



S11

Annual Report 2015

S 11 Group Public Company Limited

Motorcycle Hire Purchase Credit Provider



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Message from the Chairman

Regarding the motorcycle hire-purchase business in Thailand, the number of motorcycles registered throughout the country in 2015 has continuously decreased from 2014 and 2013 due to the economic, political crisis. The Company aims to operate its business with due care and sustainable growth. We recognize the quality of debtors as the most important aspect.

As a consequence, in 2015, the Company's operating result has grown continuously. The total revenue was Baht 1,134.63 million, increased by 21.48 percent, and the net profit was Baht 353.0 million, increased by 65.71 percent. At the end of 2015, the Company recognized the account receivables for hire-purchase contracts equal to Baht 3,324.41 million (Net of provisions and write-offs).

I would like to take this opportunity to thank our customers and business partners for their trust and support. This has been invaluable. Also, I would like to state that the success of the Company for over the years is not by chance, but is through the effort and commitment of all executives and employees. This has allowed the Company to achieve our continuous growth.

In building the success, the Company is to align with the principle of good corporate governance and conduct its business with fiduciary duty and transparency. All stakeholders' benefits are most concerned of. We are also committed to be part of Thailand's economical and social development toward sustainability.

Mr. Samart Chiradamrong

Chairman





Part 1

Business Operation



**1. Policy and Overview of S11 Group Business****1.1 Vision Mission and Business Strategies**Vision

The Company aims to be a leading loan service provider as well as conduct a transparent business. Consistent growth is also the goal, along with the contributing to society's educational development.

Mission

The Company is a loan provider to individuals. We commit the following to our stakeholders.

- Mission of the Company

Build stability internally while being flexible to rapid external changes in order to expand our business.

- Mission to the employees

Build a good working environment along with work-life balance of the employees while developing discipline, morals and skills.

- Mission to the shareholders

Earn a satisfying return of investment while the business is conducted with good corporate governance and transparent business policies.

- Mission to the customers and trade partners

Compliance with all laws and fairness in dealings with customers and trade partners

Business strategies

The Company is to focus on the existing markets as there are opportunities of expansion. We hope to maintain the geographical sales ratio as in 2015. As of 31 December 2015, the provincial sales ratios were 73.02 percent in Bangkok and vicinities, 16.95 percent in Chonburi, 6.71 percent in Ayutthaya, 0.70 percent in Chachoengsao, 1.95 percent in Rayong and 0.63 percent in Chantaburi. In addition, the Company starts providing collateral loan to the existing high quality customer as to supplies their satisfactions.

1.2 Significant corporate events1.2.1 Historical Background

March 2011 : The Company was initially registered as S 11 Group Company Limited on March 9, 2011 with the registered and paid-up capital of Baht 5,000,000, consisting of 50,000 ordinary shares with a par value of Baht 100.00. The objective of the business operation is to provide motorcycle hire-purchase services in Bangkok metropolitan area and other provinces.

April 2011 : A group of founding shareholders sold their shares to Thai, Singaporean and Japanese investors. Moreover, at the Extraordinary General Meeting of Shareholders no.1/2011 held on April 20, 2011, it was approve that the par value of the Company's share be changed from Baht 100.00 to Baht 5.00 per share.

July 2011 – November 2013



- : The Company periodically increased its registered capital between July 2011 to November 2013.
- May 2011** : The Company commenced the motorcycle hire-purchase service in Bangkok and vicinity areas in which has achieved very positive feedback from both dealers and manufacturers.
- July 2011** : The Company expanded its business to other provinces, initially at Chonburi's Amata Industrial Estate and opening a branch office in Chonburi, corresponding to the business growth in the province.
- August 2011** : The Company continued to expand its market by introducing the service in Rojana Industrial Park in Ayutthaya province.
- September 2011** : The Company purchased a 4 Rai 3 Ngan 69 square wah land for the construction of the current head office of the Company.
- December 2012** : The Company business has grown continually and spread from Bangkok Metropolitan area to Chonburi, Ayutthaya and Chachoengsao.
- December 2013** : The Company registered its conversion to a public limited company on 18 December 2013 with the registered and paid up capital of Baht 533,000,000, consisting of 106,600,000 shares at a par value of Baht 5.00.
- March 2014** : The 2014 Annual General Meeting of the Shareholders approved the increase of the Company's registered capital from Baht 533,000,000 to Baht 613,000,000 by issuing 16,000,000 new ordinary shares with a par value of Baht 5.00 per share as Initial Public Offering (IPO) shares.
- August 2014** : The Company acquired 2 Rai 3 Ngan 15 square wah land in Ta-Pong district, Rayong with the approximate value of Baht 4,500,000 for the construction of the Company's branch office with the aim to support the expansion of the business in eastern area.
- September 2014** : The Extraordinary General Meeting of the Shareholders no.1/2557 held on September 10, 2014 approved the change of a par value from Baht 5.00 per share to Baht 1.00 per share and the change of the allocation of newly issued 16,000,000 ordinary shares at a par value of Baht 5.00 per share by way of initial public offering, to the allocation of newly issued 80,000,000 ordinary shares at a par value of Baht 1.00 per share by way of initial public offering.
- December 2014** : 66 new trade partners were acquired, with 144 branch offices covering Bangkok Metropolitan area, Chonburi, Ayuttaya, Chachoengsao, Rayong and Chanthaburi.

1.2.2 Key Changes and Essential Developments in 2015

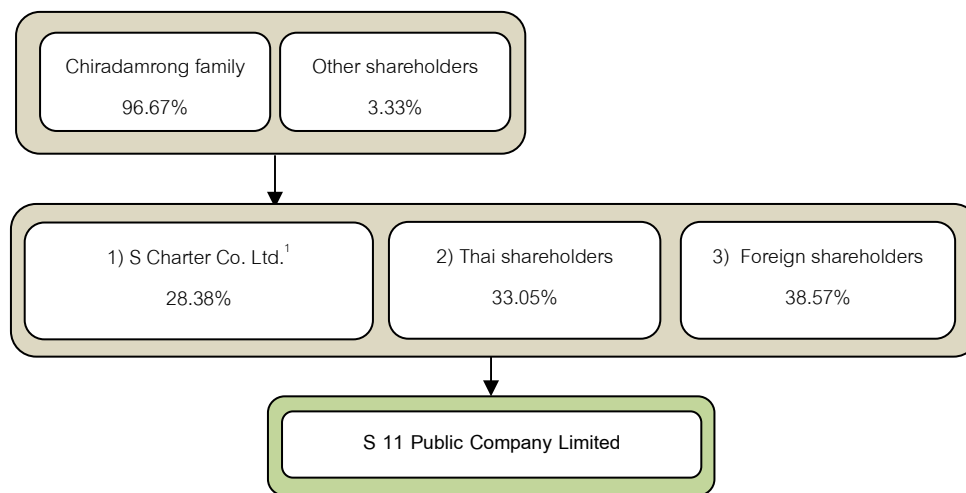
- February 2015** : The Company listed its shares in the Stock Exchange of Thailand and tender offer newly issued 80,000,000 ordinary shares by way of initial public offering. The Company stated trading on February 25, 2015.



September 2015 : The Company acquired 1 Rai 2 Ngan 79 square wah land in Na-Pa district, Chonburi with the approximate value of Baht 5,950,000 for the construction of the Company's branch office with the aim to support the expansion of the business in eastern area.

1.3 Shareholding structure

On December 31, 2015, the Company's registered was Baht 613,000,000 and paid-up capital was Baht 613,000,000, consisting of 613,000,000 ordinary shares with the par value of Baht 1.00 per share. The shareholding structure of the Company consisted of 28.38 percent held by S charter Co. Ltd., 38.57 percent held by foreign investors and 33.05 percent held by other Thai investors who are concerned with S Charter Co. Ltd.



Remark: Major shareholders' report as at the closing date of the share-registered book, January 4, 2016 prepared by Thailand Securities Depository Co., Ltd. (TSD)

¹96.67 percent of the totals shares in S Charter Co., Ltd. are held by Miss Katika Chiradamrong, Mr. Karn Chiradamrong, Mr.Samart Chiradamrong, Mrs.Chalatip Chiradamrong and Mr.Chatchai Chiradamrong, while 3.33 percent held by other shareholders.

1.4 Relations with the major shareholders of the business group

The Company has no relationship with the major shareholders of the business group.

**.2 Business Feature****2.1 Overall View of the Company's Business**

The Company conducts loan services for the hire-purchase of motorcycles, targeting individuals earning stable, mid to low range of income. Motorcycles under hire-purchase are 99 percent new and 1 percent used, with average price per motorcycle of Baht 50,000 – 52,000. Over 90 percent of the motorcycles are Honda. Others are of popular Japanese brands, i.e. Yamaha, Kawazaki, and Suzuki.

2.2 Revenue Structure

Unit: Baht

Type of Revenues	2012		2013		2014		2015	
Hire-purchase interest incomes ¹	388,617,682	97.10%	706,895,025	96.14%	887,504,649	95.02%	1,068,497,872	94.17%
Fee and service incomes ²	6,631,008	1.66%	20,822,665	2.83%	37,690,150	4.04%	48,078,800	4.24%
Other incomes ³	4,993,452	1.25%	7,531,869	1.02%	8,830,416	0.95%	18,049,971	1.59%
Total revenues	400,242,142	100.00%	735,249,559	100.00%	934,025,215	100.00%	1,134,626,643	100.00%

Remarks: ¹Hire-purchase interest incomes are net of commission fees and direct expenses

²Fee and service incomes are penalty fees for overdue, tax renewal and ownership transfer registration service fees.

³Other incomes are 1) income from reversal of (a) sales of repossessed assets and (b) bad debts recovery, and 2) discount on motorcycle insurance. However, fee and service income from 2011 was included under other incomes.

As at 31 December 2014, the revenue structure of the Company comprised of 95.02 percent of hire-purchase interest incomes, 4.04 percent of fee and service incomes, and 0.95 percent of other incomes. While the revenue structure as of 31 December 2015 comprised of 94.17 percent of hire-purchase interest incomes, 4.24 percent of fee and service incomes, and 1.59 percent of other incomes.

2.3 Nature of Service

The Company conducts loan services for the hire-purchase of motorcycles which is not regulated by Bank of Thailand. The services are provided to customers purchasing motorcycles from the dealers who are to introduce the Company's hire-purchase services to the customers. When a loan proposal is approved, the loan service provider is to pay the purchased motorcycle cost to the dealer.

Relevant parties in the motorcycle hire-purchase business are the hire-purchase service provider (the Company), motorcycle dealers, and customers who apply for the hire-purchase loan. Details are as follows.

2.3.1 Loan service provider

The Company, as a motorcycle hire-purchase loan service provider, offers credit services under terms detailed in the "Rate Sheet" based on motorcycles' brand and model to the customers. Rate sheet or hire-purchase service conditions are; for example, credit amount, down payment amount, term and installment of payment, registration fee, and loss insurance. When there is a customer requesting for the service, they are required to complete the hire-purchase and guarantee (if any) contracts, and submit relevant documents, e.g. an ID card, a house registration, a bank statement showing income received (if any), and a consent letter to disclose the information at the Credit Bureau. All the above stated documents are, then, to be sent to the Company's head office for consideration.

Once the loan application is approved, the Company's credit analyst officer arranges the hire-purchase and guarantee (if any) contracts together with other relevant documents for signing. All signed documents are to be submitted to the Company for the authorized signatories first, then sent back the customer's copy.



2.3.2 Motorcycle Dealers

Motorcycle dealers are channels to the customers. There are dealers and sub-dealers who have direct contact with the customers. It is inevitable that the dealers can significantly influence the customers' choices of loan service providers; therefore, there is no dealer which has introduced more than 30 percent of the total hire-purchase receivables in order to reduce the Company's business risk.

All motorcycle brands co-operate with the Company. Loan approval to brand ratio conforms to the market share of each brands. Popularity ranking of motorcycles are Honda, Yamaha, Kawasaki, and Suzuki, respectively. As of 31 December 2015, Honda had accounted for the highest proportion of 94.38 percent, followed by Yamaha of 4.36 percent, and others of 0.87 percent. The Company's total receivables are new motorcycles which accounted for 98.63 percent.

2.3.2 Customers

The Company's target customers are individuals with stable middle to low income such as government official or company employees, and factory employees. Most of the customers cannot provide sufficient financial evidence in order to be eligible for loan service provided by financial institutions.

The Company has classified the customers into 2 main types as follows;

1. Customers with sufficient financial evidences

Most of this customer resides in Bangkok and the surrounding vicinity, with permanent occupations and stable incomes. Their financial records can be checked with financial institutions. Customers and guarantors are required to present ID cards and copies of salary receipts. As of 31 December 2015, the customers of this type accounted for 22.28 percent of the Company's customers.

2. Customers without sufficient financial evidences

Most of this customer is, for instance, merchants, general contractors or motorcycle taxi riders. It is essential to have direct contact and be acquainted with these customers. They and their guarantors are required to present ID cards to the credit analyst officer who must then verify the information by visiting the customers' residence. As of 31 December 2015, the customers of this type accounted for 77.72 percent of total customers. Their payment histories are, however, better than the first type of customers (with financial evidences). It is probably because motorcycles are a necessary part in their occupations and they are not eligible to receive loans from financial institutions where stringent financial evidences are required.

As of 31 December 2015, the customers can be classified according to the service areas as follows;

1. The customers in the head office area which are Bangkok, Nonthaburi, Pathumtani and Samut Prakan. These customers accounted for 72.69 percent of the total customers.
2. The customers in Chonburi area account for 16.01 percent of the total customers.
3. The customers in Ayutthaya area account for 4.93 percent of the total customers.
4. The customers in Chachoengsao area account for 0.17 percent of the total customers.
5. The customers in Rayong area account for 4.31 percent of the total customers.
6. The customers in Chanthaburi area account for 1.79 percent of the total customers.



Hire Purchase Details per motorcycle

Down Payment amount	Baht 500 - 30,000
Principal	Average Baht 50,000-52,000
Interest rate	1.10 - 2.30 percent per month (flat rate)
Repayment	Monthly
Repayment Period	From 6 to 36 months
Guaranty	Personal Guarantee

2.4 Marketing and Competition

2.4.1 Competitive Strategies

Different competitive strategies are chosen to apply with different areas according to the competitive environment and competitors. However, all strategies used are aimed to create comparative advantages and optimization of the business benefits.

1. Bangkok and the surrounding vicinity are areas where the Company has major market and where the competition is extremely high. Therefore, the competitive strategy in this area is to secure the loyalty of the existing customers and dealers, and present the alternative features of hire-purchase service in order to widen the customers' base.
2. Eastern area shows a high demand of the hire-purchase loans, and the competition is, therefore, strong. The Company is conversant with this area and foresees the promising growth. Therefore, the strategy is to broaden the customers' base with speedy and excellent services.
3. Ayutthaya area market is less competitive when compared with Bangkok and eastern area. The strategy is to widen customers' base as well as loan application screening control and excellent services.

Strategies, as shown in the following, are deployed as means to encourage the sales and expand the customer base:

1. Build up the satisfaction o customers by providing convenient services and speedy credit approval. There is also an information service for the Company's dealers. Moreover, problems arisen from the cooperation between the Company and dealers must be taken seriously and jointly discussed for resolutions.
2. Enhancing the customers' choice opportunity by customizing sale promotions to specific dealers in order to serve the division. This is to gear up the sales by increasing the chances that the Company will be chosen for recommendation by the dealers to the customers.

2.4.2 Price Policy

The Company's price policies are depending on brand and competition in each area; therefore, the interest rates are dissimilar. The Company determines the interest rate by considering the following factors:

- Average returns determined by other loan providers and motorcycles dealer affiliates.
- Economic trend influencing the current and future loan interest rate and inevitably affecting the Company's and dealers' operation plans.

The interest rate return, however, depends on competitive environment at a certain point of time.



2.4.3 Distribution Channel

The Company provides motorcycle hire-purchase loan service only in Thailand. The distribution channels are as follows:

1. Through dealers introducing or suggesting the Company's service to customers.
2. Through the officers of the Company assigned to be based at the dealers' stores.

According to the records, the Company provides mostly through the first channel with 99.50 percent of total hire- purchase receivables. As of December 31, 2015, the Company has 64 dealers, 138 branches, consisting of 51 dealers in Bangkok and vicinity area, 3 dealers in Ayutthaya, 6 dealers in Chonburi, 1 dealer in Chachoengsao, 2 dealers in Rayong and 1 dealer in Chantaburi. Motorcycle brands that the Company is focusing on are Honda, Yamaha, Suzuki, and Kawasaki.

2.4.4 Market Competition

Over past several years, motorcycle market competition is as follow;

Statistic of newly registered motorcycles between 2009 to 2015

Country-wide, divided by region

Newly registered	2012		2013		2014		2015	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Bangkok	442,158	20.80	446,484	22.33	392,295	23.09	395,190	23.65
Central	96,104	4.52	85,246	4.26	78,531	4.62	72,397	4.33
Eastern	238,784	11.23	224,666	11.24	200,050	11.77	198,397	11.87
Northeastern	576,992	27.14	525,562	26.29	434,383	25.56	431,396	25.81
Northern	320,400	15.07	307,848	15.40	255,576	15.04	243,542	14.57
Western	144,350	6.79	140,760	7.04	121,907	7.17	117,092	7.01
Southern	306,858	14.44	268,482	13.43	216,476	12.74	213,223	12.76
Countrywide	2,125,646	100.00	1,999,048	100.00	1,699,218	100.00	1,671,237	100.00

Source: Department of Land Transport

The Company market shares are as follow;

Comparative proportion of the Company's market share for the past 3 years

Market Share (percent)	2013	2014	2015
Bangkok and Vicinity	6.63	8.55	9.72
Chonburi	9.03	8.40	9.24
Ayutthaya	13.81	18.95	13.96
Chachoengsao	1.65	2.10	0.49
Rayong	-	3.50	5.28
Chantaburi	-	1.99	6.51

Source: the Company's record



2.5 Funding

2.5.1 Source of funds

Source of funds of the Company can be concluded as follows:

1. Hire purchase loan payment which is the main source of funds of the Company. The Company deploys this payment, after deducted by the expenses, as a working capital.
2. Short-term and long-term loans from domestic commercial banks and financial institutions
3. Short-term loans from major shareholders and directors. However, as of 31 December 2015, there was none.
4. Shareholders' equity consisting of registered and paid-up capital, and retained earnings.
5. Initial public offering (IPO) money
6. Short-term loans from bills of exchange

As of 31 December 2015, source of funds regarding accounts payables, loans and shareholders' equity are shown in the following table:

Unit: Baht

Source of Funds	2012		2013		2014		2015	
Loans	1,144,693,194	67.16%	1,603,189,002	65.59%	1,958,181,638	65.01%	1,802,455,655	51.17%
Bank overdraft	0.00	0.00%	0.00	0.00%	0.00	0.00%	50,000,000	1.42%
Short-term loans	0.00	0.00%	0.00	0.00%	0.00	0.00%	422,338,883	11.99%
Short-term loans from directors	56,855,577	3.34%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Current portion of long-term loans	532,707,020	31.25%	952,055,532	38.95%	1,155,216,199	38.35%	939,133,131	26.66%
Long-term loans - net of current portion	555,130,597	32.57%	651,133,470	26.64%	802,965,439	26.66%	390,983,641	11.10%
Shareholders' equity	559,791,778	32.84%	841,005,824	34.41%	1,054,027,883	34.99%	1,719,849,387	48.83%
Total	1,704,484,972	100.00%	2,444,194,826	100.00%	3,012,209,521	100.00%	3,522,305,042	100.00%

2.5.2 Fund management policy

The Company set the fund management policy by sourcing funds to conform with the operational uses as well as considering the repayment term, debt to equity ratio and loan terms and conditions.

2.5.3 Terms and conditions of loan agreements

The major source of funds for business expansion derives from loans given by financial institution. Land and House Bank Public Company Limited (the "Bank") is currently the lender. Terms and conditions of the loan agreement can be summarized as follows:

1. S Charter Company Limited, the Company's major shareholder, shall maintain the shareholding portion of not less than 26 percent of the total issued shares after the Company listed with Stock Exchange of Thailand (SET).
2. The Company shall maintain the debt to equity ratio of not exceeding 4.0:1.

2.5.4 Lending policy

The Company has set the requirement for the customers proposing for loan services to pertain the adequate income showing the loan repayment ability, and targeted persons with steady and sufficient income for repayment.



3. Risk Factors

Risks that potentially significantly impact the Company's business operations and its returns to shareholders can be summarized as follows:

3.1 Risk of competition for market share

The Company requires more time in an attempt to expand its market share and to compete with other new comers as it is only four years that the Company has entered into the motorcycle hire-purchase service business. Nevertheless, the Company is run by a highly experienced team of management and staff with more than 20 years of experience in the business which enhances the good relationship with dealers.

