



TRUE FINANCIAL PARTNER

Annual Report 2015
Lease IT Public Company Limited



**“Lease It
not only lease I.T.”**

We offer financial services
not only to IT business
but also to all types
of business.
No matter what kind
of business you are in.

Industrial part &
machine

Premium gift

Computer & IT

Education Equipment

Construction &
Renovation

Printing and
Packaging

Service

Utility

Logistic

People outsourcing

Generator

Telecommunication

Hospital

Lethal military equipment

Advertising & Event

Medical device

Lease IT

Beyond the boundary
of SMEs finance

Fast approval

High credit limit

No collateral

In order to support Small and Medium Enterprises (SMEs) to access funding source and have liquidity in growing businesses, Lease IT has developed full range of financial products to be total solutions especially for SMEs. Each of our financial products can support our customers in every step to their success, from the beginning to the end of the projects.



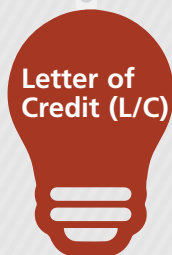
Bid Bond

Lease IT enhances SMEs competitiveness by offering credit, according to value of bid bond, to support the issuance of a bank guarantee to those customers who want to bid on government or state enterprise projects.



L/C

The company offers financial service in form of Letter of Credit (L/C) to SMEs customers who want to import goods. Customers who use our L/C service are offered to use Project Backup Finance for payment of imported goods as well.



Letter of Credit (L/C)



Trade & Project Backup Finance

Let Lease IT be a part of your success by offering you Trade Finance, which provide goods for resale or used for your project, and Project Backup Finance, which offer you loan for your business or government project.



Leasing

The company offers Leasing and Hire Purchase for entrepreneurs who want to buy and lease assets such as IT device, software and computer, machine, vehicle or any other equipment, on the condition that those assets must have leasing agreement with government, the state enterprises or large private enterprises.

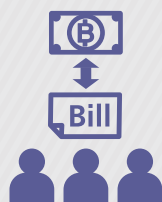


Leasing & Hire Purchase



Factoring

The company provides factoring service, which is the purchase of receivables. Approximately we offer 70-95 percent of value of invoice. Factoring allows SME to receiving immediate cash payment without waiting for credit term due. The company typically purchases receivables without having collateral but there is the assignment of accounts receivable of customers to the company.



Supplier Finance

Similar to Factoring, Supplier Finance program allows the SME suppliers of the company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain.



Supplier Finance

Board of Directors



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



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



Mr. Prakob Visitkitjakarn
Independent Director and
Chairman of the Audit Committee



Mr. Suthud Khancharoensuk
Independent Director and
Audit Committee Member



Police General Jate Mongkolhutthi
Independent Director and
Audit Committee Member



Mrs. Nitirun Suwannaked
Independent Director and
Audit Committee Member



Mr. Sompon Aketerajit
Managing Director
(Authorized Director
to be tied to the company)

Lease IT Public Company Limited is engaged in business of providing financial capital to customers who are entrepreneurs (small and medium enterprises) by offering financial services, such as, leasing, hire-purchase, factoring and other financial services. The company's business is growing steadily with the increasing number of customers, utilizing our variety of services. In the year 2013, the company was listed on the Market for Alternative Investment (mai) and issued Initial Public Offerings (IPO) for the first time, which receive the tremendously respond from investors. This is an important step forward of the company to grow organically. The company offers various kinds of financial products to meet the requirements of our customers and business partners, and also expand its SMEs customer base and business partners. Moreover, the existing customers increase their use of our financial products.

In the year 2015, the company continues to focus on developing new financial products in response to customer needs and continue striving for sustainable growth. The company developed new products such as Letter of Credit (L/C) and determined strategic direction of the company which led to revenue growth of 49.07% in 2015, comparing to last year, despite the economic slowdown.

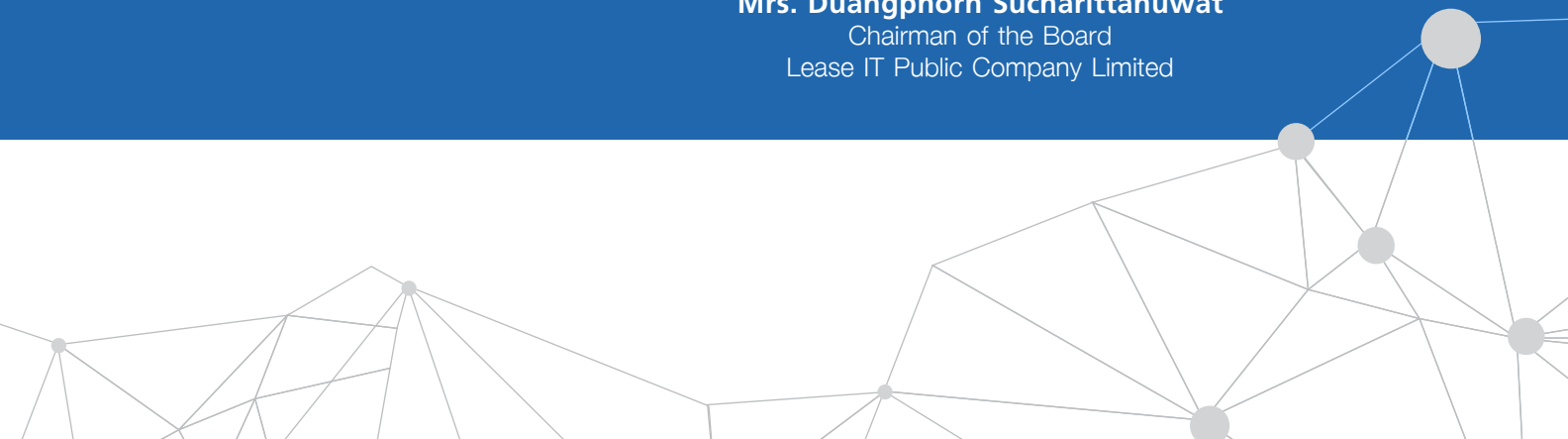
Furthermore, the company also gives importance to the principles of good corporate governance to maintain benefits to all stakeholders and society. In 2015, the company determined corporate social responsibility directions for sustainable growth under 3 pillars which are economic, society and environment, which emphasize that the company is always a part of creating good society.

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

Message from the President



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



Executives Team



Mr. Teerawat Khammuang
Assistant Managing Director -
Sale & Marketing



Mr. Riththigrai Bunthoathook
Assistant Manager -
Sales and Marketing



Mrs. Rungnapa Ogas
Assistant Managing Director -
Operation



Ms. Piyanan Mongkol
Assistant Manager -
Credit and Legal contract



Mr. Sompon Aketerajit
Managing Director



Ms. Sitaphatr Nirojthanarat
Assistant Managing Director -
Credit & Finance and Accounting



Mrs. Chonticha Supaluxmetha
Assistant Manager -
Finance and Accounting

Remarks: 1) Mr. Riththigrai Bunthoathook has resigned from the company since 01/02/2016.
2) Mrs. Prapapan Raktham was appointed as Assistant Manager-Admin on 01/02/2016.



Message from Executives

The financial year 2015 has been a challenging one for Lease IT executives. Nonetheless, despite difficult economic condition, it was the highly successful and delighted year for Lease IT that the company recorded good growth of profit up to 70.4 MB. Our management team led the company to deliver outstanding performance like never before. This year is another year that we can deliver on our promise to shareholders that the company would grow not less than 30% in term of portfolio, revenue and profit.

The year 2015 is the second year out of 3 years, from the first day the company was listed on the Market for Alternative Investment (MAI), that management team implemented the “Horizontal growth strategy” to grow not less than 30% in every year. Here are the strategic directions we followed.

- Firstly, The company focused more on large private company as the debtors; which made company’s change in portfolio of debtors from 20:80 to 30:70 of private companies to government. The company mainly targeted to offer factoring, which is the high growth product with the large market.
- Secondly, Lease IT selected high potential customers to offer Project Backup Finance, which is the high margin product.
- Thirdly, the management team put an effort into changing customer and public perception of Lease IT that the company do not only offer leasing product for IT industry, but also offer variety of financial products from downstream to upstream for all industries. No matter what it is a service or goods, such as construction, people outsourcing, lethal military equipment etc., as our slogan “Lease It, not only lease IT”.

In the year 2016, which is the last year of “Horizontal growth strategy”, management team still strive to deliver the commitment to grow not less than 30% in term of portfolio, revenue and profit. Next, we are going to step into “vertical growth strategy” in 2016, which the company will highlight on additional investment in term of operating assets and capital assets together with new financial product ventures.

