to a public limited company under the Public Limited companies Act on 16 May 2013 and domiciled in Thailand. Its major shareholder is SVOA Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in providing financial services in form of leasing, hire-purchase, factoring services and loan. The registered office of the Company is at 900/17, Rama III Road, Bang Pong Pang, Yanawa, Bangkok 10120.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and its presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year
Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes

TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

(a) Interest income from financial lease and hire purchase contracts

Interest income from financial lease and hire purchase recognised using the effective interest rate over the period of contracts except for overdue receivables more than ninety days, which are recognised on a cash basis.

(b) Interest income on factoring

Revenues from factoring are recognised on an accrual basis, using the effective interest rate, except for overdue receivables more than ninety days, which are recognised on a cash basis.

(c) Interest income on loans receivables

The Company recognised interest income from loan receivables by using the effective interest rate.

(d) Fees and service income

Fees and service income are recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Receivables

Receivables, which include, trade receivable, leasing receivables under finance lease contracts and hire purchase contracts, loan receivable and factoring receivables, are stated at net realisable value. Unearned financial lease and hire purchase income are deducted from financial lease receivables and hire purchase receivables.

4.4 Related party transactions

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

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

4.5 Allowance for doubtful accounts

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Allowance for doubtful accounts is made for hire purchase and finance lease receivables based on a percentage of the outstanding installment contract receivables and net of unearned income. Allowance is also based on collection experience and the current status of receivables outstanding at the end of the reporting period.

Allowance for doubtful accounts is made for trade receivables, loan receivables and factoring receivables based on a percentage of the outstanding account receivables balance and is also based on collection experience and the current status of receivables outstanding at the end of the reporting period.

4.6 Impairment of assets

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

4.7 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

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

Office equipment	-	5 years
Furniture	-	5 years
Computers	-	3 years
Motor vehicles	-	10 years

No depreciation is provided on equipment under installation.

Depreciation is included in determining income.

4.8 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets are amortised as expenses in the profit or loss on a straight-line basis over the economic useful life. A summary of the intangible assets are as follows:

	<u>Useful lives</u>
Computer software	10 years
No amortisation is provided on computer software under installation.	

4.9 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.10 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is

probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company had significant business transactions with its related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. The pricing policies for these related party transactions are summarised as follows:

1. The profit margin on cost for the sale transactions between the Company and its related companies is approximately 1 to 2 percent.
2. Purchase of goods and service expenses are charged at the agreed prices.
3. Other services are charged at a determined price.
4. Fixed assets are sold and purchase at market price.

During the years, significant transactions between the Company and related parties are summarised below.

(Unit: Thousand Baht)

	2014	2013
<u>Transactions with a major shareholder</u> (SVOA Public Company Limited)		
Purchases of goods and services	3,828	1,313
Other service charge	394	452
Purchases of fixed assets	-	746
Dividend paid	20,000	18,200
<u>Transactions with related companies</u>		
Purchases of goods and services	362	8,084
Other service charge	1,198	1,242
Purchases of fixed assets	185	108

The balance of the accounts as at 31 December 2014 and 2013 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	2014	2013
Trade and other payables - related parties (note 18)		
Major shareholder	37	70
Related companies (related by common shareholder and/or common directors)	650	62
Total trade and other payables - related parties	687	132

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	2014	2013
Short-term employee benefits	17,938	16,222
Post-employment benefits	292	172
Total	18,230	16,394

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2014	2013
Cash	10	10
Bank deposits	9,965	9,903
Total	9,975	9,913

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests rate of 0.5 percent per annum (2013: between 0.5 and 0.625 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	2014	2013
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates	48,301	44,847
Not yet due		
Past due	-	11,028
Up to 3 months	-	2,849
3 - 6 months	1,860	-
6 - 12 months	1,989	1,683
Over 12 months	52,150	60,407
Total	(3,368)	(2,443)
Less: Allowance for doubtful debts	48,782	57,964
Total trade accounts receivable - unrelated parties - net		
<u>Other receivables</u>		
Other receivables - unrelated parties	3,087	2,530
Total other receivables - unrelated parties	3,087	2,530
Trade and other receivables - unrelated parties - net	51,869	60,494

9. Loan receivables

(Unit: Thousand Baht)