3.2 Risk of quality of hire-purchase portfolio deteriorating

As a new comer in the market, the Company aims to greatly expand its hire-purchase portfolio in order to gain a larger market share; therefore, the balance between portfolio expansion and the flexibility in credit approval should momentarily be taken into consideration. Otherwise, the Company may be at risk of recognizing more expenses rising from bad debts and doubtful debts as the quality of hire-purchase portfolio reduce.

The Company has set measures to mitigate such risk by swiftly repossessing the motorcycles with repayments that are overdue, or meet the repossession conditions, then sell the repossessed motorcycles in the shortest time. The delay in repossession may cause loss of value to the motorcycles and incur additional losses from the sale of the repossessed motorcycles.

However, the Company has been efficient in disposing off the repossessed motorcycles. Statistically, the Company has disposed 96.23 percent in 2013, 95.99 percent in 2014, and 97.26 percent in 2015 of total repossessed motorcycles.

Details	2013	2014	2015
Beginning Balance of repossessed motorcycles (units)	98	235	332
Repossessed motorcycles (units)	6,129	8,054	8,782
Total repossessed motorcycles (units)	6,227	8,289	9,114
Repossessed motorcycles sold (units)	5,992	7,957	8,864
Repossessed motorcycles sold / Total repossessed motorcycles (%)	96.23	95.99	97.26
Assets foreclosed (Baht)	257,015,279	343,707,432	381,210,789
Loss from diminution and disposal of foreclosed assets (Baht)	109,212,445	137,971,647	137,584,449



Another measure mitigate the risk of the hire-purchase portfolio deterioration is to set a strict policy on the allowance of doubtful debts and the allowance for assets for sales to cover bad debts, and loss on diminution of assets and sales of assets incurred each year as follows:

Unit: Baht

Details	2013	2014	2015
Allowance for doubtful debts	181,665,754	293,930,172	391,066,479
Allowance for impairment losses	4,254,446	5,962,111	4,655,099
Bad Debts	73,960,216	98,127,207	107,389,963
Losses from diminution and disposal	109,212,446	137,971,647	137,584,449

3.3 Risk of the failure to collect the remaining of principal outstanding of the hire-purchase agreements from the customers/guarantors in case of losses from the sale of asset

The Company may encounter a risk of failure to collect the portion of loss from the customers/the guarantors in case of losses from the sale of asset. The prices of repossessed motorcycles normally depend on the condition, period of use, and popularity. The motorcycles repossessed excessively late after the hire-purchase agreements are made, the condition of such motorcycles may be impaired and their prices are lowered. To prevent this risk, the Company should find the quickest means to follow up those hire-purchase accounts under overdue criteria, repossess the motorcycles, and sell them off.

3.4 Risk of the failure to repossess the motorcycles which have overdue payments

Since motorcycles are movable assets, a risk falls on tracking the motorcycles to be repossessed. Failure to repossess the motorcycle has direct effects on the Company's financial and operational results.

To minimize such risk, the Company tends to selectively approve the hire-purchase service to those customers either residing, or working in the proximities of the allied dealer's shops. The Company also preliminarily evaluates the qualities of customers by remunerating the credit analyst officers with respect to their customers' payment behaviours.

3.5 Risk of failure to comply with the obligations imposed by the loan agreements

Due to significant provisions specified in the loan agreement, the Company is required to comply with obligations; for instance, maintaining the shareholding portion of major shareholder, i.e., S Charter Co., Ltd., maintaining the debt to equity ratio, or maintaining ratio of hire-purchase receivables over 3 months overdue to total hire purchase receivables. The Company may be at risk if it is not able to comply with these obligations and subsequently a higher-interest-expense is imposed, or the loans may be called for early repayment by the bank, or the Company may not receive further loans from the bank. Also, the Company may not be able to pay a dividend.

However, despite this risk, the Company has always been capable of compliance with the Bank's obligations. Listing in the SET also reduces the risk as it increases the Company's creditability. The Company anticipates that it can negotiate for relaxation on these obligations.

**3.6 Risk of the fluctuation of interest rate**

The increase of interest rates reduces the gap of the Company's interest rates it charges and that which it pays. However, the impact on the Company's performance from the reduced interest margin is not significant because the increase is relatively small compared to the interest margins in the hire-purchase business. Moreover, new hire-purchase agreements mitigate the risk of the interest margin reduction because the Company can determine new interest rates on hire-purchase agreements according to the newly increased interest expense level.

3.7 Risk of the dependence on a specific group of skilled professionals

The Company's rapid success after 4 years since establishment is owed to a group of experienced, skilled, and well-known management and staff who are experts in the industry. In the future, if the Company happens to lose this specific group of professionals, there can be a risk to business continuity.

Such risk is prevented as the key management team, who are also the founders of the Company together with major shareholders, directly hold 3.37 percent of the Company's shares. This is to create motivation to work for the best benefit of the Company, and of all shareholders.

3.8 Risk of the hire-purchase agreement and motorcycles registration book losses or fire damage

The hire purchase agreements and registration books, which representing the ownership of the motorcycles, are important legal documents in business operation. However if these documents are lost or damaged from fire, it may affect the Company's operation.

Realizing such risk, the Company stores these documents in storage room of the Company. The Company has purchased the fire insurance on the building where documents are kept, and also store all documents in electronic files for any back-up needed in case of loss or damage of the originals.

3.9 Risk of the Revenue Department's claim for the advanced value added tax (VAT)

Due to the obligation to file VAT to the Revenue Department from the Customers' repayments, whether or not the actual repayments by the customers are made, the Company has its duty to advance the VAT payment for the customers missing out any repayment in any month. This advance VAT payment can be reimbursed by writing off the hire-purchase receivables as bad debts, according to the Revenue Department's rule, after the overdue motorcycles are repossessed and sold off in the market. Before the reimbursement is filed, the possibility of its loss should be deemed as the Company's risk as these repossessed hire-purchase receivables may have to be written off as bad debts.

3.10 Risk of the shareholding of more than or equal to 25 percent by other major shareholder(s)

After to the public offering, the major shareholder of the Company is S Charter Co., Ltd., holding 28.38 percent of the total Company's shares. Holding shares greater than 25 percent enables such shareholder(s) (currently S Charter Co., Ltd. is a sole shareholder holding more than 25 percent of the total shares) to cast vetoes or disapprove votes in any agenda of the shareholders' meeting demanding by law and regulation 3/4 votes of total votes from shareholders attending the meeting and eligible to vote .

**4. General Information**

Company Name : S 11 Group Public Company Limited.

Registration Number : 0107556000698

Core Business : Hire-purchase financing service for motorcycles.

Location : 888 Soi. Chatuchot 10, Chatuchot Road, Ao-Ngoen Sub-district, Saimai District,
Bangkok 10220

Registered Capital : Baht 613,000,000

Paid-up Capital : Baht 613,000,000 as of 31 December, 2015

Type of Share : 613,000,000 ordinary shares at par value of Baht 1.00 per share as at 31 December 2015

Home Page : www.sgroup.co.th

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References

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Part 2

Management and Corporate Governance





5. Securities and Shareholder Information

5.1 Registered capital and paid-up capital as of 31 December 2015

Registered Capital : Baht 613,000,000

Paid-up Capital : Baht 613,000,000, consisting of 613,000,000 ordinary shares at par value of Baht 1.00 per share.

5.2 Shareholders

- S 11 Group Public Company Limited

Top 10 shareholders as of December 31, 2015 were as follows:

No.	Shareholder List	Number of Share	Proportion (%)
1	S CHARTER COMPANY LIMITED	173,984,165	28.38
2	BSI	57,321,663	9.35
3	MR. SIRAWAT WANGLEE	55,144,000	9.00
4	MR. RICHARD WEE KENG KWOK ¹	50,915,287	8.31
5	STATE STREET BANK EUROPE LIMITED	33,500,000	5.46
6	MR. EE GUAN HUI GILBERT ²	28,983,413	4.73
7	MR. LIAU KIM SAN JEREMY	28,347,500	4.62
8	MISS. JUNRI SUGIURA	14,558,000	2.37
9	MR. SOMYOD SUTEERAPORNCHAI	12,958,000	2.11
10	MR.VEERAJET WONGKUSONKIJ	12,557,300	2.05
Total top 10 shareholders		468,269,328	76.39
Total minor shareholders		144,730,672	23.61
Total		613,000,000	100.00

Remark: Major shareholders' report as at the closing date of the share-registered book, January 4, 2016 prepared by Thailand Securities Depository Co., Ltd. (TSD)

¹ holding shares indirectly and through Custodian, totaling 46,071,213 shares.

² holding shares through Custodian, totaling 18,753,487 shares.

**5.3 Dividend Payment Policy**

The Company has the dividend payment policy of a minimum 40 percent of its net profit after deducting the corporate income tax and any legal reserves. However, the Company holds its right to pay out the dividend lower than the policy as the Company's business profit, financial status, capital liquidity, the necessity of the working capital optimization for operation expense, or business expansion, and other factors concerning the Company's business management. The dividend pay-out shall be approved by the Shareholders, except the interim dividend pay-put which shall be approved by the Board of the Directors and acknowledged by the Shareholders at the next shareholders' meeting.

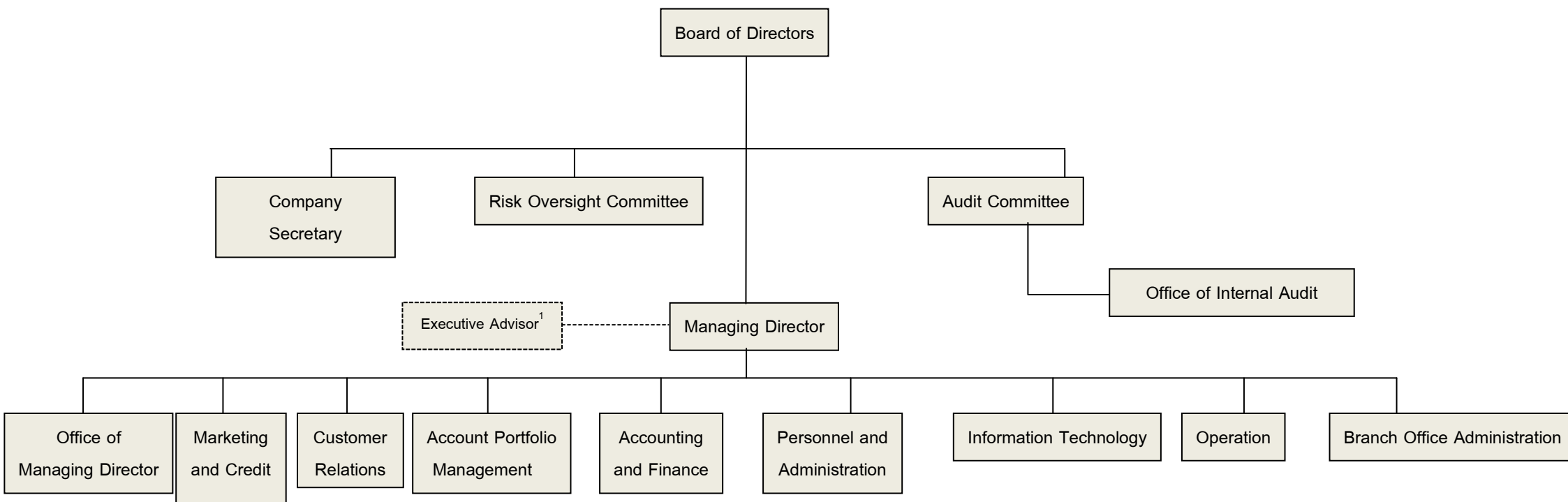


6. Management Structure

The Board of Directors of the Company is responsible for monitoring and controlling the Company's business operation. Committees shall be appointed to serve the needs in carrying out specific mission and tasks. The management structure of the Company is exhibited as follows:



Organization Chart as of 31 December 2015



Remark: ¹ Mr. Samart Chiradamrong is assigned by the Board of Directors to monitor and supervise the management officers on significant issues, without having any role in day-to-day operational management.



6.1 Committees

The Company is operated by assigned committees consisting of the Board of Directors, Audit Committee, and Oversight Risk Management Committee. These committees are legitimately qualified with the requirements of the Public Company Limited Act and the notifications of the Capital Market Supervisory Board .

Board of Directors

On 31 December 2015, the Board of Directors consists of 9 directors as shown below:

Name of the directors	Positions
1. Mr. Samart Chiradamrong	Chairman
2. Mr. Surasak Khemthongkam	Director / Managing Director
3. Mr. Sirawat Wanglee	Director
4. Mr. Richard Wee Keng Kwok	Director
5. Mr. Ee Guan Hui Gilbert	Director
6. Mr. Thosaporn Lerdbhan	Director
7. Mr. Chatchai Chotanakarn	Director / Vice Chairman / Chairman of the Audit Committee / Independent Director
8. Mrs. Vachira Na Ranong	Director / member of the Audit Committee / Independent Director
9. Dr. Tanisorn Dejthamrong	Director / member of the Audit Committee / Independent Director

Secretary of the Board of Directors: Mrs. Katika Kusawadee

Authorized Signatory Directors

Mr. Samart Chiradamrong or Mr. Surasak Khemthongkum or Mr. Sirawat Wanglee or Mr. Thosaporn Lerdbhan, two of these directors jointly sign and affix the Company's seal.

Audit Committee

On 31 December 2015, the Audit Committee consists of 3 directors as shown below:



Name of the directors	Positions
1. Mr. Chatchai Chotanakarn	Chairman of Audit Committee / Independent Director
2. Mrs. Vachira Na Ranong ¹	Audit Committee member / Independent Director
3. Dr. Tanisorn Dejthamrong	Audit Committee member / Independent Director

Remark: ¹ The director with sufficient knowledge and experience to audit the credibility of the financial statement. Mrs. Vachira Na Ranong graduated with a bachelor's degree majoring in finance and banking at the Faculty of Commerce and Accountancy, Chulalongkorn University, and a master's degree in Business Administration at Marshall University, USA. Currently, Mrs. Vachira is a director and treasurer of the Thai Investor Association. (More details are given in the Attachment 1 Details of Directors, Management, Controlling Persons and Secretary of the Company.)

Mrs. Wanna Laicharoenwong is the secretary of the Audit Committee.

Oversight Risk Management Committee

Oversight Risk Management Committee consists of 9 directors as shown below:

Executives	Position
1. Mr. Surasak Khemthongkam	Managing Director
2. Mr. Kritsakorn Netprapha	Marketing and Credit Manager
3. Mr. Wanchai Boontham	Account Receivable Management Manager
4. Miss Watcharaporn Maruthong	Accounting and Finance Manager
5. Mr. Thosaporn Lerdbhan	Information Technology Manager
6. Miss Jamsiri Sangkarak	Personnel and Administration Manager
7. Miss Aree Srikraiot	Operation Manager
8. Miss Jeeranai Promtong	Customer Relations Manager
9. Mr. Paiboon Chaibenjaphol	Office of Internal Audit Manager

Mrs. Katika Kusawadee is the secretary of the Oversight Risk Management Committee

The directors' meeting attendance in 2015 is as follows;

Name of the directors	Positions	2015		2015	
		Numbers of Board of Directors' Meeting	Numbers of Attendance	Numbers of Audit Committee's Meeting	Numbers of Attendance
1. Mr. Samart Chiradamrong	Chairman of the Board of Directors	7	6	-	-



Name of the directors	Positions	2015		2015	
		Numbers of Board of Directors' Meeting	Numbers of Attendance	Numbers of Audit Committee's Meeting	Numbers of Attendance
2. Mr. Surasak Khemthongkam	Director/ Managing Director	7	7	-	-
3. Mr. Sirawat Wanglee	Director	7	7	-	-
4. Mr. Richard Wee Keng Kwok	Director	7	6	-	-
5. Mr. Ee Guan Hui Gilbert	Director	7	3	-	-
6. Mr. Thosaporn Lerdbhan	Director	7	7	-	-
7. Mr. Chatchai Chotanakam	Director / Vice Chairman / Chairman of the Audit Committee / Independent Director	7	6	6	5
8. Mrs. Vachira Na Ranong	Director/ member of the Audit Committee / Independent Director	7	7	6	6
9. Dr. Tanisorn Dejthamrong	Director/ member of the Audit Committee / Independent Director	7	6	6	6

6.2 Management

As of 31 December 2015, the management of the Company are listed as follows:

Executives	Position
1. Mr. Samart Chiradamrong	Chairman ¹
2. Mr. Surasak Khemthongkam	Managing Director
3. Mr. Kritsakorn Netprapha	Marketing and Credit Manager
4. Mr. Wanchai Boontham	Account Receivable Management Manager
5. Miss Watcharaporn Maruthong	Accounting and Finance Manager
6. Mr. Thosaporn Lerdbhan	Information Technology Manager
7. Miss Jamsiri Sangkarak	Personnel and Administration Manager
8. Miss Aree Sriksairot	Operation Manager
9. Miss Jeeranai Promtong ²	Customer Relations Manager
10. Mr. Paiboon Chaibenjaphol ²	Office of Internal Audit Manager

Remark: ¹ The Chairman is assigned by the Board of Directors to monitor and supervise the management in certain significant areas, without having any role in day-to-day operational management.



² Was appointed on August 19, 2015

6.3 Company Secretary

The Board of Directors appointed Mrs. Katika Kusawadee as the Company Secretary.

6.4 Remuneration of the Directors and the Management

6.4.1 Cash remuneration

Directors

The remuneration of the Directors in 2015 is as follows:

Name of the directors	2015		
	Numbers of attendance		Remuneration ¹ (Baht)
	Board of Directors	Audit Committee	
1. Mr. Samart Chiradamrong	6	0	146,000
2. Mr. Surasak khemthongkam	7	0	156,000
3. Mr. Sirawat Wanglee	7	0	156,000
4. Mr. Richard Wee Keng Kwok	6	0	146,000
5. Mr. Ee Guan Hui Gilbert	3	0	116,000
6. Mr. Thosaporn Lerdbhan	7	0	156,000
7. Mr. Chatchai Chotnakarn	6	5	196,000
8. Mrs. Vachira Na Ranong	7	6	216,000
9. Dr. Tanisorn Detchthamrong	6	6	206,000
Total	-	-	1,494,000

Remark: ¹ Remuneration consists of attendance fee and bonus

Management

The remuneration of management in 2015 is as follows:

Items	2015	
	Number of Employees	Remuneration (Baht)
Salary	10	13,593,336
Bonus	10	5,031,212
Provident Fund	10	404,560
Retirement pension	10	1,254,472



Items	2015	
	Number of Employees	Remuneration (Baht)
EJIP		403,541
Total	10	20,687,121

6.4.2 Other Remunerations

In 2015, there was no other remunerations other than the above mentioned.

6.5 Employees

Number of Employees

As of 31 December 2015, the total number of the Company's employees is 328 people, divided into 240 people of in-house employees and 88 people of outsourced employees. Details are as follows:

In-house Employees

No	Departments	Numbers of Employees in 2014	Numbers of Employees in 2015
1	Account Receivable Management	41	61
2	Information Technology	13	15
3	Accounting and Finance	11	11
4	Personnel and Administration	19	21
5	Operations	22	27
6	Office of Managing Director	8	8
7	Credit and Marketing	53	49
8	Branch Office Administration	18	5
9	Customer Relations	41	42
	Total	226	240

Outsourced Employee

No	Department	Number of Employees in 2014	Number of Employees in 2015
1	Credit and Marketing	77	88
	- Credit Analyst Offices) Outsourced)		

Remuneration of Employees

Items	2014		2015	
	Numbers of Employees	Remuneration (Baht)	Numbers of Employees	Remuneration (Baht)
Salary	203	48,704,175	230	46,030,325
Bonus ¹	203	11,771,814	230	16,559,189
Provident Fund	203	1,008,117	230	1,279,063
Retirement pension	203	2,071,416	230	97,646
EJIP				967,086
Total	203	63,555,522	230	64,933,309

The above remuneration of employees does not include the remuneration of management in clause 8.2

Human Resource Development

The Company sets the development plan by creating a learning balance for its employees, which is to improve their working skills and strengthen their self-learning. Superior officers are assigned to encourage their subordinators to be able to learn by themselves. In addition, following-up and assessing of the outcome are regularly conducted as to find out the drawbacks and improve for more suitable methods.

The Company has built up the training courses for knowledge and skill improvement in various different areas. The objectives are as follows:

1) **Job and Functional Area Knowledge**

The training courses are aimed to enhance knowledge, abilities and work skills for each specific position to effectively achieve its mission.