Mr. Sompon Aketerajit
Managing Director

Mrs. Rungnapa Ogas
Assistant Managing Director -
Operation

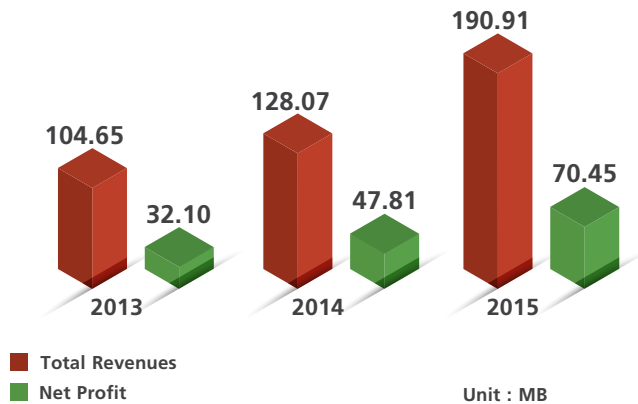
Mr. Teerawat Khammuang
Assistant Managing Director -
Sale & Marketing

Ms. Sitaphatr Nirojthanarat
Assistant Managing Director -
Credit & Finance and Accounting

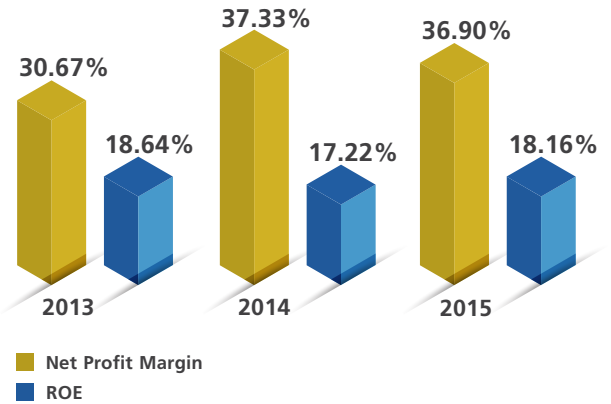


Financial Highlight

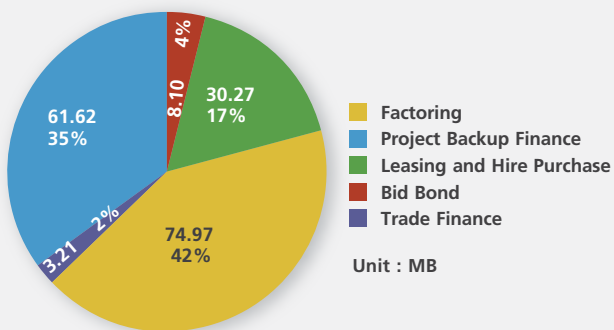
Total Revenues & Net Profit



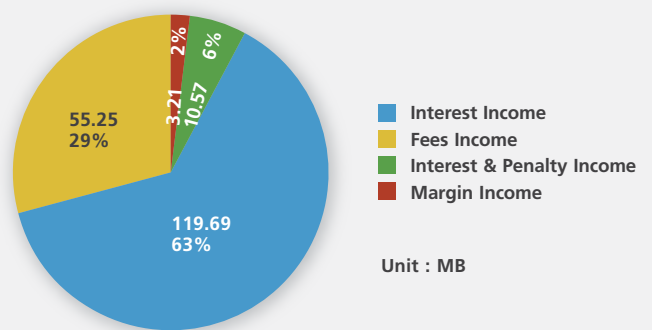
Net Profit Margin & ROE



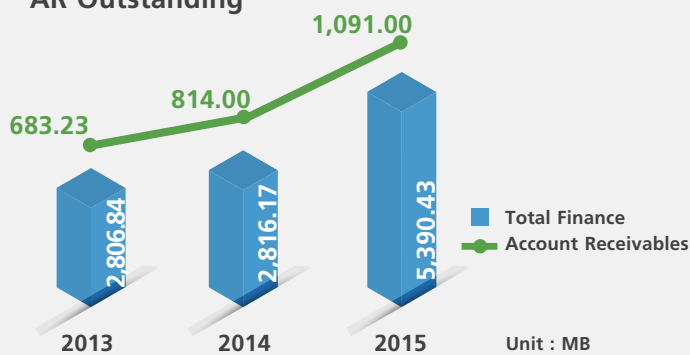
Product Contribution



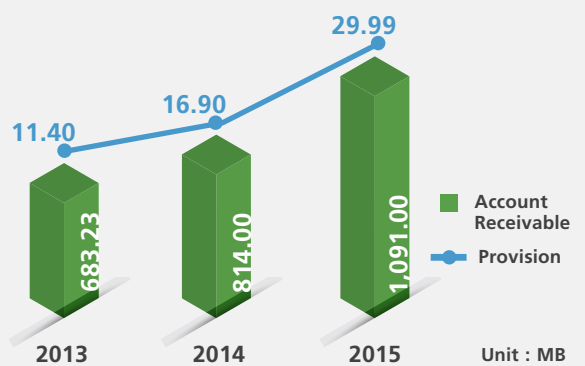
Revenue Contribution



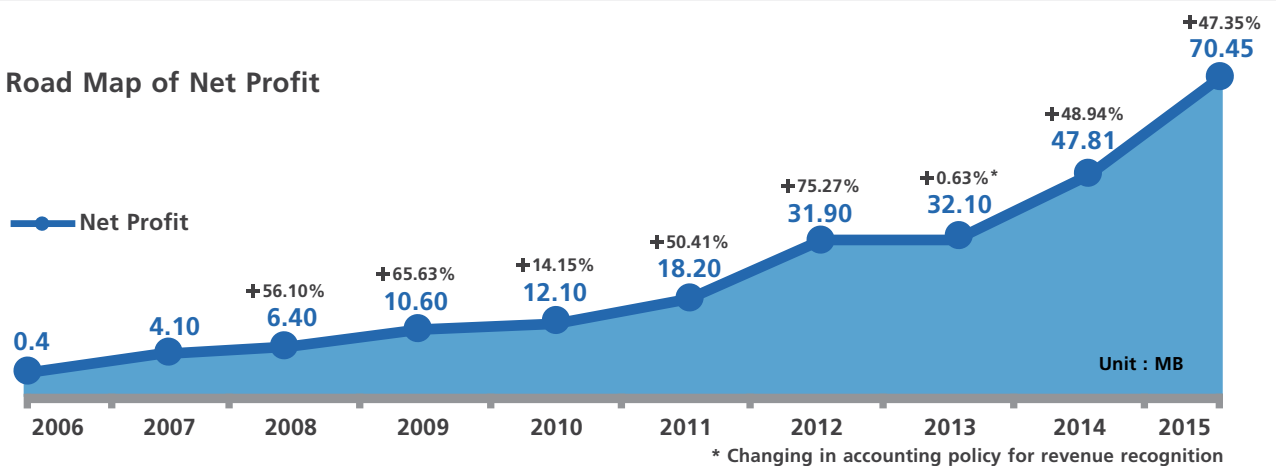
Financing Amount & AR Outstanding



AR Outstanding & Provision



Road Map of Net Profit



Financial Ration

Profitability Ratio	2013	2014	2015
Net Profit Margin (%)	30.67%	37.33%	36.90%
Return on Equity (%)	18.64%	17.22%	18.16%
Rate of interest on revenue (Include Fee and Service Income) (%)	16.56%	15.90%	19.48%
Rate of interest on financial cost (%)	6.71%	5.36%	8.19%
Interest Rate Spread (%)	9.86%	10.54%	11.29%
Rate of interest on revenue (Exclude Fee and Service Income) (%)	13.25%	11.86%	13.33%
Rate of interest on financial cost (%)	6.71%	5.36%	8.19%
Interest Rate Spread (%)	6.54%	6.50%	5.14%
Efficiency Ratio :	2013	2014	2015
Interest Income to Asset Ratio (%)	10.15%	11.08%	14.31%
Return on Assets (%)	4.96%	6.18%	6.93%
Current Ratio (Times)	0.16	0.17	0.19
Financial Ratio :	2013	2014	2015
Debt to Equity Ratio (Times)	2.59	1.36	1.85
Debt to Equity Ratio (Times) (According to Term and condition)	2.56	1.34	1.85
Total Credit to Total Financing Ratio (%)	1.42	1.70	2.51
Dividend Payout Ratio (%)	62.31%	50.20%	51.10%
Dividend Payout Ratio (%) (After transferred to statutory reserve)	69.21%	52.84%	53.79%
Asset Quality Ratio :	2013	2014	2015
Allowance for Doubtful account to Total Credit Ratio (%)	1.75	2.03	2.83
Bad Debt to Total Credit to Total Credit Ratio (%)	0.0002	-	-

** Propose to pay a dividend amount 0.18 baht per share, dividend payout ratio 53.79%, and wait for the resolution of the Annual General Meeting of Shareholders in 2016**



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

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



General Information

Lease It Public Company Limited

Understanding the small and medium enterprises, facing the limitations to have loans in financial institutions, Lease IT determines to provide financial freedom for businesses & entrepreneurs by offering customers the alternative access to capital in businesses. The company focused on developing wide range of financial services to provide "Total Financial Solution" for entrepreneurs. We offers products in several formats, which are Bid Bond, Letter of Credit (L/C), Project Backup Financing, Leasing and Hire purchase, Factoring, Supplier Finance in order to enhancing business with customers.

"Lease-It" not "Lease-IT"

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

True Financial Partner

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

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1

Policies and Overall Business Operations

1.1 History and Significant Developments

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

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

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

After the business model changed, as discussed above, the company emphasized more on growth and business competitiveness by developing a model of financial products so as to continue doing business in such a way meeting the needs of customers. To do so, the company added more variety of credit facilities such as Bid Bond, Project Backup Financing including Trade Finance.

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

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

2007

- Registered capital has increased from 60 million Baht to 100 million Baht and fully paid up.
- Providing credit facilities for those retail customers of SVOA such as students and staffs of the Christian University.

2009

- Originally, the company is SVOA’s Financial Arm. The company has changed the objective to profit base which lead to the starting point (milestone) in presenting new financial products to customers.
- Starting a business service supplier (Trade Finance) for those customers that were using existing financial products, whether loan financial leases, hire purchase loans, or transfer right of claims.

2010

- Starting Bid Bond facility by acting as an intermediary between the bank (guarantees) and those customers who were entrepreneurs.
- Gradually reducing the credit facility to retail customers due to the high cost and risk.

2012

- Starting a set of business operations to support Project Backup Financing for customers of the company who have good records in terms of skills and capabilities toward the work on that project but there were some restrictions on working capital. The debtors who facilitate the government projects was emphasized.
- Moving the office from 32th floor to 21th floor, IT Professional Building in order to facilitate the expansion of the business.