	Current portion of loan receivables		Long-term portion of loan receivables		Total	
	2014	2013	2014	2013	2014	2013
Loan receivables	190,266	126,796	14,755	-	205,021	126,796
Less: Allowance for doubtful debts	(2,926)	(57)	-	-	(2,926)	(57)
Loan receivables - net	187,340	126,739	14,755	-	202,095	126,739

As at 31 December 2014 and 2013, the loan receivables classified by the age, based on due date, are as follows:

(Unit: Thousand Baht)

	2014	2013
Aged on the basis of due dates		
Not yet due	198,397	121,100
Past due		
Up to 3 months	2,300	5,696
3 - 6 months	3,974	-
Over 12 months	350	-
Total	205,021	126,796
Less: Allowance for doubtful debts	(2,926)	(57)
Total loan receivables - net	202,095	126,739

As at 31 December 2014 and 2013, the Company has been received the transfers collection rights of other companies' trade accounts receivable as collateral for these loans in full amount.

10. Factoring receivables

(Unit: Thousand Baht)

	Current portion of factoring receivables		Long-term portion of factoring receivables		Total	
	2014	2013	2014	2013	2014	2013
Factoring receivables	263,679	145,804	1,420	6,393	265,099	152,197
Less: Allowance for doubtful debts	(10,014)	(7,513)	-	-	(10,014)	(7,513)
Factoring receivables - net	253,665	138,291	1,420	6,393	255,085	144,684

The Company has the factoring receivables, giving the credit with a rate of approximately 70 to 95 percent of invoice amount. As at 31 December 2014 and 2013, the factoring receivables classified by the age, based on due date, are as follows:

(Unit: Thousand Baht)

	2557	2556
<u>Aged on the basis of due dates</u>		
Not yet due	248,118	139,019
Past due		
Up to 3 months	9,237	10,722
3 - 6 months	123	-
6 - 12 months	5,394	-
Over 12 months	2,227	2,456
Total	265,099	152,197
Less: Allowance for doubtful debts	(10,014)	(7,513)
Factoring receivables - net	255,085	144,684

11. Financial lease receivables

(Unit: Thousand Baht)

	Current portion of financial lease receivables		Long-term portion of financial lease receivables		Total	
	2014	2013	2014	2013	2014	2013
Financial lease receivables	162,955	163,126	95,787	107,780	258,742	270,906
Less: Unearned interest income	(17,240)	(19,407)	(7,636)	(9,923)	(24,876)	(29,330)
Unearned fee income	(201)	(182)	(101)	(99)	(302)	(281)
Total	145,514	143,537	88,050	97,758	233,564	241,295
Less: Allowance for doubtful debts	(558)	(1,341)	-	-	(558)	(1,341)
Financial lease receivables - net	144,956	142,196	88,050	97,758	233,006	239,954

There was no future minimum lease receivables expected to be received under finance lease agreements over 5 years.

As at 31 December 2014 and 2013, the balance of the Company's financial lease receivables before less unearned interest income and unearned fee income were classified by aging are as follows:

(Unit: Thousand Baht)

	Financial lease receivables	
	2014	2013
<u>Age of receivables</u>		
Not yet due	241,597	246,008
Past due		
Up to 3 months	16,756	21,455
3 - 6 months	53	2,308
6 - 12 months	26	1,135
Over 12 months	310	-
Total	258,742	270,906
Less: Allowance for doubtful debts	(558)	(1,341)
Financial lease receivables - net	258,184	269,565

The Company has transferred its collection rights under the finance lease agreements to a financial institution as collateral for short-term loans as discussed in Note 16. As at 31 December 2014, the balance of the above financial lease receivables that were placed as collateral for such loans totaling approximately Baht 55 million (2013: Baht 32 million). The Company has transferred the right of restricted deposits under finance lease agreements as collateral for long-term loans as discussed in Note 17. As at 31 December 2014, the financial lease receivables under such agreements were Baht 52 million (2013: Baht 69 million).