2) **People Skill and Self-Development**

The training courses are aimed to develop abilities and interpersonal skills for better coordination with other employees.

3) **Good Attitude and Core Value**

The training courses are aimed to create the best understanding of the Company's core value for smooth co-working, and the positive attitudes toward the Company, superiors, colleagues and society.



7. Corporate Governance

7.1 Corporate Governance Policy

To promoting corporate governance, the Company published its “Good Corporate Governance Manual” as a written policy in compliance with the SET rules and regulations. The Manual provides guidelines for the Board of Directors, executives, and employees to conduct the business under the relevant laws with responsibility, transparency and fairness. Loyalty, efficiency and effectiveness are significantly promoted and embedded in the Company’s business conduct.

7.1.1 Rights and equal treatment of Shareholders

The Company is fully aware of its duty to protect the interests of every shareholder to ensure equality and fair treatment. The efforts are as follows:

1. Rights of ownership to monitor the Company operation by appointing and authorizing the Company’s directors
2. Rights to purchase, sell or transfer shares.
3. Rights to attend the Shareholders’ Meetings, vote on important affairs, and express opinions.
4. Rights to appoint a proxy to attend and vote at a meeting of shareholders on his/her behalf.
5. Rights to elect or remove members of the Board of Directors.
6. Rights to appoint the external auditor and determine audit fee.
7. Rights to obtain relevant, adequate, and in timely manner information of the Company.
8. Rights to receive their rightful portion of dividends.
9. Rights to obtain related party transactions.

Shareholders’ Meeting

1. Determining the date, time and place for the Shareholders’ Meetings
The Board of Directors shall determine the date, time and place of Shareholders’ Meetings that are most convenient to the Shareholders.
2. Notification of Shareholders’ Meetings
Notification of Shareholders’ Meetings shall be sent to the Shareholders prior the meeting date in accordance with relevant laws and regulations.
3. Provision for shareholders to propose matters to be included in the Meeting agenda
Apart from the rights of shareholders regarding the Public Company Limited Act, the Shareholders holding in aggregate at least one percent of all issued shares of the Company have the rights to propose in advance agendas by submitting agenda subjects, details, and reasons in writing to the Company. The Board of Directors shall consider such agendas in the following practices:
 - 3.1 To propose matters to be included in the Annual General Meetings by submitting agendas, details, and reasons in writing to the Company yearly between October to December.
 - 3.2 To propose agendas to be included in the Extraordinary General Meetings by submitting agendas, details, and reasons in writing to the Company 30 days to the meeting date.



3.3 To propose matters after the Board of Directors approves the Shareholders' Meetings date by submitting agendas, details, and reasons in writing to the Company within 7 days from the date of the Board of Directors' Meetings.

4. Meetings attendance and registration

The Shareholders have rights to attend, vote or appoint a proxy to attend and vote at a meeting of shareholders on his/her behalf. Shareholders or proxy may register prior the meeting time.

5. Shareholders' opportunity for queries, comments, votes and minutes' records

Every shareholder has the rights to monitor the Company's operations, query and comment. Voting shall be casted freely. Every share counts as one vote. The Company shall record the minutes of Shareholders' Meetings with all queries and comments, resolutions, numbers of approving, disapproving and abstaining votes of each agenda in writing for the Shareholders' and relevant persons' references.

6. The meeting attendance of the Company's directors

The Board of Directors attaches great significance on meeting attendance as it is deemed as a director's duty to attend every shareholders' meeting in order to present adequate information, and respond to the Shareholders' queries and comments.

7.1.2 Disclosure and Transparency

The Company is responsible for information disclosure, with respect to financial reports and non-financial information, in an accurate, complete, transparent, equitable, and timely manner, in compliance with applicable laws and regulations, through easy access channels, i.e., the Company's website, and the information dissemination channels of the Stock Exchange of Thailand and the Securities and Exchange Commission.

7.2 Committees and sub-committees

Committees of the Company consist of the Board of Directors, Audit Committee and the Oversight Risk Management Committee. Scopes of each committee's duties are as follows:

7.2.1 The Board of Directors' duties

The followings are duties of the Board of Directors of the Company and its subsidiaries:

1. Performing its duties in compliance with laws, regulations, the Articles of Association, the resolutions of the Board of Directors and resolutions of the Shareholders' Meetings with responsibility and all due circumspection and caution.
2. Directing visions, strategies, directions, policies, targets, operational plans and budgets of the Company and its subsidiaries in accordance with the guidelines made by the Board of Directors and the management.
3. Monitoring the performance of the Managing Director, the management team and any persons assigned for duties to be in accordance with the Company's policies.
4. Monitoring the Company and subsidiaries' operating results so as to achieve the operational plan and budget of the Company.



5. Ensuring that the Company and subsidiaries choose the appropriate and effective accounting system and establish the internal control and internal audit systems.
6. Ensuring that the Company's balance sheets and income statements are properly done at the end of every fiscal year, and signing on the approval of the financial statements to propose to the Shareholders' Meetings for their approval.
7. Approving the selection and nomination of the external auditor of the Company and subsidiaries, and suggesting the remuneration, proposed by the Audit Committee, to the Shareholders' Meetings.
8. Adopting the corporate governance policies for the Company and its subsidiaries in written and monitoring the implementation of the policies with fairness to all involved stakeholders.
9. Ensuring that the Company and its subsidiaries employ lawful persons to be their employees.
10. Appointing sub-committees, e.g. Audit Committee and other committees in order to assist and support the workloads of the Board of Directors, and assigning their scope of duties. The Board of Directors shall also monitor the sub-committees' performance to be in accordance with the charters, regularly update the corporate governance policies, and conduct a performance assessment of every committee at least once a year.
11. Considering the proposal to amend the Company's authorized signatory directors.
12. Appointing the executives (whose qualifications shall be accorded with the Securities and Exchange Commission (SEC) and Capital Market Supervisory Board's requirements) and the company secretaries as well as determining their remunerations.
13. Stipulating the compensation policy, salary range adjustment, bonus determination, and employee rewards, and assigning the Managing Director to determine the remuneration of non-executive employee according to the Company's Authorization Handbook.
14. Forming the authorization and approval ranks in any transactions and operations of the Company and assigning such authorization to the relevant in-charge persons. Such assignment shall be in accordance with the Company's Authorization Handbook and reviewed at least once a year.
15. Seeking professional opinions from external organizations, if necessary, to ensure the most suitable decisions.
16. Encouraging the Company's directors and executives to gain updated knowledge of their directorship or management tasks and responsibilities by joining the relevant courses conducted by the Thai Institute of Directors.
17. Supervising and monitoring the management and operations of the subsidiaries and joint venture companies to align with the Company's business conduction and to guarantee the Company's best benefit. Matters that needed to be approved by the Board of Directors or the Shareholders' meeting are defined in the Corporate Governance Manual.
18. Follow up on the operational results of the subsidiaries and joint venture companies in pursuit of their business plan and budget regularly, and ensuring that the subsidiaries disclose their related party



transactions and asset acquisition or disposal completely and accurately. (even though we don't have JV or Sub, we'll keep this part ka.

19. Ensuring that the subsidiaries adopt the suitable internal control system in preventing the fraud, and uncluttered operational work flows so as to allow the Company's directors and executives to effectively monitor their conduction, financial status and significant transactions. Meanwhile, reports on the internal control system check shall also be regularly presented to the Company's directors and executives. Moreover, any information of the subsidiaries' business shall be easily accessed by the Company's internal auditors and independent directors. (even though we don't have JV or Sub, we'll keep this part ka.

However, any authorizations of the Company's directors on their duties or responsibilities shall strictly not be the acts that allow them or their proxies to approve any issue which causes or may cause a conflict of interest against the Company or its subsidiaries (due to the Notifications of SEC or Capital Market Supervisory Board), unless such issue is in accordance with the Company's policy or principle which is already approved by the Shareholders' or Board of Directors' meeting.

7.2.2 The Audit Committee's duties

1. Ensuring that the Company's financial reports are correct and reliable, and information disclosed shall be adequate. The Audit Committee shall coordinate with the external auditor and the executives on the quarterly and yearly financial reports.
2. Reviewing the suitability and effectiveness of the Company's internal control system and suggesting any revision if needed or deemed important. Such revision shall be presented to the Company's Board of Directors and jointly reviewed with the external and internal auditors.
3. Ensuring that the Company is in compliance with relevant laws and regulations.
4. Appointing and nominating the auditor and its remuneration to the Company's Board of Directors.
5. Ensuring that the Company's internal audit plan meets the generally accepted standards.
6. Ensuring the accuracy and completeness of the Company's information disclosure in respect of the related party transactions or issue that may cause a conflict of interest against the Company.
7. Ensuring that the best suitable and efficient risk management system is deployed.
8. Reporting the Audit Committee's performance to the Board of Directors at least 4 times a year.
9. Appointing, transferring or dismissing the internal audit manager or other relevant persons.
10. Requesting the managers, executives or employees of the Company to provide information or submit relevant documents, if necessary.
11. Hiring, by board's authorization, a third party to render opinions or advise.
12. Creating the corporate governance report and publishing in the Company's annual report. The corporate governance report shall be duly signed by the Chairman of the Audit Committee.
13. Performing the self-assessment and reporting to the Board of Directors along with operational issue findings.



14. Reviewing and amending the charter of the Audit Committee.
15. Performing any other works assigned by the Board of Directors which is within the scope of duties of the Audit Committee.

7.2.3 The Risk Management Committee's duties

1. Stipulating the risk management policy and its framework of the Company that covers inherent risk of business operations.
2. Adopting strategies conforming with the risk management policy and controlling the risk to the acceptable level by evaluation, examination and observation of the strategies' outcomes.
3. Encouraging the cooperation power to manage the risk of the Company and reviewing the sufficiency, efficiency and compliance of the policies.
4. Establishing the evaluation and analysis system for the damage assessment of normal and crisis conditions in order to ensure that the risk forecast has covered all stages of the Company's operation.
5. Supporting and developing the risk management culture in accordance with best practices.
6. Reporting regularly the improved matters to the Board of Directors in accordance with the stipulated policies and strategies.
7. Performing any other works assigned by the Board of Directors.

7.3 Nomination and Appointment of the Directors and Top Executives

7.3.1 Appointment of the Board of Directors

- Component of the Board of Directors

1. According to the Article of Associations of the Company, the Board of Directors shall consist of at least 5 persons. At least one-half of the directors shall reside in Thailand.
2. The Board of Directors shall consist of executive directors, non-executive directors and independent directors. The independent directors shall account for at least one-third of total directors, and not less than 3 directors. The independent directors shall have qualifications as specified by the Notifications of Capital Market Supervisory Board, SEC and SET.
3. The Board of Directors shall elect one of their members to be the Chairman.
4. The Board of Directors shall elect a person, regardless of his directorship, to be the Board secretary.
5. The Board of Directors shall elect a person, regardless of his directorship, to be the Company secretary.



- Appointing the Company's Directors

The Company's directors shall be appointed by the resolution of the Shareholders' Meetings with the following voting rules:

1. Each shareholder shall have one vote for each share held.
2. Each shareholder may exercise his/her vote(s) for any individual director, or group of directors as determined by the meeting. In casting the votes, each shareholder shall cast all the votes he/she has under item 1. Above at one time; votes shall not be divisible.
3. The resolution of shareholders in the director's election shall be passed by a majority vote. In the case of equal votes, the Chairman of the meeting shall exercise a casting vote.
4. The directorship term shall be as stated in the Company's Article of Associations. The retired director is eligible for re-election. At the end of directorship term, directors shall vacate office upon the following causes:
 - (A) Death;
 - (B) Resignation;
 - (C) Disqualification or prohibitions under the Public Company Limited Act and/or the Securities and Exchange Commission Act;
 - (D) Removal by a resolution of the Shareholders' meeting; and
 - (E) Removal by the court order
5. A resigned director may submit the resignation letter to the registrar.

7.3.2 Appointment of the Independent Director

The Board of Directors shall consider the qualification of a person to be an independent director in accordance with the Notification of the Capital Market Supervisory Board as follows:

1. Number of the independent directors shall be at least one-third of the total directors, and not less than 3 directors.
2. The independent director shall have the following qualifications:
 - A. Hold shares not exceeding one percent of all voting rights of the Company, its parent company, subsidiary, associate, major shareholder or controlling person. Shares held by the related persons of such independent director are included.
 - B. Never be appointed as a director having a role in the company operation, employee, staff member, advisory receiving a fixed salary, or controlling person of the Company, its parent company, subsidiary, associate, subsidiary company in the same share level, major shareholder or controlling person unless the foregoing status has ended not less than two year prior to the date of becoming of director. Such prohibitions shall not, however, include cases where the independent director



previously served as a government officer or an advisor to a government agency which is a major shareholder, or controlling person of the Company.

- C. Not related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of members on the management team, major shareholder, controlling person, or candidates to the management team, or authorized persons to the Company or subsidiaries.
- D. Never be related to the business of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independency in discretion, and never be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless such condition is terminated for at least two years. The term “business relationship” in the preceding mentioned shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the person commences.
- E. Never be an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the such condition is terminated for at least two years.
- F. Never render a professional services, including legal and financial advisor receiving service fee exceeding Baht 2 million per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and a significant shareholder, controlling person or partner of such service render company, unless such condition is terminated for at least two years.
- G. never appointed as a director representing the Board of Directors, major shareholder or shareholder related to a major shareholder of the Company.
- H. Not belonging to any business in the same nature that is similar to or competing with the Company or its subsidiary, nor a significant partner in a partnership or director with management authority, employee, staff member or advisor receiving salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
- I. No other characteristic limiting his/her abilities to express independent opinions regarding the Company's operations.



- J. Not a director assigned by the Board of Directors to make a decision in operations of the Company, subsidiary, associate, same tier subsidiary company, major shareholder or controlling person of the Company.
- K. Not a director of a registered subsidiary or same tier subsidiary company.

7.3.3 Appointment of the Audit Committee

- Component of the Audit Committee

1. The Audit Committee shall consist of at least three independent directors.
2. The Audit Committee shall be skillful and experienced in specific areas. At least one member of the Audit Committee shall have sufficient knowledge and experience in accounting or finance.
3. The Board of Directors shall elect one of Audit Committee members to be the Chairman of the Audit Committee.
4. Internal Audit Manager shall be the secretary to the Audit Committee.

- Qualifications of the Audit Committee

1. Meet the requirements of the Public Company Limited Act, the Securities and Exchange Commission Act and the regulations of the Stock Exchange of Thailand
2. Appointed by the Board of Directors or Shareholders' Meetings
3. Meet the requirement of the Notifications of Capital Market Supervisory Board

7.3.4 Appointment of the Oversight Risk Management Committee

- Composition of the Oversight Risk Management Committee

1. The Oversight Risk Management Committee shall consist of not less than three skillful and experienced Company's executives appointed by the Board of Directors.
2. The Board of Directors shall elect one of the Oversight Risk Management Committee members to be the Chairman of the Oversight Risk Management Committee.

- Qualifications of the Oversight Risk Management Committee

1. Appointed by the Board of Directors.
2. Hold efficient knowledge, experiences and skills in the Company's business.
3. Hold maturity, stability, independency and able to express independent opinions.
4. Dedicate sufficient time to perform duties for the interest of the Company.



7.4 Supervision of the use of insider information

The Board of Directors realizes the importance of the corporate governance, transparency and the prevention of the use of the Company's insider information for personal benefit. The use of insider information policy is as follows:

1. Directors and executives, including the management in accounting and finance, are required to initially report on their securities holding in the Company to the Securities and Exchange Commission within 30 days of the date on which they are appointed. They are also required to report on any changes in securities holdings as a result of the purchase, sale, transfer or acceptance of transfer of securities within 3 business days of the date of any changes.
2. Directors and executives, including the management and employees in accounting and finance, shall be prohibited from trading Company's shares prior to the release of the Company's financial statements. The Company shall inform all concerned persons in writing of the silent period, which is at least 30 days prior the release of the Company's disclosure, and 24 hours after the release.
3. Penalties shall be imposed for any breaches.

7.5 Audit Fee

7.5.1 Audit fee

Details	2014	2015
	EY Office Co., Ltd.	EY Office Co., Ltd.
Audit Fee ¹ (Baht)	1,400,000	1,600,000
Total (baht)	1,400,000	1,600,000

Remark: ¹ Travel cost and other expenses are excluded.

7.5.2 Non-audit fee

In 2015, there was no non-audit fee paid to any persons relevant to auditor and office of the auditors.

7.6 Good Corporate Governance Guidelines in Other Aspects

Transactions made between directors, executives or persons related to the Company Policy

To prevent directors, executives or persons related to the Company seeking their personal benefits, the Company regulates the practices as follows:

1. Any actions causing a conflict of interest to the Company shall be avoided.
2. All transactions between related parties shall be done on the same basis and conditions as applied to external parties. Personal vested interests shall not be entitled to vote for the approval of said transaction.



3. Any connected transactions shall be strictly complied with the Notifications of the Board of Governors of the SET.
4. Any connected transactions that are not accorded with the normal business shall be approved by the Board of Directors' or Shareholders' meetings as stipulated by related laws.



8. Corporate Social Responsibility (CSR)

8.1 Overall policy

The Company is committed to good governance and ethics in operating the business. Social and environmental responsibilities are also deemed significant as the Company is always aware of all stakeholders' benefits, internally and externally, from shareholders, employees, community to the society, and operating its business responsibly.

8.2 CSR Policy of the Company

1. All shareholders and investors shall be treated equally and given adequate information to best support their decision of investment. In respect of fairness, any important information shall not be disclosed internally to relevant persons, executives or directors prior to the Shareholders and investors.
2. The Company's executives and directors shall instill good governance and transparency in the management and remuneration policies. Disclosure of financial and non-financial information shall be made properly, completely and in a timely manner.
3. Wages and remuneration shall be fair and punctually-paid. Welfare, health check-up and workplace safety shall be provided to all employees as stipulated by the law and employee development shall be promoted extensively.
4. The Company shall provide honest services and accurate information to customers. Customers' right shall be highly respected.
5. The Company shall uphold fair contractual practices to all trade partners, support anti-corruption prevention such as bribery. Rights in assets or ownership of trade partners shall be highly respected, and the Company shall not take advantage from the trade partners. Moreover, CSR shall be developed among the Company and trade partners.
6. Fair play shall be the means the Company interacts with its trade competitors. Trade discrimination shall be prohibited.
7. CSR shall be embedded in the Company's business conduct, e.g. giving away the scholarships to children of the Company's employees, recruiting local labor to work for the Company, raising the environmental awareness within the Company, disclosing information that may have impacts on the community, and learning local traditions for peaceful living environment.
8. The Company shall cooperate with other groups or networks to develop the communities, and watch out for human right infringements. Public opinions on the Company's business conduction shall be taken into account. The Company shall also remain a good tax payer.

8.3 CSR projects in the past and on-going projects

8.3.1 CSR-in process

The Company pays tax accurately, punctually and accordingly to Revenue Department's regulations. Customers of the Company are treated lawfully. Besides, the Company is constantly aware of stakeholders' best interest whereby any information is disclosed with no discrimination, and operations can be checked for any corrupting act that may be occurred. Employee efficacy is extensively developed, both



in term of performance and morality, which is a part of organizational culture. The operational practice is specified in good governance manual.

8.3.2 CSR-after process

The Company has been working on CSR-after process by supporting many projects, as follows:

8.3.2.1 Scholarship for employee's children

The Company is aware of the importance of human resource development, knowing that education can develop human resources and lead Thailand to prosperity. With an intention to reward its employees, boost their morale, and help them on tuition fee burden, the Company appoints the scholarship committee to grant its employees' children scholarship, with academic performance as main criteria for consideration. As a result of this process, it builds the employees' morale to work harder and is more aware of the importance of education. This is a strategy to develop human resource of not only the Company but also the nation.

8.3.2.2 Financial support for crime and narcotics fighting

The Company is aware of the danger of narcotics as the spread of narcotics would lead to crimes and bring harm to the society. The Company has been donating money to the Royal Thai Police Headquarters via local police station to support crime and narcotic fighting, raising its employees' awareness about the danger of narcotics, and preventing narcotic use in the Company. This CSR-after processes benefit health, family well-being, and society of its employees as well as the nation.

8.3.2.3 Financial support for prevention of drug use and violence among school-age children

The Company is aware of the importance of human resource development as well as mental development and narcotics prevention. The Company has been supporting educational projects that are fighting drug use and violence among school-age children by arranging various activities and educating students about the danger of narcotic and how to solve conflicts without violence in order to prevent society problems in the future.