January - May 2013

- Reducing the share capital from 200,000,000 Baht to 100,000,000 Baht by reducing the par value of shares from 10.00 Baht per share to 5.00 Baht per share, resulting in an authorized capital of 100,000,000 Baht consisting of 20,000,000 shares at 5.00 Baht and paid in full amount.
- Becoming a public company.
- Changing the par value of shares from 5.00 Baht per share to 1.00 Baht per share.
- Increasing the registered capital 16,000,000 Baht from the existing registered capital 100,000,000 Baht. The total registered capital is 116,000,000 Baht through issuing 16,000,000 new ordinary shares at par value of Baht 1.00 per share allocated to Dr. Prasit Kanjanasakchai*. This was a private placement offered Baht 1.50 per share.
- Increasing the registered capital 84,000,000 Baht from the existing registered capital 116,000,000 Baht. The total registered capital is 200,000,000 Baht through issuing 84,000,000 new ordinary shares at par value of Baht 1.00 per share. The details of the allocation is listed as follows:
 - (1) Allocation of ordinary shares of 33,600,000 common shares to shareholders of the SVOA. Quantity of the shares depended on the shareholders in SVOA. (i.e., shareholders had the privilege of pre-emptive right)
 - (2) Allocation of ordinary shares of 46,200,000 common shares to the public.
 - (3) Allocation of ordinary shares of 4,200,000 shares to directors and employees of the company.
 In case of the remaining share from the reserved shares of SVOA's shareholders according to (1) an offer to sell such shares to the public in (2) would have been taken place

2014

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

2015

- 15 January 2015, Board of Directors has approved the issuance and offering of Bill of Exchange, not over 270 days, with the total face value limit of 600 million Baht in form of general offering or limited to institutional investors and/or high net worth investors or limited face value at 10 bills at a time. The filing and prospectus to offer Bill of Exchange has been approved by The Office of the Securities and Exchange Commission on 23 January 2015. This resulted that the company is able to reduce financial cost significantly.
- 16 February 2015, Board of Directors has approved the issuance and offering of debenture with the limit of 500 million Baht, which proposed to the Annual General Meeting no. 2/2015 on 10 April 2015, and the meeting had consensus voted to issue and offer debenture of the company with the limit of 500 million Baht.
- 6 March 2015, Board of Directors has approved the Employee Joint Investment Program (EJIP) which Phillip Securities (Thailand) Public Company Limited is the program management agent. The program lasts for 3 years (April 2015-April 2018). During the program, if employee is not eligible for joining but is going to be eligible before the program ends, the employee can show the intention to joining on every 1 April each year. The back office employee who want to join the program will be deducted 5% of base salary and front office employee will be deducted 5% of the sum of base salary and incentive maximum 100,000 Baht. (Note: Base salary is not including position allowance, living allowance, Fuel/ Gasoline/Mileage allowance and other income) The company will give payment at the same amount of that salary deduction of employee to the program.
- 16 October 2015, the company launch new financial product, which is Letter of Credit (L/C) with the cooperation with Krungthai Bank PCL.

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

1.2 Overview of the Business

The company provides credit services to customers who are entrepreneurs in small and medium enterprises who face limitations in having loans from financial institutions. Such services were divided into 7 main categories:

1. **Leasing:** service credit in the form of financial lease or contract within a term of more than 3 years, typically dealing with the government agencies, state enterprises, or large private enterprises.
2. **Hire Purchase:** service credit in the form of an instalment contract within a term of less than 3 years, including lease agreements with government agencies, state enterprises, or large private enterprises.
3. **Factoring:** The transfer of right of claims primarily through a purchase accounts receivable from a group of business operators owed by government agencies, state enterprises, or large private enterprises. The company purchases the accounts receivable at a discounted price approximately 70-95 percent of the face value.
4. **Bid Bond:** credit facility in the form of a tender guarantee for individual entrepreneurs who want to bid for government agencies' and state enterprises' projects. Currently the company also offers Bid Bond product in form of E-Bidding in order to response to government policy which using Electronics Government Procurement.
5. **Project Backup Financing:** provides funding for the procurement and/or preparing the pre-finance products prior to delivery of products to government agencies, state enterprises, or large private enterprises.
6. **Trade Finance:** provides products to a group of customer/entrepreneur who lacks of funds in the procurement process of products delivered to government agencies, state enterprises, or large private enterprises.
7. **Letter of Credit (L/C):** the company offers financial credit in form of Letter of Credit to guarantee the payment of buyer. By using Letter of Credit, the seller will receive payment after delivering goods and the buyer will pay after receiving goods.

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

1.3 Revenue Structure

Type of Income	2013		2014		2015	
	MB	Percent	MB	Percent	MB	Percent
Interest income						
• Financial lease contracts	25.94	24.78	27.14	21.19	20.95	10.97
• Hire-purchase contracts	8.74	8.35	8.33	6.50	8.86	4.64
• Factoring contracts	22.13	21.15	24.08	18.80	53.94	28.25
• Loan contracts	16.74	16.00	20.41	15.94	35.95	18.83
Total interest income	73.55	70.28	79.96	62.43	119.69	62.69
Fees and service income¹⁾						
• Financial lease contracts	0.03	0.03	0.26	0.21	0.30	0.16
• Hire-purchase contracts	0.07	0.07	0.18	0.14	0.15	0.08
• Factoring contracts	4.63	4.42	8.61	6.72	21.03	11.02
• Loan contracts	11.28	10.78	14.50	11.33	25.67	13.45
• Guarantees	2.42	2.31	3.64	2.84	8.10	4.24
Total fees and service income	18.43	17.61	27.19	21.24	55.26	28.95
Other income :						
Trade Finance	5.61	5.36	6.42	5.01	3.19	1.67
Interest income	0.01	0.01	0.28	0.22	0.05	0.03
Other income ²⁾	7.05	6.74	14.21	11.10	12.72	6.66
Total other income	12.67	12.11	20.91	16.33	15.96	8.36
Total income	104.65	100.00	128.07	100.00	190.91	100.00

Remarks 1) Description of fee income and service

- Leasing and Hire Purchase refers to a series of fees mentioned in the contract and transfer of right
- Buying claims refers to the amount of fees and service charges.
- Factorings may refer to the service fee.

2) Other incomes, such as interest income from late payment and Bank's interest income.

1.4 Business Goals

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

- (1) Be the principal operator (Non-financial institution) that provides credit support for financial lease and hire purchase contracts in order to provide equipment for teaching/learning IT to the government education sectors.
- (2) Be the principal operator (no financial institutions as shareholders) that support factoring by emphasizing on buying debt reduction of government trade sector.
- (3) Developing the various types of product (Tailor Made) in order to serve customers for choosing the service's options to increase the competitiveness against their competitors with respect to great revenue and increasing the sell, for example, Bid Bond, Project Backup Financing, and Trade Finance.



2

Nature of Business

The operation of each product line.

2.1 Character of Products or Services

The company is engaged in the business of providing finance to customers who are entrepreneurs (or from small and medium enterprises) with limited sources of fund from financial institutions. Usually, the loan is divided into 7 categories:

2.1.1 Leasing

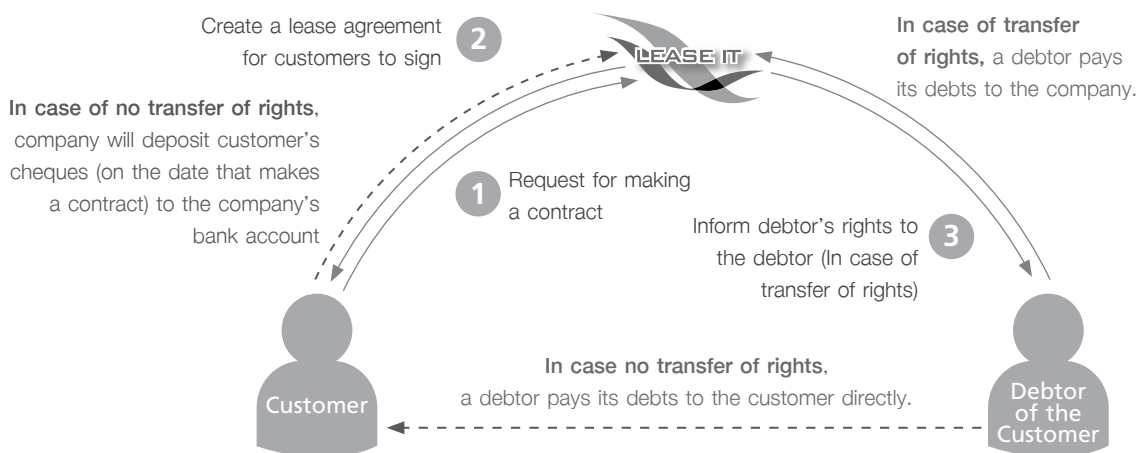
- **Assignment of Right of Claims** – process the assignment of right of claims to receive installment from the debtors of the customer to the company. The company will give notice of the transfer of assignment of right of claims receiving installment to the debtors of the customer (government agencies, state enterprises, or large private enterprises) by transferring the absolute rights. Sales and marketing departments will take transferred right documents to the debtor to sign for acknowledgment even though debtors of customer will make installment to the company directly. However, the date for making a contract, customers must provide for post dated checks in advance according to installments. If the debtor of the customer does not pay the installment in due time, the company will give the customer's cheque for payment to the company instead. Later, if the debtor of the customer has made a payment, the company will make a full refund of the payment to the customer immediately.
- **Without Assignment of Right of Claims** - process to receive the installment from the customer directly without assignment of right of claims in receiving installment from the debtor of the customer. Customer will give the post dated cheque on the date that makes a contract. Cheque must be post dated.