12. Hire-purchase receivables

(Unit: Thousand Baht)

	Current portion of hire-purchase receivables		Long-term portion of hire-purchase receivables		Total	
	2014	2013	2014	2013	2014	2013
Hire-purchase receivables	55,191	52,959	22,838	19,963	78,029	72,922
Less: Unearned interest income	(4,373)	(4,797)	(1,574)	(1,139)	(5,947)	(5,936)
Unearned fee income	(77)	(85)	(20)	(19)	(97)	(104)
Total	50,741	48,077	21,244	18,805	71,985	66,882
Less: Allowance for doubtful debts	(37)	(49)	-	-	(37)	(49)
Hire-purchase receivables - net	50,704	48,028	21,244	18,805	71,948	66,833

There was no future minimum hire-purchase receivables expected to be received under hire-purchase agreements over 5 years.

As at 31 December 2014 and 2013, the balance of the Company's hire-purchase receivables before less unearned interest income and unearned fee income were classified by aging are as follows:

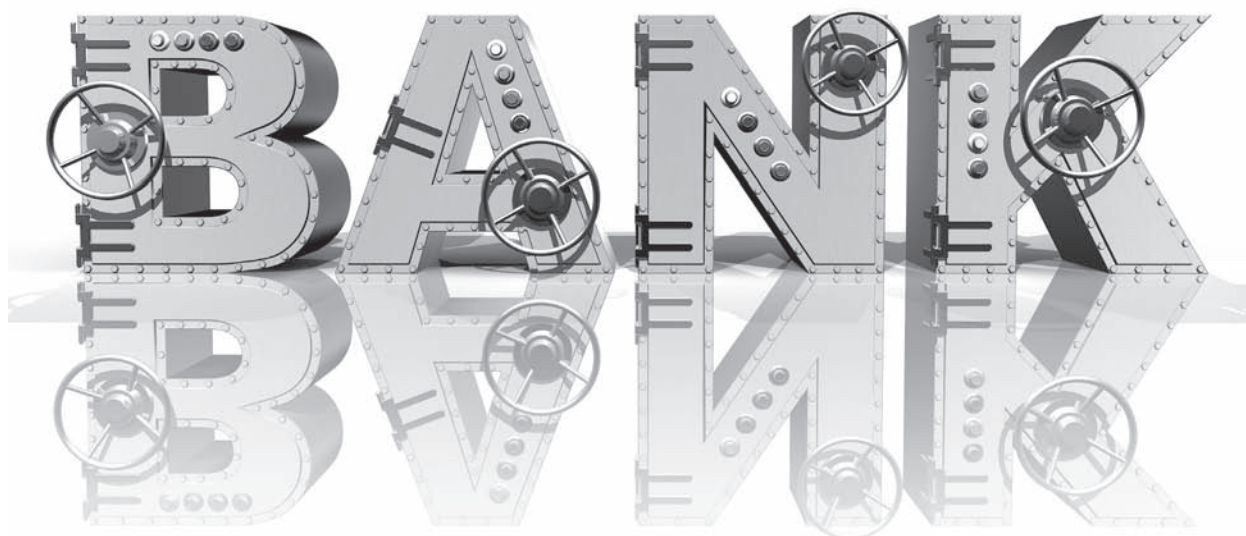
(Unit: Thousand Baht)

	Hire-purchase receivables	
	2014	2013
<u>Age of receivables</u>		
Not yet due	75,294	69,304
Past due		
Up to 3 months	2,735	3,618
Over 3 months	-	-
Total	78,029	72,922
Less: Allowance for doubtful debts	(37)	(49)
Hire-purchase receivables - net	77,992	72,873

The Company has transferred the right of restricted deposit under the hire-purchase agreements to a bank as collateral for a long-term loans as discussed in Note 17. As at 31 December 2014, the financial lease receivables under such agreements were Baht 7 million (2013: Baht 18 million).

13. Restricted bank deposits

As at 31 December 2014, the Company had bank deposits subject to withdrawal restrictions of Baht 16 million (2013: Baht 19 million). Restricted bank deposits comprised bank deposits of Baht 4 million (2013: Baht 8 million) that a factoring customer had placed to guarantee a credit facilities provided by the Company and guarantee bid envelope, for which the terms of withdrawal are subject to the agreement between the Company and the customer, bank deposits of Baht 2 million (2013: Baht 2 million) of which rights had been transferred to the Company by debtors and withdrawal restrictions were imposed by the Bank granting credit facilities to the Company, and bank deposits of Baht 10 million (2013: Baht 9 million) that were used for bank guarantees issued by banks on behalf of the Company's customer to guarantee bid envelope.