8.3.2.4 Financial support for neighbourhood National Children's Day events

Since the Company is located in a residential area, it needs to interact with people living nearby, so it has been aware of the importance of good relationships between the Company and its neighbours. The Company has been supporting and participating in National Children's Day events held by the local community in order to strengthen their bond, gain their trust, and prevent possible conflicts between the Company and its neighbours. The Children's Day events are well-received and make good impression on the locals.

8.3.2.5 Encouraging owners of neighbouring lands to use their lands for public benefit together

The Company encouraged owners of the neighbouring three plots of land to increase the width of the road to three meter and use the free space for public benefit without seeking profit together e.g. a space for cars from opposite directions to avoid each other, a space for ATM, a temporary car park, or a space for vending stands. This makes good impression and tightens the bond with the local community.

8.3.2.6 Supporting environment-improving projects

The Company is aware of both nationwide and worldwide environmental change. and has arranged environment-improving projects, starting from developing waste disposal and water treatment systems in its building



and planting trees to improve work atmosphere and the scenery along with the neighborhood; these projects have improved the environment.

8.3.2.7 Supporting Operation Hope Foundation (OHF)

The Operation Hope Foundation (OHF) is a charitable non-profit organization from Singapore. Successful in Cambodia and Nepal, the OHF opens a children shelter for about 100-120 orphans and underprivileged children aged 6-12 years old at Moo 10, Pong Pa, Kaengsopa, Wangthong, Phitsanulok, Thailand.

The OHF is currently taking care of over 100 children aged 6-15 (approximately 50 boys and 50 girls). In addition to compulsory education, various activities and classes are scheduled for these students, e.g. English language, basic computer skill, chicken farming, and homegrown vegetable gardening for cooking purpose.

The Company has supported the OHF since January 2013, helping the OHF on proposal for the permission to open the children shelter. At the Board of Directors' meeting No. 3/2014 on April 2, 2014 regarding corporate social responsibility (CSR) processes, the Company considered its support on the OHF since January 2013 for ratification.

The OHF is responsible for all its expense. S11 Group supports the OHF on its construction and surrounding, facilities, and operations. The Company helps the OHF design and supervise the construction, lends the OHF its own properties e.g. construction equipment, vehicles, and manpower to help build dining hall, water tanks, lighting system, water pumps, and fencing, and sends its employees to help periodically.

In 2014, the Company supported the OHF build dining hall and new dormitory which were completely constructed in 2015.

8.3.2.8 Supporting swimming project

The Company is aware of the importance of good health as well as water safety in daily activities. The Company has been supporting swimming projects that are enhancing good health and improving water safety of the participants.

8.4 Future CSR-after processes

The Company would continue further CSR-after process, planning to support the following projects in the future:

8.4.1 Anti-corruption projects

The Company strongly supports the fight against corruption and does this by adapting up-to-date processing and verification systems to keep up with technological developments, fostering integrity and morality in its directors and employee, and raising their awareness of the importance of honesty and negative consequences of corruption. These leads to agreeable work ethics, in line with anti-corruption policies of both government and independent organizations.

8.4.2 Social responsibility projects supporting community and society improvement

S11 Group supports community and society improvement projects as regulated by law, e.g. providing local workforce opportunity to work for the Company and supporting local business to distribute income in the community. These will strengthen the bond between the Company and the neighbourhood and promote local economic growth.

8.4.3 Other projects

S11 Group will support other projects along with other organizations and institutions in the future for participation and benefit to the society as regulated by law and corresponding to the Company's code of governance.



8.5 Follow-up, evaluation, and revision of CSR-after process

In addition to the aforementioned CSR processes, the Company considers to follow up, evaluate, and revise the projects it has supported and consider future CSR processes for the best public benefit.



9. Internal Control and Risk Management

9.1 Board of Directors' opinions regarding the internal control system

According to the Board of Directors' meeting no. 1/2016 on January 17, 2015 with 9 directors attending, conducting the sufficiency evaluation of the Company's internal control system as shown in the Enclosures No. 3, the Board of Directors considered the internal control system of the Company sufficient to the Company's business and operation, there are no significant follow-up matters.

9.2 Audit committees' opinions about internal audit system

The Extraordinary General Meeting of Shareholders no. 3/2014 held on 9 December 2013 appointed 3 audit committees to independently inspect the efficiency and sufficiency of the internal audit system to ensure that the Company's operations are in accordance with relevant law and rules.

The Company has employed AMC International Consulting Co. Ltd. as the "internal auditor". Its working scope is to help the Audit Committees and the Board of Directors conduct the suitability evaluation of the Company's internal audit system, inspect significant issue from the Company's operation and compliance to relevant law, regulation, and rules to ensure that the Company's internal audit system is sufficient and efficient in accordance with the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) five framework components, namely, control environment, risk assessment, control activities, information and communication, and monitoring activities. The internal auditor is responsible for the inspection of the system improvement and report to the audit committees.

The Audit Committees' meeting no. 2/2014 held on 20 February 2014, Mrs. Wanna Laichareonwong was appointed to be the Office of Internal Audit manager. She was responsible for inspecting the internal audit system, cooperating, and providing support to ensure smooth process of the audit committees and AMC International Consulting Co. Ltd. which are appointed to work on internal control system. The Office of Internal Audit is an independent department directly reporting to the Audit Committees.

The Office of the Internal Audit and Internal Auditor agreed with the Audit Committee's opinion on the Company internal control in 2014.

In 2015, the Office of the Internal Audit had audited guidelines, regulations and the working procedures of each work function of the company proposed the Audit Committee considering for appropriateness and sufficiency of the company's internal control.

The Audit Committee deems that the internal control assessment of the Company is suitable, sufficient, and there was no negative issue that may affect significantly to the Company.

9.3 The Office of Internal Audit

According to the Audit Committee's Meeting no. 2/2014 held on 20 February 2014, the Audit Committee considered the Office of the Internal Audit as an independent institute directly reporting to Audit Committee. The Company has considered the qualification of the internal auditor and the Office of the Internal Audit manager. The Audit Committee appointed Mrs. Wanna Laichareonwong as the Office of the Internal Audit manager who responsible for internal auditing, coordinating between Audit Committee and AMC International Consulting Co., Ltd. Scopes of work of AMC International Consulting Co., Ltd. are to



supporting the Audit Committee and the Board of Directors, by evaluating suitability of internal control system, monitoring matters for work, and complying with laws, regulations and principles to ensure that the Company maintains suitable, sufficient and effective internal control system. In 2015, the Audit Committee appointed Mr.Paiboon Chaibenchapon as the Office of the Internal Audit manager in accordance with the resolution of the Audit Committee no. 5/2015 held on 14 August 2015.

However, the Office of Internal Audit manager's appointment and removal, and termination of outsource employed to be internal auditor are the Audit Committee's tasks according to "Corporate Governance Manual"

9.4 Risk Management

The Board of Directors no. 5/2013 held on 25 July 2013 has approved the risk management policy as follows:

1. Risk management shall be considered as the responsibility of employees in every level. They shall be aware of the risks occurred in their own department and in the Company. Moreover, it shall be aimed for effective and efficient outcomes.
2. Risk management shall be regarded as an essential instrument in managing the Company. Employees at every level shall understand and practice under a common regime.
3. Risk management shall be developed as a part of good corporate governance of the Company so as to enable the Company to cope with rapid changes and achieve its goals and objectives.

The Extraordinary General Meeting of the Shareholders no. 1/2013 on 8 August 2013 appointed the Risk Oversight Committee in order to manage the company's risk to be in the appropriate level.

**10. Related Party Transactions****10.1 The Important Related Party Transactions**

As at December 31, 2015 and 2014, there are no related party transactions.

10.2 Policy on Pricing

To prevent conflict of interest that may arise from conducting related party transactions, the Company has prescribed the policy on pricing based on the normal business practices; price and conditions shall match the transactions made with unrelated persons and/or companies, and every transaction shall be made for the best benefit of the Company.

10.3 Measures for Related Party Transactions Approval

1. Any actions causing a conflict of interest to the Company shall be avoided.
2. All transactions between related parties shall be done on the same basis and conditions as applied to external parties. Personal vested interests shall not be entitled to vote for the approval of said transaction.
3. Any connected transactions shall be strictly complied with the relevant laws and regulations on the information disclosure for the listed companies.
4. Any connected transactions that is not accorded with the normal business shall be approved by the Board of Directors' or Shareholders' meeting as stipulated by related laws.

10.4 Policy on Conducting Future Related Party Transactions

There is a potential that the Company may engage in the related party transactions, and they shall be based on the normal business practices. The policy shall be developed the clarity of transaction approval; price and conditions shall match the transactions made with unrelated persons and/or companies, and every transaction shall be made for the best benefit of the Company. The Audit Committee shall review and evaluate the suitability of the related party transactions at every quarter.

The related party transactions that are not based on the normal business practices, the Audit Committee shall inspect and evaluate the suitability of such transactions beforehand. Nevertheless, the Board of Directors shall perform any transactions that may conflict with the Company's interest, strictly in accordance with the Securities and Exchange Act, notifications, rules and regulations of the Office of the SEC, and shall accurately disclose the related party transactions or asset acquisition/disposal. Any conduction shall also be complied with the Thai Accounting Standard.



Part 3

Financial Status and Operating Performance



11. Key Financial Information

● Statements of Financial Position

Unit: Baht

Statements of Financial Position	2012		2013		2014		2015	
Current assets								
Cash and cash equivalents	25,040,969	1.43%	41,145,312	1.63%	35,013,496	1.13%	41,321,048	1.13%
Current portion of hire purchase receivables - net	802,970,259	45.87%	1,232,746,457	48.82%	1,501,815,293	48.44%	1,761,881,528	48.36%
Assets foreclosed – net	2,375,411	0.14%	5,545,158	0.22%	8,175,814	0.26%	6,498,696	0.18%
Revenue Department receivables	4,268,026	0.24%	20,287,344	0.80%	23,060,130	0.74%	32,259,654	0.89%
Prepaid insurance premium	27,242,600	1.55%	34,936,412	1.38%	40,879,426	1.32%	47,972,239	1.32%
Other current assets	8,891,068	0.51%	17,063,822	0.68%	23,395,000	0.75%	28,928,308	0.79%
Total current assets	870,788,333	49.74%	1,351,724,505	53.54%	1,632,339,159	52.65%	1,918,861,473	52.66%
Non-current assests								
Restricted bank deposits	357,875	0.02%	769,688	0.03%	1,350,363	0.04%	1,758,465	0.05%
Hire purchase receivables – net of current portion - net	796,126,981	45.48%	1,064,213,010	42.15%	1,331,986,217	42.96%	1,562,533,065	42.88%
Prepaid insurance premium	10,956,049	0.63%	12,994,779	0.51%	15,590,202	0.50%	18,067,482	0.50%
Land, building and equipment - net	65,357,139	3.73%	68,559,459	2.72%	74,009,802	2.39%	79,126,517	2.17%
Deferred tax assets	6,541,282	0.37%	26,442,166	1.05%	44,808,146	1.45%	63,000,404	1.73%
Other non-current assests	480,600	0.03%	130,601	0.01%	136,600	0.00%	212,600	0.01%
Total non-current assests	879,819,926	50.26%	1,173,109,703	46.46%	1,467,881,330	47.35%	1,724,698,533	47.34%
Total assests	1,750,608,259	100.00%	2,524,834,208	100.00%	3,100,220,489	100.00%	3,643,560,006	100.00%
Current liabilities								
Bank overdraft	-	0.00%	-	0.00%	-	0.00%	50,000,000	2.60%
Trand accounts payables	1,427,570	0.08%	14,432,226	0.57%	2,622,408	0.13%	3,136,150	0.16%
Short-term loans	-	0.00%	-	0.00%	-	0.00%	422,338,883	21.95%
Short-term loans from director	56,855,577	3.25%	-	0.00%	-	0.00%	-	0.00%



Statements of Financial Position	2012		2013		2014		2015	
Current portion of long-term loans	532,707,020	30.43%	952,055,532	37.71%	1,155,216,199	56.46%	939,133,131	48.82%
Current portion of financial lease payables	1,957,754	0.11%	572,220	0.02%	1,598,033	0.08%	1,175,434	0.06%
Income tax payable	16,123,219	0.92%	26,470,356	1.05%	39,167,038	1.91%	57,072,722	2.97%
Insurance premium payables	8,060,940	0.46%	10,336,981	0.41%	10,654,078	0.52%	13,778,798	0.72%
Accrued expenses	15,304,212	0.87%	19,863,588	0.79%	16,139,377	0.79%	18,443,607	0.96%
Other current liabilities	2,913,113	0.17%	4,930,999	0.20%	11,057,462	0.54%	20,698,997	1.08%
Total current liabilities	635,349,405	36.29%	1,028,661,902	40.74%	1,236,454,595	60.43%	1,525,777,722	79.31%
Non-current liabilities								
Long-term loans – net of current portion	555,130,597	31.71%	651,133,470	25.79%	802,965,439	39.24%	390,983,641	20.32%
Financial lease payables – net of current portion	336,479	0.02%	507,515	0.02%	1,632,162	0.08%	456,728	0.02%
Provision for long-term employee benefits	-	0.00%	3,525,497	0.14%	5,140,410	0.25%	6,492,528	0.34%
Total non-current liabilities	555,467,076	31.73%	655,166,482	25.95%	809,738,011	39.57%	397,932,897	20.69%
Total liabilities	1,190,816,481	68.02%	1,683,828,384	66.69%	2,046,192,606	66.00%	1,923,710,619	52.80%
Shareholders' equity								
Issued and fully paid-up	470,000,000	26.85%	533,000,000	21.11%	533,000,000	50.57%	613,000,000	35.64%
Share premium	4,000,000	0.23%	90,606,558	3.59%	90,606,558	8.60%	427,822,558	24.88%
Capital reserve for share-based payment transactions	-	0.00%	15,300,000	0.61%	15,300,000	1.45%	15,300,000	0.89%
Appropriated – statutory reserve	534,778	0.03%	10,105,304	0.40%	20,756,407	1.97%	38,406,028	2.23%
Unappropriated	85,257,000	4.87%	191,993,962	7.60%	394,364,918	37.42%	625,320,801	36.36%
Total shareholders' equity	559,791,778	31.98%	841,005,824	33.31%	1,054,027,883	34.00%	1,719,849,387	47.20%
Total liabilities and shareholders' equity	1,750,608,259	100.00%	2,524,834,208	100.00%	3,100,220,489	100.00%	3,643,560,006	100.00%



• Statements of comprehensive income

Unit: Baht

Statements of comprehensive income	2012		2013		2014		2015	
Revenues								
Hire purchase interest income	388,617,682	97.10%	706,895,025	96.14%	887,504,649	95.02%	1,068,497,872	94.17%
Fee and service income	6,631,008	1.66%	20,822,665	2.83%	37,690,150	4.04%	48,078,800	4.24%
Other income	4,993,452	1.25%	7,531,869	1.02%	8,830,416	0.95%	18,049,971	1.59%
Total revenues	400,242,142	100.00%	735,249,559	100.00%	934,025,215	100.00%	1,134,626,643	100.00%
Expenses								
Selling and administrative expenses	(90,705,760)	22.66%	172,295,707	23.43%	181,165,365	19.40%	214,006,685	18.86%
Bad debts and doubtful accounts	(102,515,482)	25.61%	189,808,250	25.82%	210,391,625	22.53%	204,526,270	18.03%
Loss on impairment and disposal of assests foreclosed	(51,427,454)	12.85%	109,212,446	14.85%	137,971,647	14.77%	137,584,449	12.13%
Total expenses	(244,648,696)	61.13%	471,316,403	64.10%	529,528,637	56.69%	556,117,404	49.01%
Profit before finance cost and income tax expenses	155,593,446	38.87%	263,933,156	35.90%	404,496,578	43.31%	578,509,239	50.99%
Financial cost	(56,877,764)	14.21%	(114,681,241)	15.60%	(138,339,510)	14.81%	(137,347,324)	12.11%
Profit before income tax expenses	98,715,682	24.66%	149,251,915	20.30%	266,157,068	28.50%	441,161,915	38.77%
Income tax expenses	(23,612,682)	5.90%	(32,944,427)	4.48%	(53,135,009)	5.69%	(88,169,505)	7.77%
Profit for the year	75,103,000	18.76%	116,307,488	15.82%	213,022,059	22.81%	352,992,410	31.11%
Other comprehensive income for the year	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other comprehensive income not to be reclassified To profit or loss in subsequent periods:								
Actuarial loss	-	0.00%	-	0.00%	-	0.00%	(221,133)	0.02%
Income tax relating to actuarial loss	-	0.00%	-	0.00%	-	0.00%	44,227	0.00%
Other comprehensive income for the year	-	0.00%	-	0.00%	-	0.00%	(176,906)	0.02%
Total comprehensive income for the year	75,103,000	18.76%	116,307,488	15.82%	213,022,059	22.81%	352,815,504	31.10%



• Cash flows statements

Unit: Baht

Cash flows statements	2012	2013	2014	2015
Cash flows from operating activities				
Profit before income tax	98,715,682	149,251,915	266,157,068	441,161,915
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation	4,466,243	5,691,646	7,013,653	7,156,459
Bad debts and doubtful accounts	102,515,482	189,808,250	210,391,625	204,526,270
Loss (gain) on disposal of assets	-	(50,652)	98,148	(193,235)
Loss on written-off fixed assets	-	-	58,027	19,487
Loss on written-off assets foreclosed	49,841,158	-	-	-
Loss on impairment of assets foreclosed	1,586,295	2,440,274	1,707,665	(1,307,012)
Provision for long-term employee benefits	-	3,525,497	1,614,913	1,130,985
Expense paid based on share-based payment	-	15,300,000	-	-
Hire purchase interest income	(388,617,682)	(706,895,025)	(887,504,649)	(1,068,497,872)
Interest expenses	54,829,765	114,681,241	138,339,510	137,347,324
Loss from operating activities before changes in operating assets and liabilities	(76,663,057)	(226,246,854)	(262,124,040)	(278,655,679)
Operating assets (increase) decrease				
Hire purchase receivables	(1,078,473,303)	(860,130,519)	(739,873,115)	(682,207,938)
Assets foreclosed	(53,402,734)	(5,610,020)	(4,338,321)	2,984,130
Revenue Department receivables	1,091,375	(16,019,317)	(2,772,786)	(9,199,524)
Prepaid insurance premium	(20,505,576)	(9,732,542)	(8,538,437)	(9,570,093)
Other current assets	(5,932,507)	(8,172,754)	(6,331,178)	(5,533,308)
Other assets	(154,705)	349,900	(5,999)	(76,000)
Operating liabilities increase (decrease)				
Trade accounts payables	878,040	13,004,655	(11,808,818)	513,742
Insurance premium payables	3,312,280	2,276,040	317,097	3,124,720
Accrued expenses	6,804,412	4,616,222	(3,647,578)	2,349,370
Other current liabilities	1,413,363	2,017,887	6,126,463	9,590,196
Cash flows used in operating activities	(1,221,632,412)	(1,103,647,302)	(1,032,997,712)	(966,680,384)
Cash received from interest	372,706,986	679,355,067	880,144,098	1,055,566,457
Cash paid for corporate income tax	(18,187,311)	(42,498,175)	(58,804,307)	(88,411,852)
Cash paid for interest	(53,811,239)	(115,398,064)	(133,984,576)	(121,970,248)
Net cash flows used in operating activities	(920,923,976)	(582,188,474)	(345,642,497)	(121,496,027)
Cash flows from investing activities				
Increase in restricted bank deposits	(258,244)	(411,713)	(580,675)	(408,102)
Increase in account receivable and loan to employees	-	-	-	-
Cash receipt from proceeds of land, building and equipment	-	2,082,839	35,374	215,131
Cash paid for acquisition of land, building and equipment	(31,454,774)	(10,014,633)	(8,993,049)	(12,314,557)
Net cash flows used in investing activities	(31,713,018)	(8,343,507)	(9,538,350)	(12,507,528)



Cash flows statements	2012	2013	2014	2015
Cash flows from financing activities				
Proceeds from increase in share capital	24,000,000	149,606,558	-	417,216,000
Increase in bank overdraft	-	-	-	50,000,000
Increase in short-term loans	-	-	-	415,709,223
Increase in short-term loans from related parties	56,117,592	75,981,216	-	-
Repayment of short-term loans from related parties	-	(132,098,808)	-	-
Cash receipt from long-term loans	1,156,000,000	1,273,000,000	1,564,770,000	670,500,000
Repayment of long-term loans	(285,921,092)	(747,726,623)	(1,203,558,807)	(1,297,357,422)
Repayment of financial lease payables	(2,527,756)	(2,126,019)	(1,512,037)	(1,598,034)
Repayment for loans issuing cost	-	(10,000,000)	(10,650,125)	(10,000,000)
Payment for dividend	-	-	-	(104,158,660)
Net cash flows from financing activities	947,668,744	606,636,324	349,049,031	140,311,107
Net increase (decrease) in cash and cash equivalents	(4,968,250)	16,104,343	(6,131,816)	6,307,552
Cash and cash equivalents at beginning of year	30,009,219	25,040,969	41,145,312	35,013,496
Cash and cash equivalents at end of year	25,040,969	41,145,312	35,013,496	41,321,048

Remark: * In 2014 and 2015, the (increased) decreased of assets foreclosed is composed of assets foreclosed and loss on impairment of assets foreclosed.