2.1.2 Hire Purchase

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

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

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

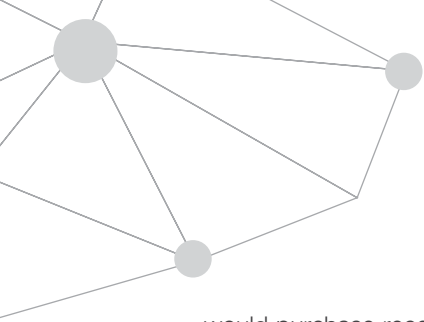


The differences between “Leasing” and “Hire Purchase” agreement

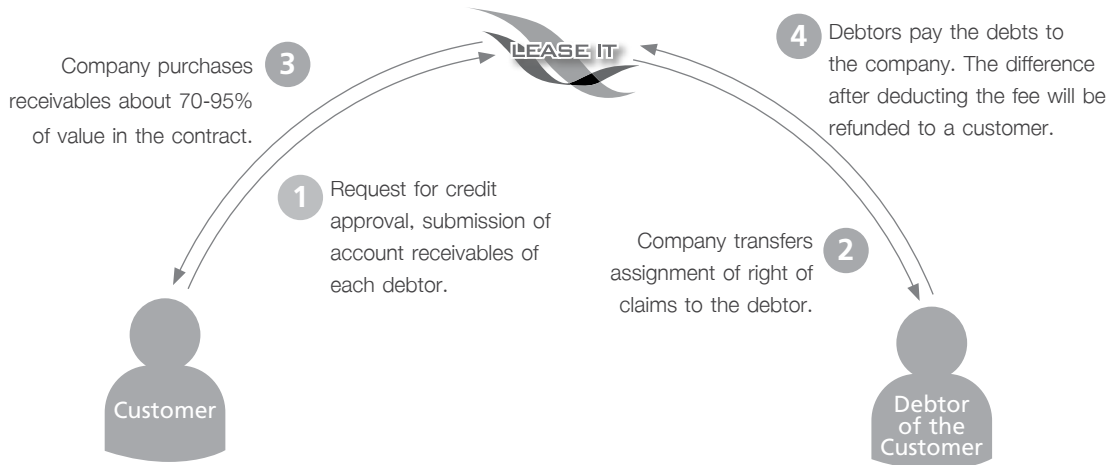
Feature	Leasing	Hire Purchase
The purpose of lease	Long-term assets, or nearly throughout its lifetime	To asset owners
Proprietary	Belong to the lessor until the end of the lease agreement At the end of the financial lease agreement, the lessee has the right to purchase the property.	Belong to the company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

2.1.3 Factoring

The company provides factoring (short term credit) for working capital for entrepreneurs. The company typically purchases receivables without having collateral but there is a transfer of commercial debt claims on customers to the company. Transfer of rights (with recourse) means that the company would have right to claim the customer. In case the debtor does not pay on time. The company will focus on providing service to entrepreneurs, small and medium enterprises who need cash to current operations and business of trading goods and services without complexity in the context of the accounts receivable. For example, purchasing and selling in general, commodities or maintenance services of IT equipment, general office equipment. Company usually avoids buying commercial debts by way of complex delivery terms because the goods and services might contain complicated disputes in terms of the integrity of commercial debt (i.e., such as trade debt which results from the development of an IT system, or debt trades in the construction sector). As a result of that, the company would focus on the purchase of accounts receivable mainly from the government agencies and state enterprises including large private enterprises. In most cases, the company

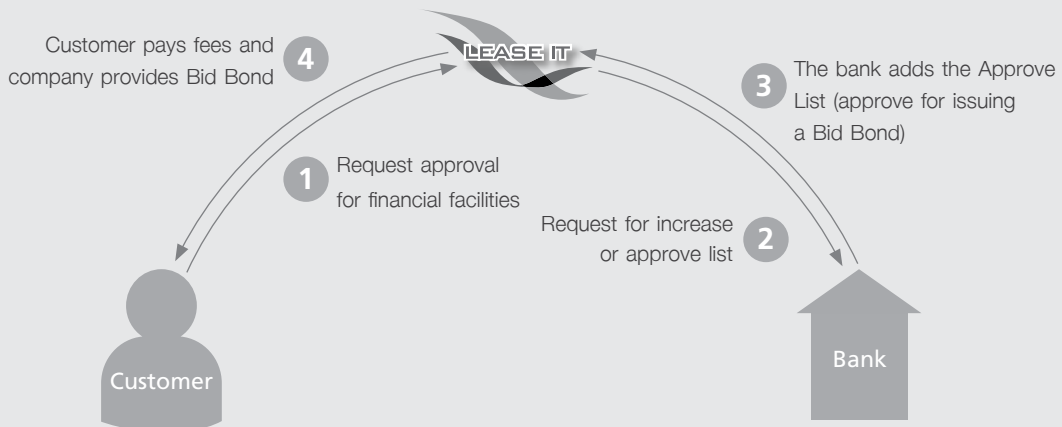


would purchase receivables less than 90 days all the way through the accounts receivable of approximately 70-95 percent of face value of the document. When payment is due, the company would bill the amount directly to the debtor. After deducting interest and fees, the company would refund the difference to customers. Interest rates would depend on the size of the business, financial position of customers, including the quality of the trade receivables.



2.1.4 Bid Bond

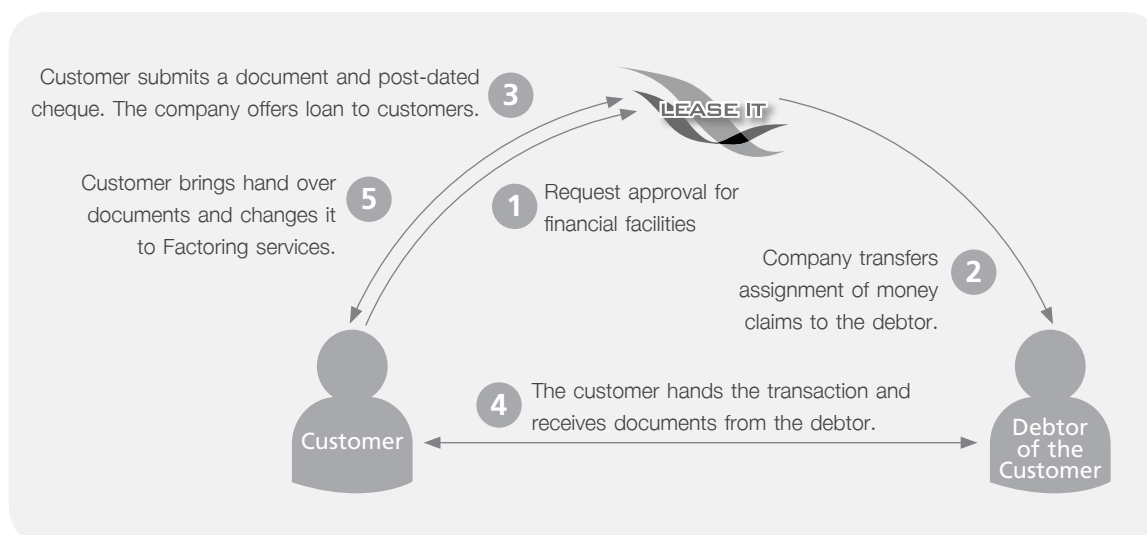
The company started its business of providing Bid Bond in year 2010. The main goal was to support the issuance of a bank guarantee to those customers and operators who wish to bid in projects of the government agencies and state enterprises. The company provides loans credit in accordance with the bid bond. Customers must present a bank guarantee or collateral returned to the company on the agreed date. The company will receive service payment in terms of fee. The company will utilize credit facilities provided by the bank for issuing bid bond.



2.1.5 Project Backup Financing

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

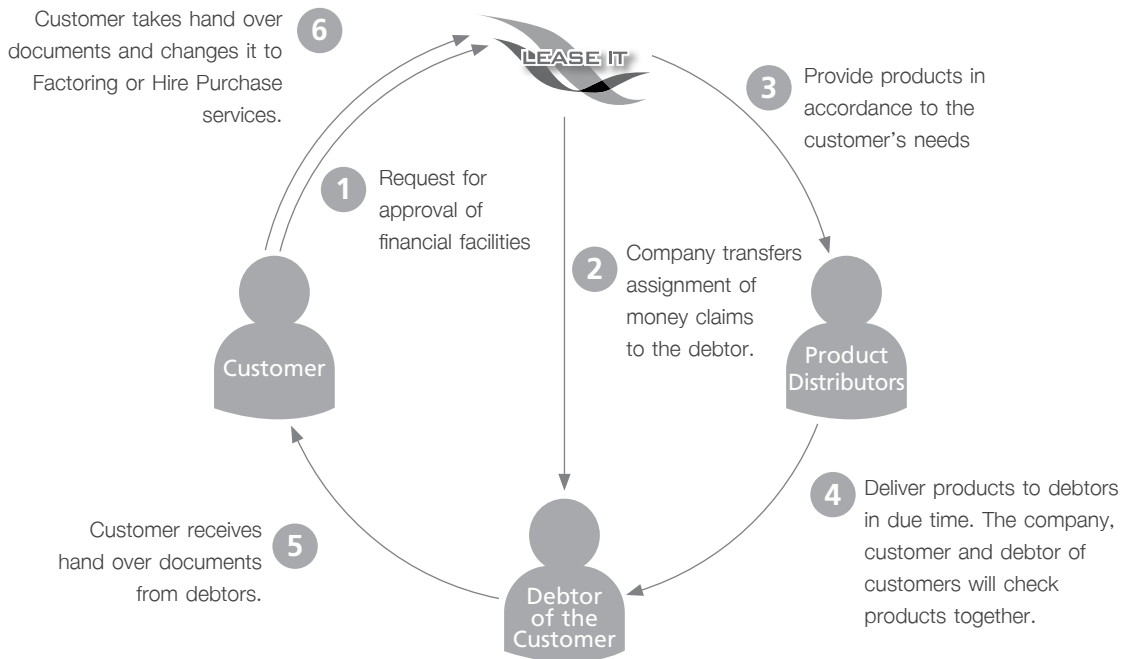
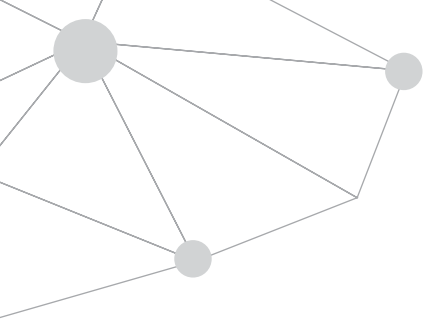
integrity, it also requires the transfer of right of claims in payment of amounts through the company. Once the customer has delivered the goods to the debtor and received the approval document. Most customers request for the factoring services with the company, their intention is primarily to make a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