14. Equipment

(Unit: Thousand Baht)

	Building improvement	Furniture	Computers	Office equipment	Motor vehicles	Total
Cost						
1 January 2013	1,024	134	1,091	619	-	2,868
Additions	52	173	236	195	3,514	4,170
31 December 2013	1,076	307	1,327	814	3,514	7,038
Additions	-	339	307	105	2,979	3,730
31 December 2014	1,076	646	1,634	919	6,493	10,768
Accumulated depreciation:						
1 January 2013	13	102	892	238	-	1,245
Depreciation for the year	206	41	165	121	9	542
31 December 2013	219	143	1,057	359	9	1,787
Depreciation for the year	215	69	213	127	576	1,200
31 December 2014	434	212	1,270	486	585	2,987
Net book value:						
31 December 2013	857	164	270	455	3,505	5,251
31 December 2014	642	434	364	433	5,908	7,781

Depreciation for the year

2013 (Included in administrative expenses)

542

2014 (Included in administrative expenses)

1,200

As at 31 December 2014, the Company had motor vehicle, acquired under finance lease agreement, with net book value amounting to approximately Baht 2.8 million.

15. Intangible assets

(Unit: Thousand Baht)

	Computer software	Computer software under installation	Total
Cost			
1 January 2013	1,269	-	1,269
Disposal and write-off	30	-	30
31 December 2013	1,299	-	1,299
Additions	400	95	495
31 December 2014	1,699	95	1,794
Accumulated amortisation:			
1 January 2013	303	-	303
Amortisation for the year	130	-	130
31 December 2013	433	-	433
Amortisation for the year	133	-	133
31 December 2014	566	-	566
Net book value:			
31 December 2013	866	-	866
31 December 2014	1,133	95	1,228

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

(Unit: Thousand Baht)

	Interest rate (Percent per annum)	2014	2013
Bank overdrafts	MOR	865	38,257
Short-term loans	MOR, MLR	165,336	318,157
Bills of exchange	5.20 to 5.60	200,000	-
Total		366,201	356,414

As at 31 December 2014, short-term loan from a financial institution is secured by the transfer of collection rights under finance lease agreements to the bank as described in Note 11.

Short-term loan agreements contain certain covenants as specified in the agreements that, among other things, require the Company to comply, such as maintain certain debt to equity ratio at the rate prescribed in the agreements.

17. Long-term loans/Current portion of long-term loans

As at 31 December 2014 and 2013, long-term loans from local banks consist of:

No.	Agreement date	Credit facility (Unit: Million Baht)	Outstanding long-term loans amount (Unit: Thousand Baht)					Significant conditions of the loan agreements			
			Current portion	Non-current portion			Total	Loan period	Principal repayment	Interest payment	Interest rate
			2014	2013	2014	2013					
1.	16 January 2013	14.9	1,721	6,876	-	1,148	8,024	2 YRS 2 Mth	Monthly	Monthly	At the rate of MLR per annum
2.	20 February 2013	2.8	788	1,050	-	875	1,925	2 YRS 8 Mth	Monthly	Monthly	At the rate of MLR per annum
3.	20 February 2013	12.2	3,796	4,584	-	3,796	8,380	2 YRS 8 Mth	Monthly	Monthly	At the rate of MLR per annum
4.	29 April 2013	6.0	-	3,300	-	-	3,300	1 YRS 8 Mth	Monthly	Monthly	At the rate of MLR per annum
5.	17 July 2013	9.0	900	5,400	-	1,350	6,750	1 YRS 8 Mth	Monthly	Monthly	At the rate of MLR per annum
6.	3 December 2013	11.2	4,344	4,344	2,150	6,494	10,838	2 YRS 7 Mth	Monthly	Monthly	At the rate of MLR per annum
7.	3 December 2013	6.5	2,520	2,520	1,250	3,980	6,500	2 YRS 7 Mth	Monthly	Monthly	At the rate of MLR per annum
8.	7 February 2014	4.9	2,940	-	-	-	2,940	2 YRS	Semi-annually	Monthly	At the rate of MLR per annum
9.	1 April 2014	7.3	2,664	-	2,860	-	5,524	2 YRS 9 Mth	Monthly	Monthly	At the rate of MLR per annum
10.	15 December 2014	7.2	4,206	-	2,494	-	6,700	2 YRS 11 Mth	Monthly	Monthly	At the rate of MLR-0.75 per annum
Total long-term loans			23,879	28,074	8,754	17,643	32,633				
							45,717				

Loan agreements with a bank contain certain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio at the rate prescribed in the agreements, transfer the right of restricted deposit under finance lease and hire-purchase agreements, according to the agreements as described in Note 11 and Note 12.