(c) Important Financial Ratios

Unit: Baht

Financial Ratios		2011	2012	2013	2014	2015
Profitability ratios						
Interest income*	Percent	12.07	35.23	36.29	34.60	34.70
Interest expense	Percent	1.58	8.35	8.35	7.77	7.40
Interest margin	Percent	10.49	26.88	27.94	26.83	27.30
Net profit margin	Percent	14.18	18.76	15.82	22.81	31.11
Return on equity	Percent	2.32	14.72	16.61	22.48	25.45
Efficiency ratios						
Return on assets	Percent	1.52	6.12	5.44	7.57	10.47
Assets turnover	Times	0.11	0.33	0.34	0.33	0.34
Financial ratios						
Debt to equity	Times	0.53	2.13	2.00	1.94	1.12
Lending to borrowing	Times	2.79	1.62	1.42	1.44	1.66
Dividend pay-out	Percent	NA	NA	NA	NA	48.92
Asset quality ratios						
Allowance for doubtful debts to hire-purchase receivables	Percent	1.73	5.77	8.77	10.49	11.43
Non performing hire-purchase receivables to hire-purchase receivables**	Percent	2.26	3.03	4.36	8.99	11.04
Bad debts to hire-purchase receivables	Percent	NA	4.15	3.57	3.50	3.14

Financial Ratios		2012	2013	2014	2015
Shares					
Book value per share***	Baht per share	1.19	1.58	1.98	2.85
Earning per share***	Baht per share	0.16	0.24	0.40	0.59

Remarks: * Interest income calculated by interest income from hire-purchase / hire-purchase receivables, net of allowance for doubtful debts

** The Company ceases recognizing revenue from hire-purchase receivables which has been defaulted for more than 4 installments. Interest is then recognized as income on accrual basis.

*** In 2011-2013, calculated on the basis of par value Baht 1 per share



12. Management Discussion and Analysis: MD&A

Management Discussion and Analysis is a comparison report between the Company's operating performance and its financial status in 2015 and 2014.

12.1 Overview of the Operating Performance

- Revenues

Revenues are classified as follows:

Unit: Baht

Type of Revenues	2014		2015	
Hire purchase interest incomes	887,504,649	95.02%	1,068,497,872	94.17%
Fee and service incomes	37,690,150	4.04%	48,078,800	4.24%
Other incomes	8,830,416	0.95%	18,049,971	1.59%
Total revenues	934,025,215	100.00%	1,134,626,643	100.00%

Total revenues increased 21.48 percent from Baht 934.03 million in 2014 to Baht 1,134.63 million in 2015 as a result of the branch expansion, especially in Bangkok, Chonburi and Rayong.

The Company's revenues derive from hire purchase loan interests, fees and other incomes. Hire purchase loan interest was the most gained income, which increased 20.39 percent from Baht 887.50 million in 2014 to Baht 1,068.50 million in 2015.

- Expenses

Unit: Baht

Types of Expenses	2014		2015	
Servicing and operational expenses	181,165,365	34.21%	214,006,685	38.48%
Bad debts and doubtful accounts	210,391,625	39.73%	204,526,270	36.78%
Loss on impairment and disposal of assests foreclosed	137,971,647	26.06%	137,584,449	24.74%
Total expenses	529,528,637	100.00%	556,117,404	100.00%

Total expenses increased 5.02 percent from Baht 529.53 million in 2014 to Baht 556.12 million in 2015. The Company's expenses are servicing and operational expenses, bad debts and doubtful accounts and loss on impairment and disposal of assests foreclosed.

- Servicing and operational expenses

Servicing and operational expenses increased 18.13 percent from Baht 181.17 million in 2014 to Baht 214.01 million in 2015 following the increase of the total revenues.



In 2015, servicing and operational expenses was 18.86 percent of total revenues, decreased from 19.40 percent in 2014, due to the fact that the Company was able to utilize the fixed cost assets to generate more incomes from higher numbers of loan approvals.

- Bad debts and doubtful accounts

The Company set allowances for doubtful accounts at one percent for non-due payment up to two month due debtors. Two percent allowance for over two month due up to less than four months, while 100 percent allowance four month due and over.

Bad debts and doubtful accounts decreased 2.79 percent from Baht 210.39 million in 2014 to Baht 204.53 million as the tighten of the customer quality and follow up process.

However, givent that the ratio of bad debts and doubtful accounts, and total revenues was 18.03 percent in 2015, in 2014 it decreased from 22.53 percent as a result of the tighter collection policy.

Unit : Baht

	2014	2015
Bad debts and doubtful accounts	210,391,625	204,526,270
Bad debts and doubtful accounts to total revenues (%)	22.53	18.03

- Loss on impairment and disposal of assests foreclosed

Loss on impairment and disposal of assests foreclosed decreased 0.28 percent from Baht 137.97 million in 2014 to Baht 137.58 million in 2015 due to the stability of the agricultural product prices which makes the second hand motorcycle's demand literally increased.

Loss on impairment and disposal of assests foreclosed to hire purchase receivables, net ratio was 4.02 percent in 2015, decreased from 4.92 percent in 2014. Correspondingly, loss on impairment and disposal of assests foreclosed to total revenues ratio was 12.13 percent, decreased from 14.77 percent in 2014 as a result of the second hand motorcycle's demand literally increased as mentioned above.

Unit: Baht

	2014	2015
Loss on impairment and disposal of assests foreclosed	137,971,647	137,584,449
Loss on impairment and disposal of assests foreclosed to hire purchase receivables, net (percent)	4.92	4.02
loss on impairment and disposal of assests foreclosed to total revenues (percent)	14.77	12.13

● **Total comprehensive income for the year**

Total comprehensive income for the year increased 65.71 percent from Baht 213.02 million in 2014 to Baht 352.99 million in 2015 as a result of the branch expansion, especially in Bangkok, Chonburi and Rayong.



12.2 Financial Status

- Assets

At the end of December 2015, total assets increased 17.53 percent from Baht 3,100.22 million to Baht 3,643.56 million. Most of the Company's assets is hire purchase receivables, which was Baht 2,833.80 million and Baht 3,324.41 million in 2014 and 2015, respectively, equivalent to 91.41 percent and 91.24 percent of total assets respectively.

Unit: Baht

Summarized Financial Statement	2014		2015	
Current assets				
Cash and cash equivalents	35,013,496	2.14%	41,321,048	2.15%
Current portion of hire purchase receivables - net	1,501,815,293	92.00%	1,761,881,528	91.82%
Assets foreclosed – net	8,175,814	0.50%	6,498,696	0.34%
Revenue Department receivables	23,060,130	1.41%	32,259,654	1.68%
Prepaid insurance premium	40,879,426	2.50%	47,972,239	2.50%
Other current assets	23,395,000	1.43%	28,928,308	1.51%
Total current assets	1,632,339,159	100.00%	1,918,861,473	100.00%

Unit: Baht

Summarized Financial Statement	2014		2015	
Non-current assets				
Restricted bank deposits	1,350,363	0.09%	1,758,465	0.10%
Hire purchase receivables – net of current portion - net	1,331,986,217	90.74%	1,562,533,065	90.60%
Prepaid insurance premium	15,590,202	1.06%	18,067,482	1.05%
Land, building and equipment - net	74,009,802	5.04%	79,126,517	4.59%
Deferred tax assets	44,808,146	3.05%	63,000,404	3.65%
Other non-current assets	136,600	0.01%	212,600	0.01%
Total non-current assets	1,467,881,330	100.00%	1,724,698,533	100.00%

Moreover, at the end of December 2015, land, building and equipment assets increased 7.95 percent from Baht 74.01 million to Baht 79.13 million due to the office's construction in Rayong and the land acquisition in Chonburi for new office. This was to respond to the growing business expansion in eastern area.

Hire purchase receivables

At the end of December 2015, total net hire purchase receivables increased 17.31 percent from Baht 2,833.80 million to Baht 3,324.42 due to the branch expansion, especially in Bangkok, Chonburi and Rayong.

At the end of December 2015, it was found that the hire purchase receivables with 4 month due payment, which the Company set a 100 percent allowance for doubtful accounts, to total hire purchase receivables ratio was 9.57 percent, slightly increased from 8.43 percent in 2014. Consequently, the allowance for doubtful accounts to total hire purchase receivables ratio was 11.43 percent at the end of December 2015, slightly increased from 10.49 percent in 2014 as a result of the insecure in economic, as well as the import-export, agriculture price and GDP. However, net profit margin in 2015 was 31.11 percent, increased from 22.81 percent in 2014.

Unit: Baht

Aging	Hire Purchase Receivables			
	2014	Proportion to total receivables	2015	Proportion to total receivables
Not yet due	1,938,762,765	61.99%	2,286,325,483	61.54%
Past due: Less than 1 month	571,668,598	18.28%	664,437,559	17.88%
Past due: 1 months or more, but less than 2 months	178,255,396	5.70%	207,710,494	5.59%
Past due: 2 months or more, but less than 4 months	175,511,857	5.61%	201,556,934	5.42%
Past due: 4 months or more, but less than 7 months	105,289,791	3.37%	107,583,056	2.90%
Past due: 7 months or more, but less than 12 months	108,065,711	3.46%	111,643,635	3.00%
12months or more	50,177,564	1.60%	136,223,911	3.67%
Total	3,127,731,682	100.00%	3,715,481,072	100.00%

Unit: Baht

Allowance for Doubtful Accounts Ratio	Allowance for Doubtful Accounts	
	2014	2015
1%	19,387,629	22,863,257
1%	5,716,686	6,644,376
1%	1,782,554	2,077,105
2%	3,510,237	4,031,139
100%	105,289,791	107,583,056
100%	108,065,711	111,643,635
100%	50,177,564	136,223,911
Total	293,930,172	391,066,479



Unit : Baht

	2557	2558
Allowance for doubtful accounts	293,930,172	391,066,479
Hire purchase receivables	3,127,731,680	3,715,481,072
Hire purchase receivables - net	2,833,801,509	3,324,414,593
Allowance for doubtful accounts to hire purchase receivables (percent)	10.49	11.43
Allowance for doubtful accounts to hire purchase receivables – net (percent)	11.46	12.70

- Liabilities**

At the end of December 2015, total liabilities decreased 5.99 percent from Baht 2,046.19 million to Baht 1,923.71 million. The Company's liabilities composed of long-term loans which was Baht 1,958.18 million and Baht 1,380.12 million in 2014 and 2015, respectively, equivalent to 95.70 percent and 71.74 percent of total liabilities respectively.

Unit : Baht

Statement of Financial Position	2014		2015	
Current liabilities				
Bank overdraft	-	0.00%	50,000,000	2.60%
Trade accounts payables	2,622,408	0.13%	3,136,150	0.16%
Short-term loans	-	0.00%	422,338,883	21.95%
Current portion of long-term loans	1,155,216,199	56.46%	939,133,131	48.82%
Current portion of financial lease payables	1,598,033	0.08%	1,175,434	0.06%
Income tax payable	39,167,038	1.91%	57,072,722	2.97%
Insurance premium payables	10,654,078	0.52%	13,778,798	0.72%
Accrued expenses	16,139,377	0.79%	18,443,607	0.96%
Other current liabilities	11,057,462	0.54%	20,698,997	1.08%
Total current liabilities	1,236,454,595	60.43%	1,236,777,722	79.31%
Non-current liabilities				
Long-term loans – net of current portion	802,965,439	39.24%	802,983,641	20.32%
Financial lease payables – net of current portion	1,632,162	0.08%	456,728	0.02%
Provision for long-term employee benefits	5,140,410	0.25%	6,492,528	0.34%
Total non-current liabilities	809,738,011	39.57%	397,932,897	20.69%
Total liabilities	2,046,192,606	100.00%	1,923,710,619	100.00%



- Sources of Funds

Sources of the Company's funds as of the end of 2014 and 2015 are as follow:

Unit : Baht

	2014		2015	
Loans	1,958,181,638	65.01%	1,802,455,655	51.17%
Bank overdraft	-	0%	50,000,000	1.42%
Short-term loans	-	0%	422,338,883	11.99%
Current portion of long-term loans	1,155,216,199	38.35%	939,133,131	26.66%
Long-term loans – net of current portion	802,965,439	26.66%	390,983,641	11.10%
Shareholders' equity	1,054,027,883	34.99%	1,719,849,387	48.83%
Total	3,012,209,521	100.00%	3,522,305,042	100.00%

Sources of the company's funds compose of long-term loans and short-term from bills of exchange. Loans in 2014 and 2015 were Baht 1,958.18 million and Baht 1,802.46 million, respectively, shareholders' equity was Baht 1,054.03 million and Baht 1,719.85 million respectively, and debt to equity ratio in 2014 and 2015 was 1.94 and 1.12 respectively. This debt to equity ratio numbers are seen as average ratio in the hire-purchase industry, and are within the requirement under the credit financing agreement.

12.3 Negative Factors to the Financial Status and Operating Performance

- 1) As the market becomes fiercely competitive, the Company is also driven to achieve more hire-purchase accounts. However, gaining more accounts put the Company at risk of more doubtful accounts. The Company, therefore, has to set higher allowances for doubtful accounts. Moreover, the Company may encounter lower net profit margin as there are more bad debts and loss on impairment and disposal of assets.
- 2) The economic crisis affects the repayment ability of the Company's customers.



Financial statement and report of Audit

S 11 Group Public Company Limited
Report and financial statements
31 December 2015

Independent Auditor's Report

To the Shareholders of S 11 Group Public Company Limited

I have audited the accompanying financial statements of S 11 Group Public Company Limited, which comprise the statements of financial position as at 31 December 2015, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of S 11 Group Public Company Limited as at 31 December 2015, its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 17 February 2016

S 11 Group Public Company Limited

Statements of financial position

As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	6	41,321,048	35,013,496
Current portion of hire purchase receivables - net	7	1,761,881,528	1,501,815,293
Assets foreclosed - net	8	6,498,696	8,175,814
Revenue Department receivables		32,259,654	23,060,130
Prepaid insurance premium		47,972,239	40,879,426
Other current assets	9	28,928,308	23,395,000
Total current assets		1,918,861,473	1,632,339,159
Non-current assets			
Restricted bank deposits	10	1,758,465	1,350,363
Hire purchase receivables - net of current portion	7	1,562,533,065	1,331,986,217
Prepaid insurance premium		18,067,482	15,590,202
Land, building and equipment - net	11	79,126,517	74,009,802
Deferred tax assets	12	63,000,404	44,808,146
Other non-current assets		212,600	136,600
Total non-current assets		1,724,698,533	1,467,881,330
Total assets		3,643,560,006	3,100,220,489

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

S 11 Group Public Company Limited

Statements of financial position (continued)

As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft	13	50,000,000	-
Trade accounts payables		3,136,150	2,622,408
Short-term loans	14	422,338,883	-
Current portion of long-term loans	15	939,133,131	1,155,216,199
Current portion of liabilities under financial lease agreements	16	1,175,434	1,598,033
Income tax payable		57,072,722	39,167,038
Insurance premium payables		13,778,798	10,654,078
Accrued expenses		18,443,607	16,139,377
Other current liabilities		20,698,997	11,057,462
Total current liabilities		1,525,777,722	1,236,454,595
Non-current liabilities			
Long-term loans - net of current portion	15	390,983,641	802,965,439
Liabilities under financial lease agreements - net of current portion	16	456,728	1,632,162
Provision for long-term employee benefits	17	6,492,528	5,140,410
Total non-current liabilities		397,932,897	809,738,011
Total liabilities		1,923,710,619	2,046,192,606

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

S 11 Group Public Company Limited**Statements of financial position (continued)****As at 31 December 2015**

		(Unit: Baht)	
	Note	2015	2014
Shareholders' equity			
Share capital			
Registered			
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000
Issued and fully paid-up			
613,000,000 ordinary shares of Baht 1 each			
(2014: 533,000,000 ordinary shares of Baht 1 each)	18	613,000,000	533,000,000
Share premium	18	427,822,558	90,606,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000
Retained earnings			
Appropriated - statutory reserve	20	38,406,028	20,756,407
Unappropriated		625,320,801	394,364,918
Total shareholders' equity		1,719,849,387	1,054,027,883
Total liabilities and shareholders' equity		3,643,560,006	3,100,220,489

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

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Directors

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S 11 Group Public Company Limited
Statements of comprehensive income
For the year ended 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Profit or loss:			
Revenues			
Hire purchase interest income		1,068,497,872	887,504,649
Fee and service income		48,078,800	37,690,150
Other income		18,049,971	8,830,416
Total revenues		1,134,626,643	934,025,215
Expenses			
Selling and administrative expenses	21	214,006,685	181,165,365
Bad debts and doubtful accounts	7.6	204,526,270	210,391,625
Loss on impairment and disposal of assets foreclosed	22	137,584,449	137,971,647
Total expenses		556,117,404	529,528,637
Profit before finance cost and income tax expenses		578,509,239	404,496,578
Finance cost		(137,347,324)	(138,339,510)
Profit before income tax expenses		441,161,915	266,157,068
Income tax expenses	12	(88,169,505)	(53,135,009)
Profit for the year		352,992,410	213,022,059
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial loss		(221,133)	-
Income tax relating to actuarial loss	12	44,227	-
Other comprehensive income for the year		(176,906)	-
Total comprehensive income for the year		352,815,504	213,022,059
Earnings per share	23		
Basic earnings per share		0.59	0.40
Weight average number of ordinary shares (shares)		602,917,808	533,000,000

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

S 11 Group Public Company Limited

Statements of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	shareholders' equity
Balance as at 1 January 2014	533,000,000	90,606,558	15,300,000	10,105,304	191,993,962	841,005,824
Profit for the year	-	-	-	-	213,022,059	213,022,059
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	213,022,059	213,022,059
Transferred unappropriated retained earnings to statutory reserve	-	-	-	10,651,103	(10,651,103)	-
Balance as at 31 December 2014	<u>533,000,000</u>	<u>90,606,558</u>	<u>15,300,000</u>	<u>20,756,407</u>	<u>394,364,918</u>	<u>1,054,027,883</u>
Balance as at 1 January 2015	533,000,000	90,606,558	15,300,000	20,756,407	394,364,918	1,054,027,883
Profit for the year	-	-	-	-	352,992,410	352,992,410
Other comprehensive income for the year	-	-	-	-	(176,906)	(176,906)
Total comprehensive income for the year	-	-	-	-	352,815,504	352,815,504
Proceeds from increase in share capital (Note 18)	80,000,000	337,216,000	-	-	-	417,216,000
Dividend paid (Note 25)	-	-	-	-	(104,210,000)	(104,210,000)
Transferred unappropriate retained earnings to statutory reserve	-	-	-	17,649,621	(17,649,621)	-
Balance as at 31 December 2015	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>38,406,028</u>	<u>625,320,801</u>	<u>1,719,849,387</u>

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

S 11 Group Public Company Limited**Cash flows statements****For the year ended 31 December 2015**

	(Unit: Baht)	
	2015	2014
Cash flows from operating activities		
Profit before income tax	441,161,915	266,157,068
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation	7,156,459	7,013,653
Bad debts and doubtful accounts	204,526,270	210,391,625
Loss (gain) on disposal of assets	(193,235)	98,148
Loss on written-off assets	19,487	58,027
Loss (reversal) on impairment of assets foreclosed	(1,307,012)	1,707,665
Provision for long-term employee benefits	1,130,985	1,614,913
Hire purchase interest income	(1,068,497,872)	(887,504,649)
Interest expenses	137,347,324	138,339,510
Loss from operating activities before changes in operating assets and liabilities	(278,655,679)	(262,124,040)
Operating assets (increase) decrease		
Hire purchase receivables	(682,207,938)	(739,873,115)
Assets foreclosed	2,984,130	(4,338,321)
Revenue Department receivables	(9,199,524)	(2,772,786)
Prepaid insurance premium	(9,570,093)	(8,538,437)
Other current assets	(5,533,308)	(6,331,178)
Other assets	(76,000)	(5,999)
Operating liabilities increase (decrease)		
Trade accounts payables	513,742	(11,809,818)
Insurance premium payables	3,124,720	317,097
Accrued expenses	2,349,370	(3,647,578)
Other current liabilities	9,590,196	6,126,463
Cash flows used in operating activities	(966,680,384)	(1,032,997,712)
Cash received from interest	1,055,566,457	880,144,098
Cash paid for corporate income tax	(88,411,852)	(58,804,307)
Cash paid for interest	(121,970,248)	(133,984,576)
Net cash flows used in operating activities	(121,496,027)	(345,642,497)

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

S 11 Group Public Company Limited
Cash flows statements (continued)
For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
Cash flows from investing activities		
Increase in restricted bank deposits	(408,102)	(580,675)
Cash receipt for proceed of equipment	215,131	35,374
Cash paid for acquisition of land, building and equipment	(12,314,557)	(8,993,049)
Net cash flows used in investing activities	(12,507,528)	(9,538,350)
Cash flows from financing activities		
Proceeds from increase in share capital	417,216,000	-
Increase in bank overdraft	50,000,000	-
Increase in short-term loans	415,709,223	-
Cash receipt from long-term loans	670,500,000	1,564,770,000
Repayment of long-term loans	(1,297,357,422)	(1,203,558,807)
Repayment of financial lease payables	(1,598,034)	(1,512,037)
Payment for loans issuing cost	(10,000,000)	(10,650,125)
Payment for dividend	(104,158,660)	-
Net cash flows from financing activities	140,311,107	349,049,031
Net increase (decrease) in cash and cash equivalents	6,307,552	(6,131,816)
Cash and cash equivalents at beginning of year	35,013,496	41,145,312
Cash and cash equivalents at end of year	41,321,048	35,013,496
Supplement cash flow information		
Non-cash items		
Purchase of assets by financial lease payables	-	3,662,496

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

S 11 Group Public Company Limited
Notes to financial statements
For the year ended 31 December 2015

1. Corporate information

S 11 Group Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is S Charter Company Limited which was incorporated in Thailand. The Company is principally engaged in the hire purchase of motorcycles and its registered address is 888, Soi Chatuchot 10, Chatuchot Road, Ao Ngoen, Sai Mai, Bangkok.