2.1.6 Trade Finance

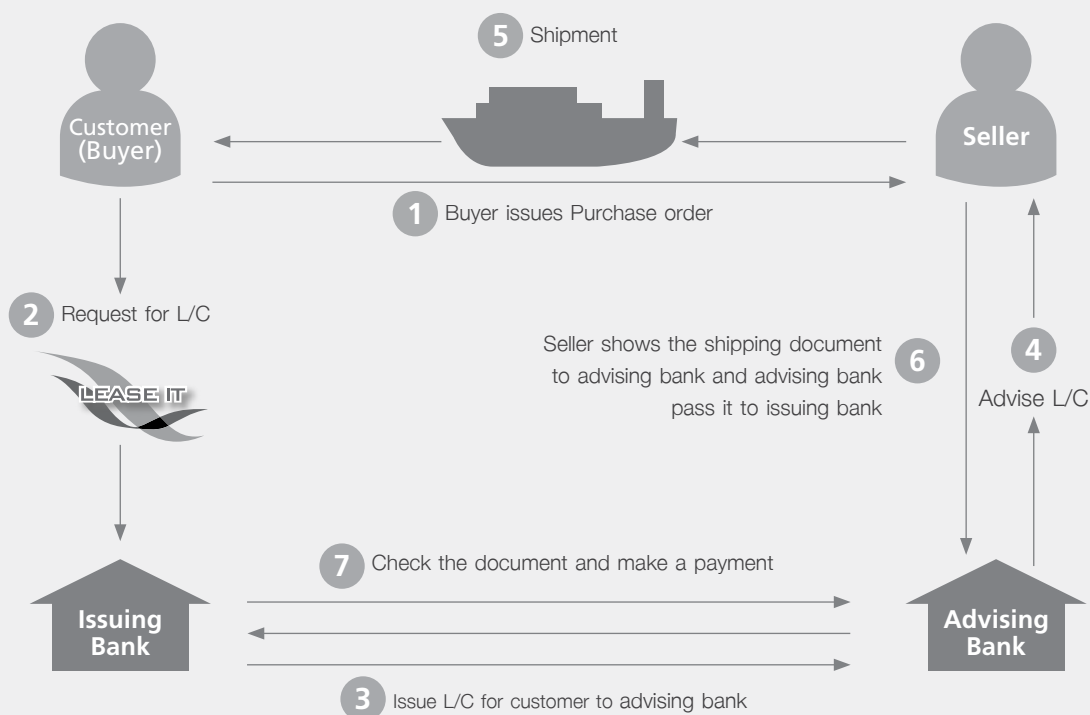
The company arranges products for those entrepreneurs who lack of funds in order to supply the products to government agencies, state enterprises, or large private enterprises. The company aims to continue to provide products from suppliers in accordance the customer needs and take the difference between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

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



2.1.7 Letter of Credit (L/C)

The company offers financial credit in form of Letter of Credit (L/C) to customers. The Letter of Credit is the document used to guarantee the payment of the buyer. By using Letter of Credit, the seller will receive payment after delivering goods, and the buyer will pay after receiving goods. Customers who use L/C service, are also offered to use project Backup Finance for imported goods payment as well.



3 Risk Factors

3.1 Credit Risk

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

However, the company has credit management policies by setting rules and defining procedures to check both customers and debtors carefully before approving any types of loans. Because the company specializes in IT so that the company provides business loans for the IT business sectors. The company is able to check the quality of goods and services before granting credit to customers. According to the policies, the company relies on the quality of customers, account receivable including products and services to be delivered. In addition, the company focuses more on transactions with account receivables relating to the government agencies or state enterprises in order to reduce risk at a certain level. In year 2013, 2014 and year 2015, the company's allowance for bad debts were 11.40 million baht, 16.90 million baht and 29.90 million baht respectively, which accounted for 1.75 percent, 2.03 percent and 2.68 percent of total loans outstanding by the end of year 2013, 2014 and 2015.

3.2 Risk of Interest Rate Fluctuations

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

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

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

3.3 Liquidity Risk

As of December 31, 2015, the company has many financial institutions that give financial support, the total amount of 1,475.00 million Baht. Main financial amount (short-term financial amount) was 825.00 million Baht that consisted of overdraft account (O/D) and promissory note (P/N) which were at the risk of being called for repayment the money before the time due or in case of financial institutions did not renew a promissory note.

However, the company had managed the liquidity to hedge the risk by trying to allocate funding resources (Used of Fund) to comply with the sources of funds (Source of Fund) including the financing of new financial instruments which is the result of the company was listed on the Stock Exchange. Such as Bill of Exchange (B.E). This will enable the company to better manage liquidity including enhanced ability to find a source of funds for lending in the future. As of December 31, 2013, the company's ratio of debt to equity was equal to 2.59 times. As at 31 December 2014, the company's ratio of debt to equity share was 1.36 times. As at December 31, 2015, the company has debt to equity ratio of 1.85 times.

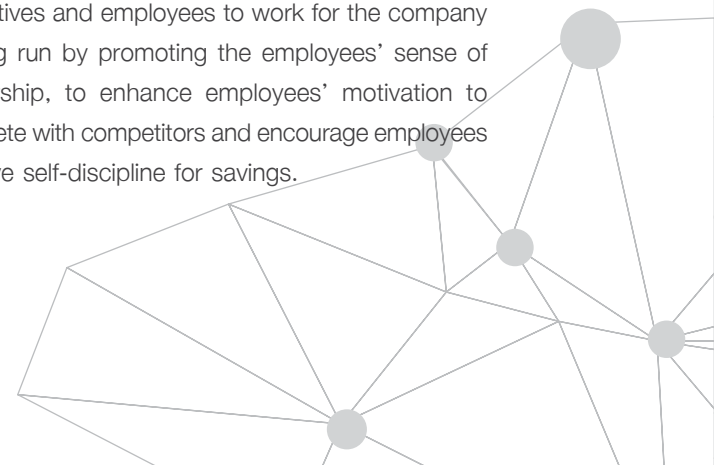
3.4 Risk Competitive

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

Most competitors of the company are non-financial institutions of loan servicing. They focus more on different types of loan services while our company provides a complete and integrated credit facilities i.e., pre-finance services such as bid bond (allow customers to conduct business from bidding), project backup financing and trade finance services (allow customers to provide products after finishing the bidding process). After that the company will provide Post-Finance services such as leasing, hire purchase, or factoring services. The important marketing strategies of the company include a full service, quick and efficient processes, good relationship with customers, clear cut price, flexibility in lending, as well as expertise in the IT industry. Currently, government agencies, state enterprises, or large private enterprises are investing on the development of IT so that the company is able to compete with other companies effectively.

3.5 The Risk of Reliance on Personnel

Within the business model of the company, employees are the key personnel, especially in sales and marketing, because they are the people who reach out and connect with customers. The personnel are considered an important resource in the business of the company. Therefore, the lack of personnel may affect the company's business. However, the company has set up the policy in relation to reduce the risk of loss of such personnel by focusing on the development and promotion of the proper personnel involved in the operation and growth. The company has paid compensation at market rates in order to attract very experienced and professional personnel who can work with the company for longer time. The company has allocated 4,200,000 shares of common stock to its directors and employees at IPO price. To enhance moral support and motivation for the personnel to work in the company for longer term. Furthermore, the company has a policy to develop its ability through working via a team (teamwork) rather than being attached to each individual effort or performance. This reduces the risk of dependence on an individual particularly. Accordingly, based on past records of the company, the turnover of the personnel in key positions has been very low, which reflects the loyalty of employees to the organization. This can bring great confidence toward the potential of the organization success. In 2015, the company launched the Employee Joint Investment Program (EJIP) which Phillip Securities (Thailand) Public Company Limited is the program management agent. The program lasts for 3 years (April 2015-April 2018). The objective of the program are to keep company's executives and employees to work for the company in long run by promoting the employees' sense of ownership, to enhance employees' motivation to compete with competitors and encourage employees to have self-discipline for savings.



3.6 Risk of Influence in the Management of Major Shareholders

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

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

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

As at 14 June 2013, the SVOA Limited Company (Inc.) (“SVOA”) was the shareholder of the 86.21 percent of shares sold by the company. The SVOA sold 6,000,000 shares to the public. By selling those shares to the public at the same price, the allocation of the SVOA was reduced to 47.00 percent. The 3 financial institutions that offer loan to the company has defined the loan agreement terms and conditions that SVOA must hold the share not less than 47 percent. Although all shares hold by SVOA must be banned for sale for 12 months since the date the shares were sold in the stock market. After 6 months the shares of the company were sold in the stock market, the SVOA can sell 25 percent of the banned shares and another 75 percent after 12 months. In March 2015, 3 financial institutions considered to adjust the condition of shares held by SVOA to 39.5 percent. Therefore there is the potential risk of breach of the loan agreement of 3 financial institutions if SVOA sell its share to less than 39.5 percent.

3.8 The Risk of Exchange rate

The Company’s exposure to foreign currency risk arises mainly from imported of goods that are denominated in foreign currencies, the Company seeks to reduce this risk by entering into forward exchange contracts.

As at 31 December 2015, the Company has outstanding foreign exchange contract to purchase USD 1.08 million at the rate of 35.94 - 36.20 per dollar, maturing in January and February 2016. Gain on forward exchange contracts of Baht 0.06 million have been recognised in the financial statements.

4

Stock Information, Shareholder and Dividend Policy

4.1 Securities of the Company

By 31st of December 2015, the authorized capital and paid up capital of the company was as follows

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

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

4.2 Top 10 Major Shareholders by March 3, 2016

Major shareholders

March 3, 2016 The shareholders of the company were as follows.