18. Trade and other payables

(Unit: Thousand Baht)

	2014	2013
Trade accounts payable - unrelated parties	7,422	6,879
Other payables - related parties	687	132
Other payables - unrelated parties	270	-
Total trade and other payables	8,379	7,011

19. Liabilities under finance lease agreement

(Unit: Thousand Baht)

	2014	2013
Liabilities under finance lease agreement	2,538	-
Less : Deferred interest expenses	(599)	-
Total	1,939	-
Less : Portion due within one year	(379)	-
Liabilities under finance lease agreement - net of current portion	1,560	-

The Company has entered into the finance lease agreement with leasing company for rental of motor vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of agreement is 5 years.

Future minimum lease payments required under the finance lease agreement was as follows:

(Unit: Thousand Baht)

	As at 31 December 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	609	609	1,929
Deferred interest expenses	(230)	(230)	(369)
Present value of future minimum lease payments	379	379	1,560

(Unit: Thousand Baht)

	As at 31 December 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	-	-	-
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	-	-	-

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	2014	2013
Defined benefit obligation at beginning of year	2,739	1,570
Current service cost	265	167
Interest cost	120	67
Actuarial loss	-	935
Provisions for long-term employee benefits at end of year	3,124	2,739

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	2014	2013
Current service cost	265	167
Interest cost	120	67
Total expenses recognised in profit or loss (included in administrative expenses)	385	234

As at 31 December 2014, cumulative actuarial loss, which were recognised in other comprehensive income of the Company, amounted to Baht 0.9 million (2013: Baht 0.9 million).

Key actuarial assumptions used for the valuation are as follows:

	2014 (% per annum)	2013 (% per annum)
Discount rate	4.4%	4.4%
Future salary increase rate	5.5%	5.5%
Employee turnover rate (depending on age of employees)	5.0% - 20.0%	5.0% - 20.0%

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

(หน่วย: พันบาท)

	(Unit: Thousand Baht) Defined benefit obligations
Year 2014	3,124
Year 2013	2,739
Year 2012	1,570
Year 2011	1,384
Year 2010	1,198

21. Share capital

21.1 On 1 March 2013, the Extraordinary General Meeting of the Company's shareholders approved to decrease the Company's registered share capital by Baht 100 million (10 million ordinary shares of Baht 10 each) from the registered share capital of Baht 200 million (20 million ordinary shares of Baht 10 each) to Baht 100 million (20 million ordinary shares of Baht 5 each). The Company registered the share capital decrease with the Ministry of Commerce on 9 April 2013.

21.2 On 29 April 2013, the Annual General Meeting of the Company's shareholders approved the following.

a) To decrease the par value of the Company's ordinary shares from Baht 5 per share to Baht 1 per share (from 20 million ordinary shares of Baht 5 each to 100 million ordinary shares of Baht 1 each). The Company registered the par value decrease with the Ministry of Commerce on 16 May 2013.

b) To convert into a public limited company and to list the Company on the MAI. The Company registered the conversion into a public limited company with the Ministry of Commerce on 16 May 2013.

c) To additionally issue 16 million ordinary shares of Baht 16 million that were divided into 16 million ordinary shares of Baht 1 each to offer to the public in amount of Baht 1.5 each, totaling Baht 24 million. The Company has already received the full payment. The Company registered the ordinary share increase with the Ministry of Commerce on 14 June 2013.

Subsequently, on 24 June 2013, the Extraordinary General Meeting of the Company's shareholders approved to increase the Company's registered share capital by Baht 84 million (84 million ordinary shares of Baht 1 each) from the registered share capital of Baht 116 million (116 million ordinary shares of Baht 1 each) to Baht 200 million (200 million ordinary shares of Baht 1 each). The new shares were divided into 46.2 million ordinary shares for the first initial public offering (IPO), 4.2 million ordinary shares to offer to directors and/or other employees and 33.6 million ordinary shares to offer to its parent company, SVOA Public Company Limited. The Company registered the share capital increase with the Ministry of Commerce on 4 July 2013.