As at 31 December 2015, the Company has 2 branches in Chonburi and Ayudhya.

2. Basis of preparation

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

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

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

3. New financial reporting standards

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.

3.1 Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal year 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, the following are the standards that directly relevant to the Company.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gain and loss immediately in other comprehensive income while the former standard allowed the entity to recognise such gain and loss immediately in either profit or loss, other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gain and loss in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current year's transaction. In addition, the Company did not restate the prior year's financial statements, presented as comparative information, as if the Company had always applied this accounting policy because there would be no significant impact to the financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Hire purchase interest income

Hire purchase interest income is recognised on an accrual basis throughout the contract period based on the effective rate method.

The Company ceases recognising revenue from hire purchase receivables which installment payment has been defaulted for more than 3 installments past the due date per the agreement. Interest is then recognised as income on a cash basis.

b) Fee and service income

Fee and service income are recognised when services have been rendered.

c) Penalty fee income

Penalty fee income is recognised when received.

4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Commissions and direct expenses of the hire purchase contracts.

The Company recorded the initial commissions and direct expenses at the inception of hire purchase contract by deferred and amortised those expenses using the effective interest method, with amortisation deducted from unearned income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Unearned interest income is stated net of commissions and direct expenses incurred at the inception of the contracts.

4.3 Cash and cash equivalents

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

4.4 Hire purchase receivables

Hire purchase receivables are stated at the contract value net of unearned hire purchase income, which is presented after netting deferred commission and initial direct costs at the inception of the contracts.

4.5 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for hire purchase receivables based on the amount of debts that may not be collectible, determined by analysis of the current status of the receivables. Allowance for doubtful accounts is provided at the percentage of the amount of outstanding receivables net of unearned hire purchase income (net of deferred commissions and direct expenses incurred at the inception of the contracts).

	<u>Provisioning rate</u>
Normal loans and past due less than 2 months	1
Past due 2 months or more, but less than 4 months	2
Past due 4 months or more	100

Increase (decrease) in allowance for doubtful accounts is recorded as expense during the year in profit or loss in the statements of comprehensive income. The Company has a policy to write-off its receivables when a demand for payment has been properly made and clearly evidenced, and yet the debts remain unsettled.

4.6 Assets foreclosed

Assets foreclosed represent assets repossessed from hire purchase receivables and are stated at the lower of cost and estimated net realisable value.

Gain (loss) on disposal of assets foreclosed is recognised in part of profit or loss in the statements of comprehensive income on disposal date. Impairment loss of assets foreclosed is recognised as expenses in part of profit or loss in the statement of comprehensive income (if any).

4.7 Land, building and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of building and equipment is calculated by reference to their costs over the following estimated useful lives:

Building	-	20 years, straight - line method
Furniture and office equipment	-	5 years, straight - line method
Computers and equipment	-	3 - 5 years, sum of the year's digits method
Motor vehicles	-	5 years, sum of the year's digits method

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of land, building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in part of profit or loss when the assets are derecognised.

4.8 Impairment of assets

The Company assesses at each reporting date whether there is an indication that land, building and equipment may be impaired. An impairment loss is recognised when the recoverable amount of an asset is less than the carrying amount. An assets recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

An impairment loss is recognised in part of profit or loss (if any).

4.9 Employee benefits

a) Short-term employee benefits

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

b) Post-employment benefits (Defined contribution plans)

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

c) Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is determined by the Company's management based on actuarial techniques, using the projected unit credit method.

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

4.10 Income tax

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

a) **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.

b) **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 it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

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

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

4.11 Long-term leases

Leases that transfer substantially all the risks and rewards of ownership to the Company are classified as financial leases. Financial leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to profit or loss over the lease period. Assets acquired under finance leases are depreciated over their estimated useful lives.

4.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgments and estimates

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

5.1 Allowance for doubtful accounts on hire purchase receivables

In determining an allowance for doubtful accounts on hire purchase receivables, the management needs to make conservative judgment and estimates the probable loss based upon, among other things, past collection history, historical loss, aging profile of outstanding debts and the prevailing economic condition.

5.2 Allowance for impairment of assets foreclosed

In determining allowance for impairment of assets foreclosed, management apply judgment in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical sales data, the age of the assets and the prevailing economic condition.

5.3 Land, building and equipment/Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and salvage value of the Company's building and equipment and to review estimate useful lives and salvage value when there are any changes.

5.4 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future profits.

5.5 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.

5.6 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosure of fair value hierarchy.

6. Cash and cash equivalents

	(Unit: Baht)	
	2015	2014
Cash and cash equivalents	176,100	51,100
Bank deposits	41,144,948	34,962,396
Total	41,321,048	35,013,496

As at 31 December 2015, bank deposits in savings accounts and fixed deposits are carried interest at the rates between 0.38 - 1.50 percent per annum (2014: 0.63 - 1.70 percent per annum) as announced by the banks.

7. Hire purchase receivables

- 7.1 As at 31 December 2015 and 2014, the contracted terms of the Company's hire purchase receivables are 12 - 36 installments with payments to be made in equal installments, and interest charged at the fixed rates specified in the contracts. Hire purchase receivables classified by due date per agreement are as follows:

	(Unit: Baht)		
	2015		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	3,112,243,691	1,993,620,679	5,105,864,370
Less: Unearned hire purchase income ⁽¹⁾	(976,054,391)	(414,328,907)	(1,390,383,298)
Present value of the minimum lease payment receivables	2,136,189,300	1,579,291,772	3,715,481,072
Less: Allowance for doubtful accounts	(374,307,772)	(16,758,707)	(391,066,479)
Hire purchase receivables, net	1,761,881,528	1,562,533,065	3,324,414,593

(1) Presented net of deferred commission and initial direct costs of hire purchase

(2) The balance of receivables due within 1 year included receivables for which revenue recognised has been ceased

	(Unit: Baht)		
	2014		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	2,610,457,788	1,710,989,983	4,321,447,771
Less: Unearned hire purchase income ⁽¹⁾	(829,097,776)	(364,618,313)	(1,193,716,089)
Present value of the minimum lease payment receivables	1,781,360,012	1,346,371,670	3,127,731,682
Less: Allowance for doubtful accounts	(279,544,719)	(14,385,453)	(293,930,172)
Hire purchase receivables, net	1,501,815,293	1,331,986,217	2,833,801,510

(1) Presented net of deferred commission and initial direct costs of hire purchase

(2) The balance of receivables due within 1 year included receivables for which revenue recognised has been ceased

7.2 As at 31 December 2015 and 2014, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for doubtful accounts are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Balance of hire purchase receivables		Percentage of allowance set up by the Company	Allowance for doubtful accounts	
	2015	2014		2015	2014
Not yet due	2,286,325,483	1,938,762,765	1	22,863,257	19,387,629
Past due					
Less than 1 months	664,437,559	571,668,598	1	6,644,376	5,716,686
1 month or more, but less than 2 months	207,710,494	178,255,396	1	2,077,105	1,782,554
2 months or more, but less than 4 months	201,556,934	175,511,857	2	4,031,139	3,510,237
4 months or more, but less than 7 months	107,583,056	105,289,791	100	107,583,056	105,289,791
7 months or more, but less than 12 months	111,643,635	108,065,711	100	111,643,635	108,065,711
12 months or more	136,223,911	50,177,564	100	136,223,911	50,177,564
Total	<u>3,715,481,072</u>	<u>3,127,731,682</u>		<u>391,066,479</u>	<u>293,930,172</u>

7.3 The Notification of the Institute of Certified Accountants and Auditors of Thailand, with the concurrence of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease and full provision is to be recorded for accounts receivable which installment payment has been defaulted for more than 3 installments past the due date, and general provision is to be provided for accounts receivable which are not past due or have no more than 3 installments past due. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses and the reason.

The Company had a policy to cease recognising revenue from hire purchase receivables which are past due more than 3 installments, and has a policy to set up full allowance for doubtful accounts, without consider collateral value, for hire purchase receivables with 4 or more installments past due. The management has considered and confident that this policy is appropriated for the debtor's character and to the Company's business.

7.4 As at 31 December 2015, the Company had hire purchase receivables amounting to Baht 558 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (2014: Baht 416 million).

7.5 As at 31 December 2015, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 1,895 million (2014: Baht 2,670 million) in order to secure credit facilities granted by commercial banks as discussed in Note 15 to the financial statements.

7.6 Allowance for doubtful accounts

Movements of allowance for doubtful accounts of hire purchase receivables are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Balance beginning of the year	293,930,172	181,665,754
Add: Doubtful account increase during the year	204,526,270	210,391,625
Less: Bad debt written-off	(107,389,963)	(98,127,207)
Balance end of the year	391,066,479	293,930,172

8. Assets foreclosed

	(Unit: Baht)	
	2015	2014
Assets foreclosed - cost	11,153,795	14,137,925
Less: Allowance for impairment	(4,655,099)	(5,962,111)
Assets foreclosed - net	6,498,696	8,175,814

9. Other current assets

	(Unit: Baht)	
	2015	2014
Advance VAT receivable	14,258,914	20,121,463
Other receivable - sales of assets foreclosed	7,226,568	1,538,689
Other accrued income	4,094,123	46,285
Others	3,348,703	1,688,563
Total	28,928,308	23,395,000

10. Restricted bank deposits

As at 31 December 2015 and 2014, this represents fixed deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as discussed in Note 28.1 to the financial statements, and a deposit used as an employee's security deposit.

11. Land, building and equipment

Movements of land, building and equipment during the years ended 31 December 2015 and 2014 are summarised below.

(Unit: Baht)

	Land	Building	Furniture and office equipment	Computer and equipment	Motor vehicles	Construction in progress	Total
Cost							
1 January 2014	31,192,489	26,323,741	7,364,439	4,570,613	9,841,720	705,090	79,998,092
Additions	4,230,750	-	2,560,537	1,274,618	4,356,869	232,771	12,655,545
Disposals/written off	-	-	(365,216)	-	-	-	(365,216)
Transferred in (out)	-	703,657	234,204	-	-	(937,861)	-
31 December 2014	35,423,239	27,027,398	9,793,964	5,845,231	14,198,589	-	92,288,421
Additions	6,131,456	212,290	1,196,333	613,323	-	4,161,155	12,314,557
Disposals/written off	-	-	(11,979)	-	(700,000)	-	(711,979)
Transferred in (out)	892,192	84,943	-	-	-	(977,135)	-
31 December 2015	42,446,887	27,324,631	10,978,318	6,458,554	13,498,589	3,184,020	103,890,999
Accumulated depreciation							
1 January 2014	-	770,356	2,163,251	2,499,014	6,006,012	-	11,438,633
Depreciation during the year	-	1,332,553	1,660,972	1,199,705	2,820,423	-	7,013,653
Depreciation for disposals/written off	-	-	(173,667)	-	-	-	(173,667)
31 December 2014	-	2,102,909	3,650,556	3,698,719	8,826,435	-	18,278,619
Depreciation during the year	-	1,370,554	2,082,414	1,116,173	2,587,318	-	7,156,459
Depreciation for disposals/written off	-	-	(8,313)	-	(662,283)	-	(670,596)
31 December 2015	-	3,473,463	5,724,657	4,814,892	10,751,470	-	24,764,482
Net book value							
31 December 2014	35,423,239	24,924,489	6,143,408	2,146,512	5,372,154	-	74,009,802
31 December 2015	42,446,887	23,851,168	5,253,661	1,643,662	2,747,119	3,184,020	79,126,517
Depreciation charge for the years ended 31 December							
2014							7,013,653
2015							7,156,459

As at 31 December 2015, the Company had pledged land and premises thereon with net book value amounting to Baht 54 million as collateral against credit facilities received from the financial institution as mentioned in Note 15 to the financial statements.

As at 31 December 2015, the Company had vehicles under finance lease agreements with net book value amounting to Baht 2 million. These vehicles will be registered in the name of the Company after the Company completes payment and exercises its purchase option.

12. Deferred tax assets/income tax expenses

12.1 Deferred tax assets

As at 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	2015	2014
Deferred tax assets		
Allowance for doubtful accounts	78,213,295	58,786,035
Allowance for impairment of assets foreclosed	931,020	1,192,423
Provision for long-term employee benefits	1,298,506	1,028,083
Others	405,293	-
Total	80,848,114	61,006,541
Deferred tax liabilities		
Deferred commission and initial direct cost from hire purchase contracts	14,508,137	13,100,309
Deferred loans issuing costs	3,339,573	3,098,086
Total	17,847,710	16,198,395
Deferred tax assets - net	63,000,404	44,808,146

12.2 Income tax expenses

Income tax expenses for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Current income tax:		
Corporate income tax charge for the year	104,621,536	73,485,388
Effects of income tax related to expenses from share offering (Note 18)	1,696,000	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(18,148,031)	(20,350,379)
Income tax expenses reported in the statements of comprehensive income	88,169,505	53,135,009

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Baht)	
	2015	2014
Deferred tax relating to actuarial loss	44,227	-
	44,227	-

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

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Accounting profit before tax	441,161,915	266,157,068
Applicable tax rate	20%	20%
Amount of profit before tax multiplied by applicable tax rate	88,232,383	53,231,414
Tax effect of tax-exempt income and disallowed expenses	(62,878)	(96,405)
Income tax expenses reported in the statements of comprehensive income	88,169,505	53,135,009

13. Bank overdraft

		(Unit: Baht)	
	Interest rate (percent per annum)	2015	2014
Bank overdraft	MOR-0.5%	50,000,000	-
Total		50,000,000	-

As at 31 December 2015, bank overdraft is secured by the mortgage of the Company's land and structures thereon.

14. Short-term loans

As at 31 December 2015, short-term loans net of discount, totaling Baht 422 million, are bills of exchange with named, transferable, with maturities of no more than 270 days from the date of issuance. Interest is charged at the rate of 4 - 5 percent per annum.

15. Long-term loans

As at 31 December 2015 and 2014, long-term loans, which the Company obtained from a local financial institution, are detailed below.

				(Unit: Baht)	
Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	2015	2014
1	Loan agreement dated 2 March 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payable on the last day of the month of the first drawdown	-	3,199,162
2	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, over 12 years, with the first installment due on 7 June 2012	10,260,881	11,120,894
3	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, over 12 years, with the first installment due in the 13 th month after the loan drawdown	22,432,174	24,503,708
4	Loan agreement dated 26 July 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	12,103,098	313,419,593
5	Loan agreement dated 12 December 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	17,677,019	149,366,586
6	Loan agreement dated 24 October 2013	MLR	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	304,448,131	706,556,705
7	Loan agreement dated 27 June 2014	MLR - 0.5, MLR - 1.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	980,543,461	766,155,539
Total				1,347,464,764	1,974,322,187
Less: Deferred loans issuing costs				(17,347,992)	(16,140,549)
Long-term loans				1,330,116,772	1,958,181,638
Less: current portion due within 1 year				(939,133,131)	(1,155,216,199)
Long-term loans, net of current portion				390,983,641	802,965,439

Loan facilities no. 2 and 3 are for use in building construction. These loan facilities are secured by the Company's land and premises.

Other loans are for use in the expansion of the Company's business. The Company has to comply with loan covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, maintenance of debt to equity ratio and maintenance of ratios of overdue hire purchase receivables to total hire purchase receivables, and total hire purchase receivables to debts, as well as prohibitions on the disposal of assets or rights of claim under hire purchase agreements and prohibition from entering into new debt agreements. And these loan facilities are secured by the transfer of rights of claim under hire purchase agreements and motorcycle registrations as requested by the commercial bank (2014: loans had the same conditions as mention above, and included guaranteed by shareholders, managing director and management of the Company).

As at 31 December 2015, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,022 million.

Movements in the long-term loans account during the year ended 31 December 2015 and 2014 are summarised below.

	(Unit : Baht)	
	For the years ended 31 December	
	2015	2014
Balance at the beginning of year	1,974,322,187	1,613,110,994
Add: Addition borrowings during the year	670,500,000	1,564,770,000
Less: Loans repayment during the year	(1,297,357,423)	(1,203,558,807)
Balance at the end of year	<u>1,347,464,764</u>	<u>1,974,322,187</u>

16. Liabilities under finance lease agreements

Liabilities under financial lease agreements as at 31 December 2015 and 2014 are comprised of:

	(Unit: Baht)	
	2015	2014
Liabilities under finance lease agreements	1,692,365	3,422,847
Less: Deferred interest expenses	(60,204)	(192,652)
Total	1,632,162	3,230,195
Less: Portion due within one year	(1,175,434)	(1,598,033)
Liabilities under finance lease agreements		
- net of current portion	<u>456,728</u>	<u>1,632,162</u>

As at 31 December 2015, the Company has entered into finance lease agreements with a commercial bank and leasing companies in order to lease assets for use in its operations, whereby it is committed to pay rental fee on a monthly basis. The term of the agreements are generally 2 years and 3 years.

Under these agreements, the Company has an option to purchase the assets at the end of the contracts and has to comply with conditions specified in the agreements.

As at 31 December 2015, the Company had commitment to pay minimum lease payments under the finance lease agreements as follows:

	(Unit: Baht)		
	Less than 1 year	1 - 5 years	Total
Minimum lease payment	1,226,318	466,048	1,692,366
Deferred interest expenses	(50,884)	(9,320)	(60,204)
Present value of minimum lease payment	<u>1,175,434</u>	<u>456,728</u>	<u>1,632,162</u>

17. Provision for long-term employee benefits

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

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Provision for long-term employee benefits		
at beginning of year	5,140,410	3,525,497
Included in profit or loss:		
Current service cost	936,980	1,577,114
Interest cost	194,005	133,056
Actuarial gain	-	(95,257)
Included in other comprehensive income:		
Actuarial loss arising from		
Financial assumptions changes	531	-
Experience adjustments	220,602	-
Provision for long-term employee benefits		
at end of year	<u>6,492,528</u>	<u>5,140,410</u>

Principal actuarial assumptions at the valuation date were as follows:

	31 December 2015	31 December 2014
	(% per annum)	(% per annum)
Discount rate	3.56	3.77
Future salary increase rate	7.50	7.50
Staff turnover rate	16.19	16.19

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 26 years, and the Company expects to pay Baht 4 million of long-term employee benefits during the next year.

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

	(Unit: Baht)	
	Rate increase 1%	Rate decrease 1%
Discount rate	Liabilities decreased by 184,292	Liabilities increased by 210,137
Salary increase rate	Liabilities increased by 261,230	Liabilities decreased by 236,155
Turnover rate	Liabilities decreased by 171,976	Liabilities increased by 193,840

18. Share capital

On 27 March 2014, the 2014 Annual General Meeting of the Company's shareholders approved an increase in the Company's registered share capital from Baht 533 million to Baht 613 million (122.60 million ordinary shares with a par value of Baht 5 each) by issuing 16 million new ordinary shares with a par value of Baht 5 each. The capital increase was to be made by issuing shares via an initial public offering at a price not less than the par value of the share. On 4 April 2014, the Company had registered the increase of its share registered capital with the Ministry of Commerce.