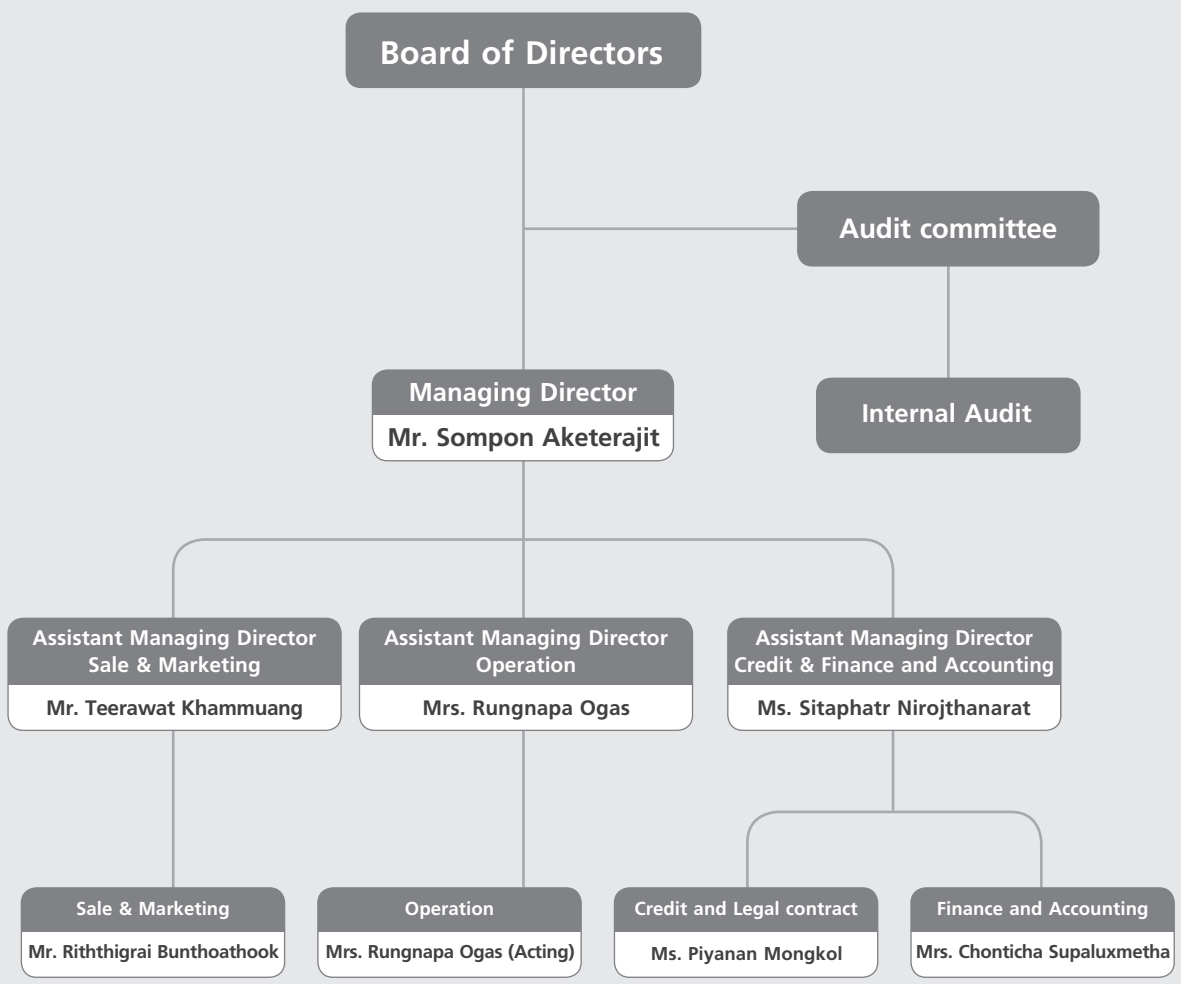
	List of Shareholders	Shares	Percent
1	SVOA PCL.	79,800,000	39.900
2	Mr. Min Intanate	6,420,237	3.210
3	Mr. Santi Kovitjindachai	5,000,000	2.500
4	Mr. Chatchaval Taechameekiatchai	3,422,400	1.711
5	Mr. Jittiporn Jantararat	3,400,000	1.700
6	Mr. Sompon Aketerajit	2,827,823	1.414
7	Mr. Warin Srikuracha	2,344,900	1.172
8	Mr. Boonserm Wanthanasupamas	2,179,000	1.090
9	Mrs. Panee Srisuwat	2,167,300	1.084
10	Mr. Vichien Srimuninnimitr	2,000,000	1.000
	Other Investors	90,438,340	45.219
Total shares		200,000,000	100.00

4.3 Dividend Policy

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

5 Management Structure

Organizational Structure



Remarks: 1) Mr. Riththigrai Bunthoathook has resigned from the company since 01/02/2016.
 2) Mrs. Prapapan Raktham was appointed as Assistant Manager-Admin on 01/02/2016.

6 Board of Directors

6.1 Board of Directors

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

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

The board of directors consists of seven persons.

Name	Position
1. Mrs. Duangphorn Sucharittanuwat*	Chairman of the Board
2. Mr. Thienchai Srivichit	Vice Chairman
3. Mr. Sompon Aketerajit	Managing Director
4. Police General Jate Mongkolhutthi	Independent Director
5. Mr. Prakob Visitkitjakarn	Independent Director
6. Mr. Suthud Khancharoensuk	Independent Director
7. Mrs. Nitnirun Suwangate	Independent Director

Committee members with signing authority

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

6.2 The Audit Committee

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

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

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

Mr. Prakob Visitkitjakarn has been approved by Board of Directors to be Chairman of the Audit Committee on March 6, 2015

6.3 Nomination Committee, Remuneration Committee, Corporate Governance Committee and Risk Management Committee

Due to the company is a small organization, the Audit Committee has been assigned to look after the nomination committee, remuneration committee, corporate governance committee and Risk Management Committee as follows:

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

6.4 Company Secretary

Based on the board meeting on 19th December 2012 (13/2555), the board committee appointed **Mrs. Rungnapa Ogas** as the secretary of the company in order to comply with Section 89/15 of the Securities Exchange Act of 2535 and amendments of Securities and Exchange Act (No. 4) BE 2551. Mrs. Rungnapa will attend the CSP program during 3rd to 4th of February 2014.

6.5 Executives

The company's executive management consists of 7 persons.

Name	Position
1. Mr. Sompon Aketerajit	Managing Director
2. Mrs. Rungnapa Ogas	Assistant Managing Director – Operation
3. Mr. Teerawat Khammuang	Assistant Managing Director – Sale & Marketing
4. Ms. Sitaphatr Nirojthanarat	Assistant Managing Director – Credit & Finance and Accounting
5. Ms. Piyanan Mongkol	Assistant Manager – Credit and Legal contract
6. Mr. Riththigrai Bunthoathook	Assistant Manager – Sales and Marketing
7. Mrs. Chonticha Supaluxmetha	Assistant Manager – Finance and Accounting

6.6 Remuneration of Directors and Executives

● Monetary compensation

Remuneration Committee

Directors' remuneration for the year 2015 are detailed as below:

(Unit: Baht)

Name	Numbers in attending the meeting/ Total meetings 2015	Remuneration Committee 2015
1. Mrs. Duangphorn Sucharittanuwat	12/12	2,010,000.00
2. Mr. Thienchai Srivichit	9/12	575,000.00
3. Mr. Sompon Aketerajit*	12/12	0.00
4. Police General Jate Mongkolhutthi	11/12	705,000.00
5. Mr. Prakob Visitkitjakarn	12/12	800,000.00
6. Mr. Suthud Khancharoensuk	12/12	710,000.00
7. Mrs. Nitirun Suwannaked	12/12	710,000.00
รวม		5,510,000.00

Remark * Mr. Sompon Aketerajit (the Managing Director of the company) has intention not to receive monthly remuneration as a director because he receives a monthly salary as the managing director of the company

The Board of Directors' Meeting No. 2/2015 held on February 11, 2015, resolved to approve the proposed of bonus in the amount of 750,000 Baht (except Managing Director) from the result of year 2015 to the Annual General Meeting of Shareholders No. 3/2016 on April 7, 2016. However, such bonuses are not included in remuneration for 2015 above

Executive Compensation

In 2015, the company paid remuneration to executives as 16.83 million Baht. Such a compensation amount included salary, bonus, and any other contribution to provident fund.

Year	Number of Executives	Amount of Compensation (Baht)
2015	7	16,828,099.00



Governance

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

Section 1: The Rights of Shareholders

The company recognizes the importance of fundamental rights of shareholders as the following:

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

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

1. Informing the shareholders to attend a meeting at least seven days in advance, specifying the date, time, place and agenda while handling the documents related to the matter entirety.

2. If the shareholder is unable to attend the meeting, the company allows shareholders to delegate an independent director or any other person instead. Those attending the meeting as a proxy will be informed via invitation letter as well.

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

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

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

Company held the 2015 Annual General Meeting of Shareholders on 10 April 2015 at ASIC meeting room, IT Professional Tower 34th floor, Bangkok, Thailand. There were 13 directors and management attending the 2015 Annual General Meeting of shareholders.

The company engaged the Thailand Securities Depository Co.,Ltd., its registrar, to send the invitation notice to the meeting, together with the supporting documents on its website at www.leaseit.co.th at least 30 days prior to the meeting in order to facilitate the shareholders with an easy and prompt access to the information relating to the meeting



The company provided opportunities for the shareholders to submit questions relevant to the meeting agenda in advance of the 2014 Annual General Meeting of shareholders during 24 November – 31 December 2015. However, no question was submitted.