21.3 During 12 - 14 March 2014, the Company offered 33.6 million ordinary shares, with a par value of Baht 1 each, at a price of Baht 1.80 each through the common and preferred shareholders of SVOA Public Company Limited, according to the proportion of their shareholdings in SVOA Public Company Limited.

21.4 During 17 - 19 March 2014, the Company offered 50.4 million ordinary shares, with a par value of Baht 1 each, at a price of Baht 1.80 each through the Initial Public Offering and directors and employees of the Company.

The Company registered the increase of its issued and paid-up share capital from Baht 116 million (116 million ordinary shares with a par value of Baht 1 each) to Baht 200 million (200 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 20 March 2014, and the Stock Exchange of Thailand approved the 200 million ordinary shares with a par value of Baht 1 each as listed securities for trading, effective from 25 March 2014. The Company incurred expenses relating to the share offering totaling Baht 4.5 million (net of income tax of Baht 1.1 million), which were presented as a deduction from the share premium.

22. Statutory reserve

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

In 2014, the Company set aside a statutory reserve totaling of Baht 2.4 million (2013: Baht 3.2 million).

23. Interest income

(Unit: Thousand Baht)

	2014	2013
Interest income from:		
Finance lease contracts	27,143	25,937
Hire-purchase contracts	8,332	8,743
Factoring contracts	24,080	22,129
Loan contracts	20,409	16,737
Total interest income	79,964	73,546

24. Fees and service income

(Unit: Thousand Baht)

	2014	2013
Fees and service income from:		
Finance lease contracts	262	26
Hire-purchase contracts	183	72
Factoring contracts	8,608	4,630
Loan contracts	14,504	11,280
Guarantees	3,594	2,413
Others	44	6
Total fees and service income	27,195	18,427

25. Other income

(Unit: Thousand Baht)

	2014	2013
Revenues from sales of goods	215,786	182,148
Cost of sales	(209,371)	(176,536)
Change in sales and cost of sales	6,415	5,612
Others	14,498	7,062
Total other income	20,913	12,674

The change in sale and cost of sales is service income from goods procurement and supply to its customers which is presented as net amount of sale and cost of sales and is shown as other income in the comprehensive income.

26. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	2014	2013
Salaries and wages and other employee benefits	16,794	12,732
Doubtful accounts	5,500	4,500
Depreciation and amortisation	1,333	672
Rental expenses from operating lease agreements and services expenses	1,762	1,017

27. Income tax

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

(Unit: Thousand Baht)

	2014	2013
Current income tax:		
Current income tax charge	12,979	8,946
Adjustment in respect of income tax of previous year	(212)	43
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,700)	(977)
Income tax expense reported in the statement of comprehensive income	11,067	8,012

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	2014	2013
Deferred tax relating to actuarial loss	-	(187)
	-	(187)

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	2014	2013
Accounting profit before tax	58,874	40,110
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	11,775	8,022
Adjustment in respect of income tax of previous year	(212)	43
Effects of:		
Non-deductible expenses	84	3
Additional expense deductions allowed	(43)	(35)
Others	(537)	(21)
Total	(496)	(53)
Income tax expenses reported in the statement of comprehensive income	11,067	8,012

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	As at 31 December 2014	As at 31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	3,381	2,281
Provision for long-term employee benefits	625	548
Deferred fees income incurred at the initiation of financial lease and hire purchase	80	77
Financial leases	349	-
Total	4,435	2,906
Deferred tax liabilities		
Financial leases	-	(171)
Total	-	(171)
Deferred tax assets - net	4,435	2,735

Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

29. Segment information

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

The one main reportable operation segment of the Company is financial services by leasing and hire purchase, finance leases, loans and factoring from selling and service and the single geographical area of their operations is Thailand. Segment performance is measured based on operation 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 and operating profits as presented in the comprehensive income statement and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Major customers

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

30. Provident fund

The Company and its employees jointly registered a provident fund scheme under Provident Fund Act B.E.