On 10 September 2014, the Extraordinary General Meeting of shareholders No.1/2557 passed a resolution to change the par value of the ordinary shares from Baht 5 per share to Baht 1 per share resulting in the change in the number of registered ordinary shares from 122.6 million shares to 613 million shares, and the change in the number of issued and paid up ordinary shares from 106.6 million shares to 533 million shares. On 11 September 2014, the Company had registered to change the par value of the ordinary shares with the Ministry of Commerce.

During 11-13 February 2015, the Company made an initial public offering of 80 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.3 per share, for total proceeds of Baht 424 million. As a result there was an increased in share premium amounting to Baht 337.22 million (net of incurred expenses and relating income tax to the share offering of Baht 6.78 million). The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 16 February 2015, and shares of the Company began trading on the Stock Exchange of Thailand on 25 February 2015.

19. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business and boost the value of the holdings of the Company's shareholders. As at 31 December 2015, the Company had a debt-to-equity ratio of 1.12:1 (2014: 1.94:1).

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net income 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.

As at 31 December 2015, the Company allotted profit of Baht 17.6 million to the statutory reserve.

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Salary, wages and other employee benefits	103,835,379	83,626,095
Insurance premium expenses	63,946,525	55,684,074
Legal advisor and financial management advisor fee	338,280	1,236,980
Depreciation	7,156,459	7,013,653
Stamp duties and postal expenses	7,217,694	6,389,528
Expense relating demands for payment	6,455,317	4,958,549
Miscellaneous for office expenses	1,721,244	1,698,964
Utilities expenses	3,893,382	3,415,054
Registration expenses	4,468,114	3,799,648

22. Loss on impairment and disposal of assets foreclosed

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Loss on impairment of assets foreclosed (reversal)	(1,307,012)	1,707,665
Loss on disposal of assets foreclosed	138,891,461	136,263,982
Total	137,584,449	137,971,647

23. 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, after adjusting the number of ordinary shares proportionately to the change in the number of shares as a result of the change in the par value of the ordinary shares.

24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Ayudhya Fund Management, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to Baht 1.68 million (2014: Baht 1.39 million) were recognised as expenses.

25. Dividend

Dividends	Approved by	Total dividends	Dividend per share
		Million Baht	Baht
Dividends from the operating results for the year ended 31 December 2014	The annual general meeting of the Company's shareholders No. 1/2558 on 23 April 2015	104.21	0.17 (from 613,000,000 ordinary shares at par value of Baht 1 each)

26. Segment information

The Company operations involve a single reportable operating segment of hire purchase of motorcycles and are carried on in the single geographical area of Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that the Company's chief operating decision maker (Managing Director) used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area. In addition, the Company has no major customer with reserve of 10 percent or more of an entity's revenues during the year 2015 and 2014.

27. Director and management benefits

During the years, the Company had the following employee benefit expenses payable to its directors and management.

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Short-term employee benefits	20,522,089	18,729,659
Post-employment benefits	1,659,032	3,068,994
Total	22,181,121	21,798,653

28. Commitment

28.1 Guarantees

As at 31 December 2015 and 2014, there was an outstanding bank guarantee of Baht 10,000 issued by a bank on behalf of the Company as a guarantee for a post office box.

28.2 Employee Joint Investment Program

The Company has an Employee Joint Investment Program ("the EJIP"), one of the Company's staff welfare benefits, which offers staff of the Company who voluntarily join the EJIP a savings scheme under which for purchase shares of the Company. EJIP members pay monthly contributions in a certain amount and the Company pays contributions on behalf of EJIP members at the same amount but not higher than 5 - 7.5 percent of their basic salaries based on their position. However, total contributions for each year will not exceed 60 percent of their basic salaries. In addition, the Company pays additional contributions to EJIP members by considering their length of service, with a minimum of 3 years' service required.

During the year, the amount contributed by the Company to EJIP members was presented under the caption of personnel expenses.

29. Financial instruments

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

29.1 Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase receivables. The Company manages the risk by adopting appropriate credit control policies and procedures. 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 value of hire purchase receivables less allowance for doubtful debts as stated in the statements of financial position.

29.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Company. As the Company has no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk.

Interest rate risk

Significant financial assets and liabilities as at 31 December 2015 and 2014 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: Baht)				
	2015				
	Fixed interest rate				
	Repricing or maturity date				
Transactions	Within 1 year	Over 1 - 5 years	Floating interest rate	Non-interest bearing	Total
<u>Financial assets</u>					
Cash and cash equivalents	-	-	6,236,733	35,084,315	41,321,048
Hire purchase receivables, net	1,761,881,528	1,562,533,065	-	-	3,324,414,593
Restricted bank deposits	10,772	-	1,747,693	-	1,758,465
<u>Financial liabilities</u>					
Bank overdraft	-	-	50,000,000	-	50,000,000
Trade accounts payables	-	-	-	3,136,150	3,136,150
Short-term loans	422,338,883	-	-	-	422,338,883
Long-term loans	-	-	1,330,116,772	-	1,330,116,772
Liabilities under financial lease agreements	1,175,434	456,728	-	-	1,632,162

(Unit: Baht)

	2014				
	Fixed interest rate				
	Repricing or maturity date				
Transactions	Within 1 year	Over 1 - 5 years	Floating interest rate	Non-interest bearing	Total
<u>Financial assets</u>					
Cash and cash equivalents	-	-	2,790,966	32,222,530	35,013,496
Hire purchase receivables, net	1,501,815,293	1,331,986,217	-	-	2,833,801,510
Restricted bank deposits	10,633	-	1,339,730	-	1,350,363
<u>Financial liabilities</u>					
Trade accounts payables	-	-	-	2,622,408	2,622,408
Long-term loans	-	-	1,958,181,638	-	1,958,181,638
Liabilities under financial lease agreements	1,598,033	1,632,162	-	-	3,230,195

29.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

Counting from the financial position date, the periods to maturity of financial instruments held as at 31 December 2015 and 2014 are as follows:

(Unit: Baht)

Transactions	2015				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	41,321,048	-	-	-	41,321,048
Hire purchase receivables, net ⁽¹⁾	-	1,761,881,528	1,562,533,065	-	3,324,414,593
Restricted bank deposits	-	-	-	1,758,465	1,758,465
<u>Financial liabilities</u>					
Bank overdraft	50,000,000	-	-	-	50,000,000
Trade accounts payables	-	3,136,150	-	-	3,136,150
Short-term loans	-	422,338,883	-	-	422,338,883
Long-term loans	-	939,133,131	390,983,641	-	1,330,116,772
Liabilities under financial lease agreements	-	1,175,434	456,728	-	1,632,162

(1) The outstanding balance of hire purchase receivables which have maturity within 1 year included receivable for which revenue recognised has been ceased

(Unit: Baht)

	2014				
Transactions	At call	Within 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	35,013,496	-	-	-	35,013,496
Hire purchase receivables, net ⁽¹⁾	-	1,501,815,293	1,331,986,217	-	2,833,801,510
Restricted bank deposits	-	-	-	1,350,363	1,350,363
<u>Financial liabilities</u>					
Trade accounts payables	-	2,622,408	-	-	2,622,408
Long-term loans	-	1,155,216,199	802,965,439	-	1,958,181,638
Liabilities under financial lease agreements	-	1,598,033	1,632,162	-	3,230,195

(1) The outstanding balance of hire purchase receivables which have maturity within 1 year included receivable for which revenue recognised has been ceased

29.4 Fair values

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

(Unit: Baht)

31 December 2015					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value are disclosed</u>					
Cash and cash equivalents	41,321,048	41,321,048	41,321,048	-	-
Hire purchase receivables, net	3,324,414,593	3,368,711,012	-	-	3,368,711,012
Restricted bank deposits	1,758,465	1,758,465	1,747,693	10,772	-
<u>Financial liabilities for which fair value are disclosed</u>					
Bank overdraft	50,000,000	50,000,000	-	50,000,000	-
Trade accounts payables	3,136,150	3,136,150	3,136,150	-	-
Short-term loans	422,338,883	422,338,883	-	422,338,883	-
Long-term loans	1,330,116,772	1,337,246,037	-	1,337,246,037	-
Liabilities under financial lease agreements	1,632,162	1,632,162	-	1,632,162	-

Fair value hierarchy for assets and liabilities as at 31 December 2015 as stipulated in notes 4.13 to the financial statement.

As at 31 December 2014, there are no material difference between the book value of financial assets and financial liabilities and their fair value.

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

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, restricted bank deposits, bank overdraft, trade accounts payables and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- b) For hire purchase receivables, fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For long-term loans, fair value is estimated by discounting expected future cash flow by the current market interest rate.
- d) For liabilities under financial lease agreements, their carrying amounts approximate their fair value since their carrying interest approximate to the market rate.

30. Events after the reporting period

On 15 February 2016, the Company registered its one additional branch in Rayong with the Ministry of Commerce to support the business expansion in the East.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2016.



Attachment 1

Details of Directors, Management, Controlling Persons and Company Secretary

**Details of Directors, Management, Controlling Persons and Company Secretary**

Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
1. Mr. Samart Chiradamrong	63	Master Degree in Engineering Management, University of St. Louis, Philippines Directors Accreditation Program (DAP) Class 5/2004, Institute of Directors, Thailand	Direct : 1.64 Indirect ¹ : 8.31	Father of Mrs. Katika Kusawadee (Chiradamrong) (Company Secretary)	2013-Present	Chairman	S 11 GROUP PCL / Hire Purchase
					July 2011-2013	Chairman / Managing Director	S 11 GROUP PCL / Hire Purchase
					2007-2011	Vice President / Managing Director	GROUP LEASE PCL / Hire Purchase
					1990-2011	Vice President / Managing Director	GROUP LEASE PCL / Hire Purchase
					1988-1989	Managing Director	MBT FACTORING CO., LTD. / Factoring
					1980-1986	Managing Director	HIWAY CO., LTD. / Hire Purchase
2. Mr. Surasak Khemthongkum	50	MBA, Rangsit University Directors Accreditation Program (DAP) Class 63/2007, Institute of Directors, Thailand	Direct : 0.30 Indirect ¹ : 0.21	None	2013-Present	Director / Managing Director	S 11 GROUP PCL / Hire Purchase
					July 2011-2013	Director / Credit & Marketing Manager	S 11 GROUP PCL / Hire Purchase



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
		Accounting for Non Accounting Audit Committee, SET			2007-2011	Director / Credit & Marketing Manager	GROUP LEASE PCL / Hire Purchase
					2003-2007	Credit & Marketing Manager	GROUP LEASE PCL / Hire Purchase
					1996-2003	Credit Supervisor	GROUP LEASE PCL / Hire Purchase
					1991-1996	Personnel & Administration	GROUP LEASE PCL / Hire Purchase
					1987-1990	Asset Investigation Officer	HIWAY CO., LTD. / Hire Purchase
3. Mr. Sirawat Wanglee	42	MBA, Kenan Flagler Business Scholl, University of North Carolina at Chapel Hill, USA Directors Accreditation Program (DAP) Class 81/2009, Institute of Directors, Thailand	Direct : 9.00 Indirect ¹ : 0.94	None	2011-Present	Director	S 11 GROUP PCL / Hire Purchase
					2008-Present	Managing Director	WEERAWONG CO., LTD. / Real Estate
					2010-Present	Managing Director	WEERAWONG ESTATE CO., LTD. / Real Estate
					2008-2011	Fiscal Analyst	Ministry of Finance



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
4. Mr. Richard Wee Keng Kwok	51	B.A. Law University of Kent, Canterbury, United Kingdom Directors Accreditation Program (DAP) Class 108/2014, Institute of Directors, Thailand	Direct : 8.31 Indirect ¹ : 7.52	None	2011-Present	Director	S 11 GROUP PCL
					2008-Present	Director	The Excimer Centre Pte.Ltd. / Optical Business
5. Mr. Ee Guan Hui Gilbert	50	Bachelor of Business Administration, National University of Singapore Directors Accreditation Program (DAP) Class 108/2014, Institute of Directors, Thailand	Direct : 4.73 Indirect ¹ : 1.84	None	2011-Present	Director	S 11 GROUP PCL / Hire Purchase
					2007-Present	Chief Executive Officer	GSH Corporation Ltd./ Real Estate Development / Real Estate Development
6. Mr. Thosaporn Lerdbhan	48	Bachelor of Commerce and Accountancy, Krirk University Directors Accreditation Program (DAP) Class 105/2013, Institute of Directors, Thailand	Direct : 0.36 Indirect ¹ : 0.37	Spouse of Miss Watcharaporn Meruthong	July 2011-Present	Director / IT Manager	S 11 GROUP PCL / Hire Purchase
					2004-2011	IT Manager	GROUP LEASE PCL / Hire Purchase
					1991-2004	IT Division Chief	GROUP LEASE PCL / Hire Purchase



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
7. Mr. Chatchai Chotanakarn	62	M.S. (Computer Science) Florida Institute of Technology (USA) M.S. (Agricultural Economics) Kasetsart University Directors Accreditation Program (DAP) Class 62/2007, Institute of Directors, Thailand	None	None	2013-Present	Chairman of the Audit Committee / Independent Director	S 11 GROUP PCL / Hire Purchase
					2014	Advisory of Managing Director	BANGKOK LIFE ASSURANCE PCL / Life Assurance
					2008-2013	IT Senior Vice President	BANGKOK LIFE ASSURANCE PCL / Life Assurance
					2011-2007	IT Director	BANGKOK LIFE ASSURANCE PCL / Life Assurance
					1998 - 2000	IT Director	Financial Sector Restructuring Authority Organization
					1994 – 1998	IT Director	SAVCO WHOLESALE CO., LTD.
					1987 - 1994	Project Manager	BANK OF THAILAND



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
					1982 – 1987	IT Chief	Department of Agriculture Extension
					1978 - 1980	Chief Research and Evaluation	Department of Agriculture Extension
8. Mrs. Vachira Na Ranong	60	MBA in Finance, MARSHALL University, USA Director Certification Program (DCP) Class 124/2009, Institute of Directors, Thailand Directors Accreditation Program (DAP) Class 61/2007, Institute of Directors, Thailand Capital Market Academy Class 8	None	None	2013 – Present	Audit Committee / Independent Director	S 11 GROUP PCL / Hire Purchase
					2012 - Present	Director / Treasurer	THAI INVESTOR ASSOCIATION
					2003-2010	Deputy Secretary	General Administration Group Government Pension Fund (GPF)
					December 2002 – August 2003	Project Advisor	Fiscal Policy Research Institute (FPRI)
					January 1998 – November 2002	Assistant Secretary General	Financial Sector Restructuring Authority (FRA)
					December 1989 – September 1997	Vice President	FINANCE ONE PCL



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
					January 1988 – November 1989	Director	The Siam Sanwa Industrial Credit Co., Ltd. (SICCO)
					November 1979 – December 1987	Manager	Thai Investment and Securities Co., Ltd. (TISCO)
					February 1979 – November 1979	Officer	SGV NA THALANG CO., LTD.
9. Mr. Thanisorn Dejthamrong	62	Ph. D. (Economics), University of Washington, Seattle, Washington, USA Directors Accreditation Program (DAP) Class 106/2013, Institute of Directors, Thailand	None	None	2013-Present	Audit Committee / Independent Director	S 11 GROUP PCL / Hire Purchase
					2006-Present	Economic Advisor	BANPU PCL / Energy
					2003-2005	Project Advisor	Fiscal Policy Research Institute Foundation
					2003-2005	Project Advisor	Government Saving Bank, Bank for Agriculture and Agricultural Cooperatives



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
					1998-2003	Director of Research Information Office	Financial Restructuring Authority (FRA)
					1995-1998	Assistant Managing Director	Kiatnakin Finance and Securities PLC
					1990-1992	Research Economist	Research and Training Centers of Southeast Asian Central Banks (SEACEN) Malaysia, seconded by the Bank of Thailand
					1988-1995	Assistant Economists	THE BANK OF THAILAND
					1982-1985	Economists	THE BANK OF THAILAND
10. Mr. Krisakorn Netprapa	45	MBA, West Coast University, USA	Direct : 0.14 Indirect ¹ : None	None	2013-Present	Credit & Marketing Manager	S 11 GROUP PCL / Hire Purchase
					May 2011-2013	Marketing Division Chief	S 11 GROUP PCL / Hire Purchase
					2006-2012	Marketing Division Chief	GROUP LEASE PCL



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
							/ Hire Purchase
11. Mr. Wanchai Boontham	57	BA of Law, Ramkhamhaeng University Mini M.B.A , Class RMM II, Rangsit University	Direct : 0.35 Indirect ¹ : 0.00	None	July 2011-Present	Account Management Manager	S 11 GROUP PCL / Hire Purchase
					2002-2011	Collection Service & Credit Collection Manager	GROUP LEASE PCL / Hire Purchase
					1992-2002	Collection Service & Credit Collection Manager Division Chief	GROUP LEASE PCL / Hire Purchase
					1990-1992	Credit Analyst Officer	GROUP LEASE PCL / Hire Purchase
					1985-1990	Court Execution Officer	HIWAY CO., LTD. / Hire Purchase
12. Miss. Watcharaporn Meruthong	47	Bachelor Degree in Accountant, Kirk University Bachelor Degree in Accountant, Chankrasem Rajabhat University MICRO MBA of Commerce and	Direct : 0.37 Indirect ¹ : 0.36	Spouse of Mr. Thosaporn Lerdbhan	July 2011 -Present	Accounting & Finance Manager	S 11 GROUP PCL / Hire Purchase
					2005 -2011	Office of Internal Audit Manager	GROUP LEASE PCL / Hire Purchase
					2004 -2011	Accounting & Finance Manager	GROUP LEASE PCL



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
		Accountancy, Chulalongkorn University			2004 -2011	Assistant Company Secretary	/ Hire Purchase GROUP LEASE PCL / Hire Purchase
					2004- 2011	Assistant Secretary of Board of Director	GROUP LEASE PCL / Hire Purchase
					2004 -2011	Assistant Secretary of Audit Committee	GROUP LEASE PCL / Hire Purchase
					1991-2004	Accountant	GROUP LEASE PCL / Hire Purchase
13. Miss Jamsiri Sangkarak	44	Bachelor Degree in HR, Sripatum University	Direct : 0.10 Indirect ¹ : 0.00	None	May 2011-Present	Personnel & Administration Manager	S 11 GROUP PCL / Hire Purchase
					2006-2011	Personnel Division Chief	GROUP LEASE PCL / Hire Purchase
14. Miss Aree Srikratrot	46	Bachelor Degree in Marketing, Phranakorn Rajabhat University	Direct : 0.08 Indirect ¹ : None	None	May 2011 -Present	Operation Manager	S 11 GROUP PCL / Hire Purchase
					1992-2011	Branch Office Chief	GROUP LEASE PCL / Hire Purchase



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
15. Miss. Jeeranai Promtong	37	Vocational Certificate in Marketing, Wimon Commercial Siyan School	Direct : 0.00 Indirect ¹ : None	None	August 2015 -Present	Customer Service Manager	S 11 GROUP PCL / Hire Purchase
					May 2015 – July 2015	Customer Service Department Chief	S 11 GROUP PCL / Hire Purchase
					2001-April 2014	Customer Service Department Chief	GROUP LEASE PCL / Hire Purchase
16. Mr. Paiboon Chaibenjaphol	53	Bachelor Degree in Business Administration, Sukhothai Thammathirat Open University Vocational Certificate, Viriya College Modern Management Program, Commerce and Accountancy, Chulalongkorn University	Direct : 0.02 Indirect ¹ : None	None	August 2015 -Present	Office of Internal Audit Manager	S 11 GROUP PCL / Hire Purchase
					2014 – July 2015	Office of Internal Audit Assistant Manager	S 11 GROUP PCL / Hire Purchase
					2013-2014	Customer Service Department Chief	S 11 GROUP PCL / Hire Purchase
					2011-2012	General Manager	GROUP LEASE PCL / Hire Purchase
					2010-2011	Credit & Marketing Assistant Manager	GROUP LEASE PCL / Hire Purchase
					2005-2010	Assistant Managing Director	Worldlease CO., LTD. / Hire Purchase



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
					2002-2005	Senior Director of Consumer Credit Department	Worldlease CO., LTD. / Hire Purchase
					1996-2002	Hire Purchase Department Director	Worldlease CO., LTD. / Hire Purchase
					1994-1996	Collection Service & Credit Collection Director	Worldlease CO., LTD. / Hire Purchase
					1990-1994	Car Hire Purchase Division Senior Manager	Prime Finance & Securities CO., LTD.
					1987-1988	Repossess Division Chief	HIWAY CO., LTD. / Hire Purchase
					1983-1987	Spare Part Division Chief	Northway CO., LTD. / Sell and Hire Purchase
					1978-1983	Officer	HIWAY CO., LTD. / Hire Purchase
17. Mrs. Katika Kusawadee (Chiradamrong)	32	MS (Actuary and Risk Management), NIDA University Bachelor Degree in Business	Direct : 0.00 Indirect ¹ : 8.92	Daughter of Mr. Samart Chiradamrong	2011-Present	Company Secretary / Secretary of Board of Director / Secretary of Oversight Risk Management Committee	S 11 GROUP PCL / Hire Purchase



Names	Age (year)	Educational Qualification / Directorship Training	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
		Administration, Thammasat University Directors Accreditation Program (DAP) Class 105/2013, Institute of Directors, Thailand					

Remark: ¹ indirect shareholding includes the proportion of the Company shares held by spouses and/or minor children and/or proportion of shares held in S Charter Co., Ltd. and including proportion of shares held in custodian.