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

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

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

Board of Directors of the company held 2.533 Percent of shares the company issued. (as of 3 March 2016)

Section2: The Equitable Treatment of Shareholders

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

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

During 25 November – 31 December 2015, the Company provided opportunities for the shareholders to propose matters that they considered necessary for inclusion in the agenda of the 2015 Annual General Meeting of Shareholders and to nominate candidates for election as directors. The Company also posted the criteria and procedures in relation thereto in the form of a newsletter to the Stock Exchange of Thailand and on its website at www.leaseit.co.th. However, no shareholders proposed matters for inclusion in the agenda of the meeting nor nominated any candidates for election as directors.

The company gave authority to Thailand Securities Depository Co., Ltd. (TSD) as the registrar of the company to send invitation letter and attached document for Annual General Meeting 21 days in advance of the meeting. The company also posted invitation letter and attached document for Annual General Meeting on company's website at www.leaseit.co.th 30 days in advance of the meeting so that the shareholders can reach the information regarding the meeting conveniently.

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

The meeting will be in accordance with the regulations of the company. The details of the agenda will be informed via the invitation letter entirety. Nevertheless, some unnecessary details about the agenda not added in notification letter of shareholders. The agenda itself is important due to the fact that shareholders have to take time to study it before making any decision whether attend or not. Therefore, the Board has used some measures in order to prevent the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the

company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992.

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

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

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

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



Section3: The Role of Stakeholders

a) The rights of stakeholders

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

1. Rights of Employees:

The main focus of the company is on the personnel selection. The company seeks to hire those kinds of employees who are appropriate to the position having the relevant experience compatible with the nature of the company. The company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the company. Accordingly, the company aspires to increase the potential of its employees throughout their career path by improving skills, knowledge and aptitude of its employees, as well as providing every employee with an opportunity to improve its career path on an equitable basis and offering incentives in remuneration so as to be reasonable compared with other leading companies in market as well as the quality of life for all employees equally. The company has a policy to pay compensation in accordance with the results of operations of the company in the short term, including the ability to make a profit each year in the form of incentives and bonus. The company used the form of performance measures based on the Balanced Scorecard by using Key Performance Indicators (KPIs) as a tool to assist in the management strategy into action. By measurement or evaluation that helps organizations achieve consistency in unison. And focus on the things that are important to the success of the organization. In addition, the company is in the process of studying the EJIP to employees savings and investment

returns over the long term and participate in the ownership of the company.

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

According to the record of accident and leaving of employees, zero of accident and leaving occurred from working.

2. Rights of Business Partners:

The Company treats its business partners based on trade agreements which specify conditions and guidelines to practice everything clearly and fairly. Moreover, the agreement cooperate the involved partners in such a way that brings benefit for two parties.

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

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

3. Competitors:

Though there are many competitors in the market, the company is committed to operate in such a way compatible with morality, ethics and high standard of service. Similarly, the rivals of the company are considered and treated based on the moral and ethical issues. The first priority of the company is to treat competitors with tightening a mutual understanding and cooperation between providing financial and quality standards to customers as well.

4. Society, communities and the environment:

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

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


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

b) International Human Rights Principles

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

c) Anti-corruption and Bribery Policy

The Board of directors is determined to reject all kinds of corruptions and bribes in every level, whether in the transactions with government sector or private sectors. The company has developed the anti-corruption policy in year 2015, and make a procedure document to prevent and monitor the risk of fraud. The code of conduct imposes restriction on directors, executives, employees and other persons acting on behalf of the company in engaging in giving or receiving illegal or inappropriate gifts, whether in cash or in kind, in order to achieve business advantages or relationship with business partners, and requires for a risk assessment in relation to such anti-corruption regularly. To show commitment, the company registered to be a member of PACT Network in year 2015.



The evaluation and follow up of Anti-corruption and Bribery policy and process of risk assessment from Corruption and Bribery

The company executives organized the internal control for effective operation and risk reduction from nature of business. The internal control mentioned consists of Preventive control and Detective control which helps lower the chance and motivation in bribery and corruption by using duty allocation to allocate role and duty among employees and arrange the evaluation process of anti-corruption policy. The executives can receive report of defect and doubted behavior of employees in time, so that they can improve the internal control and the audit can be a part of follow up and assessment process of anti-corruption policy annually and reports the result to Board of Directors of the company. The directors, executives and all employees are obliged to report the breach of such anti-corruption policy. In this regard, the company has arranged appropriate protection measures for the reporters. Each year, the company has arranged trainings for employees who are interested in, or working in relevant departments, to acknowledge the importance of, and have understanding on, the anti-corruption policy and procedures, as well as the risk assessment on corruption actions.

d) The Infringement of intellectual property and license policy

The company set the policy and guideline of The Infringement of intellectual property and license as followings;

- The company's employees must give respect and not to infringe the intellectual property and license of others. If the employees see the behavior of Infringement of intellectual property and license, they must report to their supervisors.
- Check the intellectual property or license of things before receiving or using internally in order to reduce Infringement of intellectual property.
- The employees have to report to supervisors when facing the breach of such infringement of intellectual property
- The employees must protect the intellectual property of the company, such as data, program and process and not to reveal to others outside the company without the company's permission.

Caution

- 1) To copy adapt or apply any electronically equipment, data, or Information Technology without reasonable cause.
- 2) To use confidential data without owner's permission.
- 3) To make a decision on receiving, using and right protecting of intellectual property without the clear and accurate understanding

e) Measures on Whistle blowing and Protection for Whistle blowers

The company has set up a communication channel through its website at www.leaseit.co.th to provide opportunities for shareholders and interested persons to opinion or complain directly to the Board of directors of the company in case there is an unfair treatment or a trouble arising from the action of the company or shareholders can contact Board of directors directly via;

1. Email to Investor Relation Team : IR@leaseit.co.th
2. Post : To Board of Audit Committee :

To Audit Committee
Lease IT Public Company Limited
900/17 Rama 3 Rd. Bangpongpan,
Yannawa, Bangkok 10120

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

Process after receiving Whistle Blowing: The Internal Audit team is assigned to examine facts, summarize details of such event to report to the Audit Committee for consideration and recommendation to take remedial or legal action towards such offence. The information of the whistle blower and other details received by the Internal Audit team will be kept confidential for the confidence of the whistle blower or employees.

Section 4: Disclosure of Information and Transparency

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

Board of directors was well aware of the crucial responsibility towards the financial statements, therefore their main emphasis was to provide accurate and complete information which are true and reasonable. Accordingly, the financial statements of the company were prepared in accordance with generally accepted accounting standards. By choosing the appropriate accounting policies and practices regularly (and implementing cautious discretions including adequate disclosure in the financial statements notes), the Board has managed to establish and maintain an effective internal control system in the financial office. All these transitions, let the company to ensure reasonably that the accounting records are maintained properly (with accurate, complete, and sufficient information) leading to identify weaknesses and flaws in order to prevent fraud or abnormal operation significantly. The appointed audit committee consisted of non-executive directors to serve on the audit of financial reports. Finally, the audit committee will report transactions and internal audits to the Board of Directors in terms of reports and surveys.

The company also gives importance to customer satisfaction. Therefore, the company did the survey to evaluate customer satisfaction to company's service quality in 2015. The results are as followsings;

	Satisfied (3-4 points)	Unsatisfied (1-2 points)
Product	91%	9%
Service charge	73%	27%
Sale officers	90%	10%
Operation officers	88%	12%

Whistle Blowing Policy: Board of directors give the opportunity to stakeholders both internal and external to give information, clues, opinion and recommendations (Whistle Blower) in unlawful, unethical issues, incorrect financial report or fault internal control through Audit Committee in order to examine and arrange the protection of whistle blowers policy.

The company has established an investor relations department to efficiently and regularly communicate with its shareholders and general investors, to ensure that significant information is disclosed accurately, promptly and transparently. Any interested person can obtain the company's information from the Investor Relations Section at telephone number +66 2686 3229 or email address IR@leaseit.co.th. Nevertheless, the investor relation section of the company has not been established so far, due to the fact that activities of the specialized agencies are still not much to be considered for investigation. Instead, it is the Chief Executive Officer and Assistant Accounting Manager that acts as a direct information provider in regard to shareholders, analysis and agencies.

Section 5: Responsibilities of the Board of Directors

1. Structure of the Board

At present, the structure of the Board of Directors is comprised of independent directors, more than one in three of the committee. The company currently has a total of 7 persons consisting of 2 executive directors and 5 non-executive directors which are also audit committees. Two directors are female. The Board of Directors appoints the audit committee in order to assist in the governance of the Company. The Audit committee has rights and duties to acknowledge and investigate the authority of other sections. At least one of the audit committee members must have knowledge and experience in accounting sufficient to verify the reliability of the financial statements of the company. The directors' terms should not more than 6 consecutive years. There is no director holding more than five directorship positions in publicly listed companies.

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

The Board of Directors of the company is composed of directors who possess of directors who possess qualifications, knowledge, expertise and experiences in various areas, including finance and accounting, business administration, law and telecommunications

business. The independent directors possess higher qualifications than those required by the Securities and Exchange Commission and The Stock Exchange of Thailand, details of which can be found under section "Corporate Governance – Independent Directors".

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

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

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

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

Policy on conflicts of interest

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

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

Internal control

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

The company is aimed to target all the business operations clearly in terms of measurable operational tasks. To do this, management level compares the actual performance (of the sections) with the defined

goals on a monthly basis. Moreover, there will be an assessment of the risk factors, both externally and internally, within the operational tasks. The company also determines, analyzes, and tracks all the risk factors including measures to reduce risk as well. Sometimes the company may hire and assign the relevant agencies to identify the risks by making progress reports to the Board at the end.

The Board of Directors conducts an evaluation on the performance of the Board of Directors and an individual director self-assessment on an annual basis in order to provide an opportunity for each directors to express his or her view on the performance of the Board of Directors as a whole and to consider and review the results, problems and obstacles on its performance over the previous year.