2530. The fund is monthly contributed to by the employees at the rate of 5 percent of their basic salaries and by the Company at the same rate. The fund is managed by SCB Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund. During the year 2014, the Company contributed Baht 0.49 million (2013: Baht 0.35 million) to the fund and recorded as expenses in the profit or loss.

31. Dividend

On 29 April 2013, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment of 60 percent of the Company's 2012 income totaling Baht 18.2 million. The Company paid such dividend in July 2013.

On 28 April 2014, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend for 2013 of Baht 0.10 per share, or a total sum of Baht 20 million. The Company paid such dividend in May 2014.

32. Commitments and contingent liabilities

As at 31 December 2014, the Company has commitments other than those disclosed in other notes as follows:

32.1 Operating lease commitments and service agreements

The Company has entered into several lease agreements in respect of the lease of office building and other service agreements. The term of agreements are generally between 1 and 3 years.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)		
	2014	2013
Payable within:		
In up to 1 year	1.6	1.7
In over 1 and up to 3 years	-	0.6

32.2 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 31 million (2013: Baht 17 million) issued by banks on behalf of the Company's customers in respect of certain bid bonds.

33. Financial instruments

33.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivables, factoring receivables, financial lease receivables, hire purchase receivables, loan receivables, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, other receivables,

factoring receivables, financial lease receivables, hire purchase receivables and loan receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, factoring receivables, other receivables, financial lease receivables, hire purchase receivables and loan receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions, loans receivables, hire purchase receivables, finance lease receivables, bank overdrafts and short-term and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2014 and 2013 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2014					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	10	-	10	0.5
Trade and other receivables	-	-	-	52	52	-
Loan receivables	187	15	-	-	202	15
Factoring receivables	254	1	-	-	255	14.5 - 15
Financial lease and hire-purchase receivables	196	109	-	-	305	6.8 - 7.8 (Flat rate)
Restricted bank deposits	-	14	2	-	16	0.5 - 1.75
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	366	-	366	5.2 - 5.6, MOR, MLR
Long-term loans	-	-	33	-	33	MLR, MLR-0.75
Trade and other payables	-	-	-	8	8	-

(Unit: Million Baht)

	2013					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	10	-	10	0.5 - 0.625
Trade and other receivables	-	-	-	60	60	-
Loan receivables	127	-	-	-	127	15
Factoring receivables	138	6	-	-	144	13.5 - 15
Financial lease and hire-purchase receivables	190	117	-	-	307	6.25 - 8 (Flat rate)
Restricted bank deposits	-	18	1	-	19	0.625 - 2.25
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	356	-	356	MOR, MLR
Long-term loans	-	-	46	-	46	MLR
Trade and other payables	-	-	-	7	7	-

33.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and long-term financial assets and liabilities carry interest at rates close to current market rates or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial positions.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

34. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Company's debt-to-equity ratio was 1.36:1 (2013: 2.60:1).

35. Event after the reporting period

On 16 February 2015, the Meeting of the Board of Directors passed a resolution to propose for consideration and approval in the Annual General Meeting of the Company's shareholders, for issuance the debenture amounting to Baht 500 million, which has less than 10 years maturity period. Such debenture will be issued and recorded after it is approved by the resolution of the Annual General Meeting of the Company's shareholders.

36. Approval of financial statements

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



17. General information & other important information

Company Name	Lease IT Public Company Limited
The headquarters	900/17 Rama III Road, Bangpongpan, Yannawa, Bangkok 10120 Thailand
Nature of Business	Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond, Project Backup Financing, and Trade Finance

Company Registration Number	0107556000353
Tel.	0-2686-3200-4
Fax	0-2686-3228
Website	www.leaseit.co.th

Reference	
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 62 Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel : 66(0)-2229-2800 Fax : 66(0)-2654-5642 or TSD Call Center 66(0)-2229-2888

Auditor	Ms.Siriwan Surataepin Certified Public Accountant (Thailand) No. 4604 Ms. Ratana Jala Certified Public Accountant (Thailand) No. 3734 Ms. Rachada Youngsawadvanich Certified Public Accountant (Thailand) No. 4951 EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel : 66(0)-2264-0777 Fax : 66(0)-2264-0789-90
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