Details of Management and Controlling Persons in Other Company

NAME POSITION	S 11 GROUP PCL	S CHARTER CO., LTD.	S 11 MANAGEMENT CO., LTD.*	WEERAWONG CO., LTD.	WEERAWONG ESTATE CO., LTD.	SAHAPITAKSIN CO., LTD.	WANGLEE CO., LTD.	THE EXCIMER CENTER PTE. LTD. (Singapore)	GSH CORPORATION CO., LTD.
1. Mr. Samart Chiradamrong / Chairman	X	I	I						
2. Mr. Surasak Khemthongkum / Director / Managing Director	I, III	I	I						
3. Mr. Sirawat Wanglee / Director	I			I, III	I, III	I	I		



NAME POSITION	S 11 GROUP PCL	S CHARTER CO., LTD.	S 11 MANAGEMENT CO., LTD.*	WEERAWONG CO., LTD.	WEERAWONG ESTATE CO., LTD.	SAHAPITAKSIN CO., LTD.	WANGLEE CO., LTD.	THE EXCIMER CENTER PTE. LTD. (Singapore)	GSH CORPORATION CO., LTD.
4. Mr. Richard Wee Keng Kwok / Director	I							I	
5. Mr. Ee Guan Hui Gilbert / Director	I								III
6. Mr. Thosaporn Lerdbhan / Director / IT Manager	I, III	I	I						
7. Mr. Chatchai Chotanakarn / Vice Chairman / Chairman of Audit Committee / Independent Director	I, II								
8. Mrs. Vachira Na Ranong / Audit Committee / Independend Director	I, II								
9. Mr. Thanisorn Degthamrong Audit Committee / Independend Director	I, II								
10. Mr. Krisakorn Netprapa / Credit & Marketing Manager	III								



NAME POSITION	S 11 GROUP PCL	S CHARTER CO., LTD.	S 11 MANAGEMENT CO., LTD.*	WEERAWONG CO., LTD.	WEERAWONG ESTATE CO., LTD.	SAHAPITAKSIN CO., LTD.	WANGLEE CO., LTD.	THE EXCIMER CENTER PTE. LTD. (Singapore)	GSH CORPORATION CO., LTD.
11. Mr. Wanchai Boontham / Account Management Manager	III								
12. Miss Watcharaporn Meruthong / Finance & Accounting Manager	III								
13. Miss Jamsiri Sangkarak / Personnel & Administration Manager	III								
14. Miss Aree Srikratot / Operation Manager	III								
15. Miss Jeeranai Promtong / Customer Service Manager	III								
16. Mr. Pairoon Chaibenjaphol / Office of Internal Audit Manager	III								

Remark

X = Chairman I = Director II = Audit Committee III = Management

*closing the business on December 2015



Attachment 2

Details of Head of Internal Audit and Head of Internal Compliance



Details of Head of Internal Audit of the Company

Names / Positions/ Appointment Dates	Age (years)	Educational Qualification Training Course Program	Shareholding in the Company (%)	Relationship with other Director and Management	Work Experience		
					Period	Position	Organization / Company / Type of Business
Mr. Paiboon Chaibenjaphol / Office of Internal Audit Manager / 19 August 2015	53	Bachelor Degree in Business Administration, Sukhothai Thammathirat Open University Vocational Certificate, Viriya College Modern Management Program, Commerce and Accountancy, Chulalongkorn University	Direct : 0.02 Indirect ¹ : None	None	August 2015 -Present	Office of Internal Audit Manager	S 11 GROUP PCL / Hire Purchase
					2014 – July 2015	Office of Internal Audit Assistant Manager	S 11 GROUP PCL / Hire Purchase
					2013-2014	Customer Service Department Chief	S 11 GROUP PCL / Hire Purchase
					2011-2012	General Manager	GROUP LEASE PCL / Hire Purchase
					2010-2011	Credit & Marketing Assistant Manager	GROUP LEASE PCL / Hire Purchase
					2005-2010	Assistant Managing Director	Worldlease CO., LTD. / Hire Purchase
					2002-2005	Senior Director of Consumer Credit Department	Worldlease CO., LTD. / Hire Purchase
					1996-2002	Hire Purchase Department Director	Worldlease CO., LTD. / Hire Purchase
					1994-1996	Collection Service & Credit Collection Director	Worldlease CO., LTD. / Hire Purchase



					1990-1994	Car Hire Purchase Division Senior Manager	Prime Finance & Securities CO., LTD.
					1987-1988	Repossess Division Chief	HIWAY CO., LTD. / Hire Purchase
					1983-1987	Spare Part Division Chief	Northway CO., LTD. / Sell and Hire Purchase
					1978-1983	Officer	HIWAY CO., LTD. / Hire Purchase

Remark: ¹ indirect shareholding includes the proportion of the Company shares held by spouses and/or minor children and/or proportion of shares held in S Charter Co., Ltd.



Attachment 3

Internal Control System Assessment Questionnaire



Internal Control Assessment Questionnaire

Background and Objectives

Proper Internal Control system is vital to listed companies as it prevents, manages and mitigates risk and loss that the companies and their stakeholders. Therefore, Board of Directors is accountable to oversee that the company have implemented proper internal control system that is sufficient to govern and direct the company to achieve its missions and goals while complying with laws and regulations. Besides, the internal control system should also prevent the company from fraud and physical damage and ensure correct accounting and financial reporting.

The Securities Exchange Commission (SEC), coordinated with the Price Waterhouse Cooper (Thailand), had developed this Internal Control Assessment Questionnaire as a tool for listed companies for their self-assessment.

The questionnaire adopted the internal control concept of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which was revised on May 2013 and was adjusted to be applicable to Thai listed company. The questionnaire is constructed in 5 key areas including Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring Activities.

Use of Questionnaire

The companies should apply this questionnaire as guidance for internal control assessment at least annually and may reassess in case of unexpected event which may impact its operations significantly. The assessment should be reviewed by the Audit Committee and the Board in order to lead to discussion about proper improvement of internal control system.

The assessment should be based on execution of the control. If the assessment reflects insufficient control in some areas, the company should provide with rationale and improvement method.



Control Environment

1. The organization demonstrates a commitment to integrity and ethical value.

Question	Yes	No
1.1 Board of Directors and senior management articulate and demonstrate the importance of integrity and ethical values across the organization. The various forms and mechanisms may include: 1.1.1 Day-to-day actions and decision making at all levels of the organization that are consistent with the expected standards of conduct. 1.1.2 Interactions with suppliers, customers, and other external parties.	✓ ✓	
1.2 Practice of integrity and ethics is in place which may include: 1.2.1 Appropriate code of conduct for all employees 1.2.2 Prohibition of conflict of interest and corruption 1.2.3 Penalty when employee action deviates from the standard code of conduct 1.2.4 Communicate the standard code of conducts and penalty when its violated to all level of employees and external parties for adherence.	✓ ✓ ✓ ✓	
1.3 A process of ongoing and separate evaluation of Code of Conduct is in place including; 1.3.1 Ongoing and separated evaluation by Internal Audit Unit or Compliance Unit 1.3.2 Employees self-evaluation 1.3.3 Separate evaluation by independent and external experts	✓ ✓ ✓	
1.4 Deviations of the expected standard code of conduct are identified and remedied in a timely and consistent manner. 1.4.1 Having a process to investigate deviations of the expected standard code of conduct. 1.4.2 Having a process to penalize and conduct an appropriate action taken in timely basis. 1.4.3 The corrective action should be taken in consistent and timely basis.	✓ ✓ ✓	



2. The Board of Directors is independent from the management and is accountable for an oversight of the development and performance of internal control.

Question	Yes	No
2.1 The board of directors demonstrate independence from management by their roles and responsibilities. The board must therefore retain objectivity in relation to management.	✓	
2.2 The board of directors oversee the business objectives to ensure that they are clearly defined and measurable to be a guidance for management and other employees.	✓	
2.3 The board of directors oversee the clear line of roles and responsibilities of the board committees and senior management and compliance with law and regulations. This includes the roles and responsibilities of audit committee, external auditors, internal auditors and the person with responsibility for financial reporting.	✓	
2.4 The director is competent and has expertise in business or ability to request for the experts when needed.	✓	
2.5 The board of directors consists of sufficient number of independent directors who are knowledgeable and independent.	✓	
2.6 The board of directors oversee the development and execution of internal control system including control environment, risk assessment, control activities, information and communication, and monitoring activities.	✓	

3. With the board oversight, Management establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

Question	Yes	No
3.1 Management establish organization structure which support the organization's goal, which taking into account business, regulation, and effective internal control system e.g. segregation of duties.	✓	
3.2 Senior management define reporting line which considered appropriate accountabilities, responsibilities and communication channel.	✓	
3.3 Clear and appropriate authority delegation of authority among the board of directors, senior management, management and staff is in place.	✓	



4. The organization demonstrates a commitment to attract, develop, and retain competent individuals.

Question	Yes	No
4.1 Policies and practice to attract, develop, and retain competent individuals is in place and is reviewed regularly.	✓	
4.2 The organization has processes of performance evaluation, incentive, reward and penalty. The processes are communicated to all level of management and employees.	✓	
4.3 The organization has a procedure to handle insufficiency of competent staff properly.	✓	
4.4 The organization has a human resource management process of recruiting, development, mentoring, coaching, retaining for all level of management and employees.	✓	
4.5 The organization has the appropriate succession plan.	✓	

5. The organization assigns roles and responsibility of internal control in the pursuit of objectives.

Question	Yes	No
5.1 The board of directors and management establish the mechanisms to communicate and enforce accountability for performance of internal control responsibilities across organization and implement corrective action as necessary.	✓	
5.2 The board of directors and management establish proper performance evaluation, incentives, and rewarding system taking into account code of conduct, short-term and long-term business objectives.	✓	
5.3 The board of directors and management align incentives and rewards with the fulfillment of internal control responsibilities in the achievement of objectives.	✓	
5.4 The board of directors and management evaluate and adjust pressures associated with the achievement of objectives as they assign responsibilities.	✓	



Risk Assessment

6. Organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.

Question	Yes	No
6.1 The organization complies with the Generally Accepted Accounting Principles (GAAP) that are appropriate for its business and ensures the existence, completeness, rights and obligation, and valuation.	✓	
6.2 The organization defines financial materiality by assessing factors such as stakeholders, transaction size, and business trends.	✓	
6.3 The organization's financial statements reflect actual operational activities.	✓	
6.4 The board of directors or the Risk Management Committee approves and communicates risk management policies to management and employees as part of the organization culture.	✓	

7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as basis for determining how the risks should be managed.

Question	Yes	No
7.1 The organization identifies comprehensive risk that may affect the operational activities at corporate level, entity level, unit level, and functional level.	✓	
7.2 The organization assess comprehensive risk that may result from internal and external factors, including strategic risk, operational risk, reporting risk, compliance risk, and IT risk.	✓	
7.3 Management of all level participates in risk management.	✓	
7.4 The organization prioritize risk through frequency and impact assessment.	✓	
7.5 The organization has measures and plans to manage risk through risk acceptance, risk reduction, risk avoidance, or risk sharing.	✓	



8. The organization considers the potential for fraud in assessment risks to the achievement of objectives.

Question	Yes	No
8.1 The organization assess fraud risk resulting from falsify reporting, financial loss, corruption, management override of internal controls, misrepresentation of material reports, or embezzlement.	✓	
8.2 The organization reviews its performance measurements through achievement likelihood assessment and reviews incentive program to ensures that it does not encourage misconduct such as unrealistic target to encourage misrepresentation.	✓	
8.3 Audit Committee reviews and inquires management regarding fraud likelihood and fraud preventive and corrective measures.	✓	
8.4 The organization communicates to its employees to ensure that they understand and comply with policies and guidelines.	✓	

9. The organization identifies and assesses changes that could significantly impact the system of internal control.

Question	Yes	No
9.1 The organization assess external changes that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	✓	
9.2 The organization assess changes in business operation that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	✓	
9.3 The organization assess changes in organization leaders that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	✓	



Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Question	Yes	No
10.1 The organization's control measures are appropriate with its organization specific risks such as environmental, operational complexity, functional, operational boundary, and other specifics.	✓	
10.2 The organization has written internal control measures that appropriately covers its activities, which includes roles and responsibilities, and clearly indicate level of authority to prevent fraud.		
10.2.1 Collect and regularly update information on major shareholders, Directors, Management, and their related parties to assist in monitoring and reviewing related party transactions or conflict interest transactions.	✓	
10.2.2 In case the organization approves or enters into long-term contract with related party, the organization monitors to ensure compliance throughout the contract duration.	✓	
10.3 Control activities include a range and variety of controls and may include a balance of approaches to mitigate risk, considering both manual and automated controls, and preventive and detective controls.	✓	
10.4 Management considers control activities at various levels in the entity.	✓	
10.5 The organization segregates the following duties: (1) approval (2) data entry (3) custodial	✓	



11. The organization selects and develops general control activities over technology to support the achievement of objectives.

Question	Yes	No
11.1 The organization should determines the dependency and linkage between business processes and technology general controls.	✓	
11.2 The organization should have a proper control on IT infrastructure.	✓	
11.3 The organization should have a proper IT security system.	✓	
11.4 The organization should have a proper control on acquisition, development and maintenance of IT system.	✓	

12. The organization deploys control activities through policies that establish what is expected and in procedure that put policies into action.

Question	Yes	No
12.1 The organization has a policy that prevents major shareholders, directors, management from trading based on inside information by using approval process guided by regulators.	✓	
12.2 The organization has a policy indicated that transaction approval process has to be executed by an independent without conflict of interest.	✓	
12.3 The organization has a policy indicated that transaction approval processes are based on arm's length principle.	✓	
12.4 The organization has a process to monitor performance and provide directions to its subsidiaries.	✓	
12.5 The organization defines roles and responsibilities for its management and employees to carryout policies and processes.	✓	
12.6 The organization reviews the appropriateness of its policies and processes regularly.	✓	



Information & Communication

13. The organization obtains or generates and users relevant, quality information to support the functioning of other components of internal control.

Question	Yes	No
13.1 A process is in place to identify quality and relevance internal and external information required to achieve the objectives.	✓	
13.2 Information usage costs and benefits are considered. The consideration should include quantity and correctness of information.	✓	
13.3 The board of directors has material information sufficiently to make decision. The information may include detail of the agenda, reason, impact to the organization and optional solution.	✓	
13.4 The organization has processes to schedule the board meeting and provide necessary and sufficient supporting information before a specific time as the requirement by laws or regulation.	✓	
13.5 The organization should document sufficient information in the board of directors' minute of meeting to ensure appropriateness of directors duties, for examples, memo probing the question to management, comments and reason of disagreement	✓	
13.6 The organization has proper		
13.6.1 Document retention process to ensure completeness and filing of all important documents.	✓	
13.6.2 Control deficiencies and corrective action report from both external and internal auditors.	✓	



14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of other components internal control.

Question	Yes	No
14.1 The organization effectively communicates relevant and timely information regarding internal control to external parties and provides appropriate communications channels.	✓	
14.2 The organization reports material information to the board of directors consistently. Otherwise, the board of directors is enabled to access necessary information regards of their duties or reviews transaction i.e. the directors allows to request information from assigned a contact person, external auditors, internal auditors and they can request for the board meeting and other meeting between directors and senior managements.	✓	
14.3 The organization provides separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication from internal parties.	✓	

15. The organization communicates with external parties regarding matters affecting the functioning of other components of internal control.

Question	Yes	No
15.1 The organization effectively communicates relevant and timely information regarding internal control to external parties and provides appropriate communications channels i.e. investor relation and customer complain hotline.	✓	
15.2 The organization provides separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication from external parties.	✓	



Attachment 4

Report of the Audit Committee



Report of the Audit Committee

The Audit Committee of the Company comprises of three independent directors as follows:

- | | |
|-----------------------------|---|
| .1Mr. Chatchai Chotanakarn | President of Audit Committee and Independent Director |
| .2Mr. Thanisorn Dejthamrong | Audit Committee and Independent Director |
| 3 Mrs. Vachira Na Ranong | Audit Committee and Independent Director |

The Audit Committee has performed its duties assigned by the Board of Directors, in accordance with the Charter of Audit Committee. All duties were performed independently, without any obstruction in accessing the Company's information, with the aim of achieving best practice, transparency, fairness and accountability. The check-and-balance method was also used in order to preserve the best benefit not only for the Shareholders, but also employees, stakeholders and other relevant persons.

During 2015, the Audit Committee has held 6 meetings in total. Among these meetings, the Committee has opportunities to jointly discuss and review with the auditor the quarterly and annual financial statements, and with the internal auditor and the management to acknowledge the outcomes of the Company's internal audit results, and assess the sufficiency of the current internal control policy. This is a part of the corporate good governance. Details are explained below;

- **Review of the financial statements:** The Audit Committee has reviewed significant data and information in the quarterly and year-end financial statements of the Company for the year 2015, considered the appropriateness, and accurate of financial statements disclosure policy, and concluded that the financial statements present fairly, in all material respects in accordance with Thai Accounting Standard.
- **Review of the internal control and auditing system:** The Audit Committee has reviewed and assessed the internal control and auditing system and reports made by the auditor and the internal auditor. The Audit Committee; therefore, viewed that the systems were suitable and sufficient to the Company's business. Moreover, there was no negative issue that may affect significantly to the Company.
- **Review of the corporate governance compliance:** The Audit Committee has ensured that any disclosure of the Company's information were made in accordance with relevant laws and regulations, and reviewed for a conflict of interest that may occur in any related party transactions. However, there was no related party transaction during 2015.
- **Review of the laws and regulations compliance:** The Audit Committee viewed that the Company has conducted the business lawfully and in accordance with relevant laws and regulations.
- **Appointment of the auditor and review of the audit fee:** The Audit Committee has assessed the independency of the auditor, the scope of the auditing and any significant issues on quarterly and year-end auditing. The Audit Committee also selected, by considering their independency, knowledge in the accounting standard, working performance, and proposed fee. The selected person is to be proposed to the Board of Directors, and then to the Shareholders to appoint as the Company's auditor. In 2015, the Audit Committee nominated Miss Somjai Khunapasut CPA No.4499, Miss Rattana Jala CPA No.3734 and Miss Ratchada Yongsawadwanich of CPA No.3951 of EY Office Limited.
- **Review of the risk management:** The Audit Committee and the Board of Directors reviewed the Oversight Risk Management Committee report, with an emphasis on detecting any potential fraud. It was found that the Company



has set a proper risk management policy and implemented it well with the auditing plan of the office of internal audit. No fraud or risk was found in any significant matter.

- **Quality control of the Audit Committee:** The Audit Committee has ensured that any details of the Audit Committee Charter were made in accordance with relevant laws and regulations and performed individual assessment and Board evaluation in accordance with the Principles of Good Corporate Governance for Listed Companies to ensure that the operations of the Audit Committee were efficient and effective as defined in the Audit Committee Charter.
- **The meeting attendance of the Audit Committee:**

Names	Number of Board of Directors' Meetings	Number of Audit Committee's Meetings
Mr. Chatchai Chotanakarn	6/7	5/6
Mr. Thanisorn Dejthamrong	6/7	6/6
Mrs. Vachira Na Ranong	7/7	6/6

In conclusion, the Audit Committee has the opinion that the Company's operation has performed well. No significant sign of risk was shown in the 2015 financial statement and no event negatively affected the financial statements.

Mr. Chatchai Chotanakarn

Chairman of the Audit Committee and Independent Director

S 11 GROUP PCL