The result of evaluation shown in annual reports (Form 56-2)

The Board of Directors holds a Board of Directors' meeting without the presence of the executive director or member of the management at least once a year. The meeting provides the directors with the opportunity to review the performance of the Board of Director, the management and the company as well as to consider and discuss management issues or other issues which are of the interest of the Board of Directors. The resolutions of the meeting would be notified to the Chief Executive Officer for acknowledgement and consideration for further improvement. In 2015, the Board Directors held one meeting without the presence of the executive director and the management.

3. Meeting of the Board

A meeting of the Board of Directors of the company is held at least once for every quarter. The company inform the directors of the dates and time of the meetings in advance every years so that the directors can manage their schedule to attend the meetings accordingly. There are clear agenda for each meeting. The company sends the meeting invitation, together with the supporting documents, to the directors at least five days in advance to allow the directors having sufficient time to study the information prior to the meeting. The senior management of the company will join the meeting in order to clarify and answer the Board of Directors' queries. The chairman will allow every director to express his/her opinion before proceeding with the vote and concluding a resolution of the meeting in each agenda. In addition, the

company has a policy that requires a minimum number of quorum at the time of the commission will vote on all must be present for at least 2 out of 3 of its members. The company record the minutes of the meetings in writing and kept the originals with the meeting invitation notices and the relevant supporting documents and are also maintained to facilitate the directors and relevant persons for the purpose of examination.

In years 2015, the company held twelve Board of Directors' meeting; the attendance of each director is as follows:

List of Committee Names	Position	Numbers inattending the meeting/Total meetings 2015
1. Mrs. Duangphorn Sucharittanuwat	Chairman of board, Independent director	12/12
2. Mr. Thienchai Srivichit	Vice Chairman	9/12
3. Sompon Aketerajit	Director and Managing Director	12/12
4. Police General Jate Mongkolhutthi	Independent director	11/12
5. Mr. Prakob Visitkitjakarn	Independent director	12/12
6. Mr. Suthud Khancharoensuk	Independent director	12/12
7. Mrs. Nitnirun Suwannaked	Independent director	12/12

Audit Committee

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

In carrying out its duty on the selection of the auditors of the company, the Audit Committee will consider the selection of auditors pursuant to the company's assessment criteria, which consist of the auditors' experience, performance, understanding of the financial business and expertise on auditing, as well as their independence in performing their works during the past year, in order to propose the appointment of the auditors to the Board of Directors and the shareholders' meeting for consideration. At the 2015 Annual General Meeting of shareholders, which was held on 10 April 2015, Ms.Somjai Khunapasut, certified public accountant No.4499, Ms.Ratana Jala, certified public accountant No.3734, Ms.Rachada Yongsawadvanich, certified public accountant No.4951, all from EY Office Limited were appointed as the auditors of the company.

A meeting of the Audit Committee is held approximately once a quarter, In 2015, the company held 4 Audit Committee meetings as the follows:

List of Audit Committee Names	Position	Numbers inattending the meeting/ Total meetings 2015
1. Mr. Prakob Visitkitjakarn	Chairman of Audit Committee	4/4
2. Police General Jate Mongkolhutthi	Audit committee	4/4
3. Mrs. Duangphorn Sucharittanuwat	Audit committee	4/4
4. Mr. Suthud Khancharoensuk	Audit committee	4/4
5. Mrs. Nitnirun Suwannaked	Audit committee	4/4

Remuneration Committee

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

Remuneration of Directors and Executives

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

At the 2015 Annual General Meeting of shareholders, the meeting approved the remuneration of the Board of Directors and the subcommittees as follows;

Position	Monthly Allowance	Meeting Allowance
Chairman of the board and Independent Director	140,000.-	5,000.-
Chairman of the Audit Committee	20,000.-	5,000.-
Director & Independent Director	40,000.-	5,000.-
Audit Committee	10,000.-	5,000.-

In determining the remuneration of the Chief Executive Office, the Remuneration Committee will consider the performance of the Chief Executive Officer during the previous year pursuant to the specified key performance indicators (KPIs), each of which has different weighted scores. Also in 2015, the company is prepared to grant to management to buy securities. This is the long-term incentive compensation that is consistent with the company's portfolio and benefits given to shareholders.

Nomination Committee

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

Corporate Governance Committee

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

Risk Management Committee

The Risk Management Committee consists of five independent directors. The Risk Management Committee is responsible for managing risk that may affect the objective of the organization which includes safety and Hygiene risk of employees, society and community, together with environment to be in compliance with the international standard.

4. Development of Directors and Executives

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

5. Monitoring the Use of Internal information

1. The directors, management and employees of the company are prohibited to reveal the confidential and/ or private data about the company. The reason is to stop the personnel to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly and whether they received benefits or not.
2. The directors, management, employees, spouse, and children of the staff of the company are prohibited to use some internal data (not publish to the public yet) because it may affect the price of the securities of the company. Knowing such kind of information has potential risk to let the people take advantage of buying, selling, offering, or persuading others to do business with the securities of the company, whether directly or indirectly, or whether such action is done for the benefit of themselves or others, or to allow others to do so by their benefits. Obviously, the risk is only when the data have been made public yet. Any violation of such terms will be punished by disciplinary measures of the company.
3. The company has informed the executives about the securities report of the company and also identified to their spouses and underage children. More details about the conditions and possibilities of violation of the personal/sensitive information are discussed in Section 59 of the Securities and Exchange Commission.
4. The Company has defined the rules in not allowing the board, committee, employees, spouse and children of staffs sell or buy securities during the period of 1 month prior to the public disclosure of financial statements.

The Company will inform the executive officers and employees of the company to know about the above requirements

6. Personnel

- Number of employees by 31st of December 2015 in the company (exclude team management 6 persons) Is detailed as below:

Department	Number of Employees
1. Sales and Marketing	10
2. Accounting and Service	2
3. Credit	3
4. Operation	17
5. Internal Audit	1
Total	33

- Labor dispute
- NON -

8

Director & Executive Profile

Mrs. Duangphorn Sucharittanuwat

Chairman of the Board and
the Audit Committee



Age 64 years

Qualifications

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University (Second Class Honors)
- Certified public Accountant
- Director Certification Program (DCP) (8/2001)
- Refresher Course DCP (DCP) (3/2006)
- Role of the Chairman Program (RCP) (19/2008)
- Audit Committee Program (ACP) (38/2012)
- Director Certification Program Update2 (DCPU2/2014) –IOD
- Capital Market Academy (CMA8)
- Top Executive Program in Commerce and Trade (TEPCoT3)
- Advanced Security Management Program (ASMP2)
- ASEAN Economic Community Program (AEC2)

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2012-Present Chairman of the Board and the Audit Committee LEASE IT PCL.
- 2011-Present Audit Committee and Independent Director I.C.C. INTERNATIONAL PCL.
- 2014-Present Audit Committee and Independent Director Sena Development PCL.
- 2015-Present Audit Committee and Independent Director Professionalwest Technology (1999) PCL.
- 2015-Present Director Aspiration One Co.,Ltd.
- 2013-Present Director The Foundation of The 50th Anniversary MahavajiralongKorn Hospital
- 1997-2014 Director Thailand Management Association

Shareholding -none-



Mr. Thienchai Srivichit
Assistant the chairman of Board
(Authorized Director to be tied to the company)

Age 84 years

Qualifications

- FCA, Fellow of The Institute of Chartered Accountants in England & Wales, (U.K.)
- Director Accreditation Program (DAP) (36/2005)
- Role of the Chairman Program (RCP) (18/2008)
- National Defence College
- Honorary Doctorate Degree in Accounting, Ramkhamhaeng University

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

2006-Present Director LEASE IT PCL.
1997-Present Director IT CITY PCL.
1993-Present Chairman of the Board SVOA PCL.

Shareholding 1/1/2558 300,000 Shares
Changing during the year : - Shares
Shareholding 31/12/2558 300,000 Shares

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



Age 54 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

2006-Present Chief Executive Officer and Director
LEASE IT PCL.
2007-2012 Chief Executive Officer SVOA PCL.

Shareholding : 1/1/2015 1,471,332 Shares
Changing during the year : 1,280,600 Shares
Shareholding : 31/12/2015 2,751,932 Shares



Mr. Prakob Visitkitjakarn

The Chairman of Audit Committee
Independent Director

Age 76 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2012-Present Independent Director and Chairman of Audit Committee LEASE IT PCL.
- 2009-Present Independent Director and Chairman of Audit Committee ARIP PCL.
- 1997-Present Independent Director and Chairman of Audit Committee Sri Trang Agro-Industrial PCL.
- 1999-2011 Independent Director and Chairman of Audit Committee Siam City Cement PCL.

Shareholding 1/1/2015	80,000 Shares
Changing during the year :	65,000 Shares
Shareholding 31/12/2015	15,000 Shares

Police Lieutenant General Jate Mongkolhutti

Independent Director and
Audit Committee



Age 63 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2012-Present Audit Committee LEASE IT PCL.
- 1999-Present Audit Committee Sino-Thai Engineering & Construction PCL.
- 1999-Present Audit Committee STP & I PCL.
- 2013-Present Independent Director & Audit Committee Southeast Insurance PCL.
- 2013-Present Independent Director & Audit Committee Southeast Life Insurance PCL.
- 2013-Present Consultant SVOA PCL.
- 2013-Present Consultant Data One Asia Co.,Ltd.
- 2011-Present Advisor to the Board National Credit Bureau (NCB)

Shareholding 1/1/2015	150,000 Shares
Changing during the year :	- Shares
Shareholding 31/12/2015	150,000 Shares



Mr. Suthud Khancharoensuk
Independent Director and
Audit Committee

Age 57 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2013-Present Audit Committee LEASE IT PCL.
- 1996-Present Director RPCG PCL.
- 1991-Present Director Petro Instruments Co.,Ltd.

Shareholding : 1/1/2015 1,350,000 Shares
Changing during the year : 500,000 Shares
Shareholding : 31/12/2015 1,850,000 Shares

Mrs. Nitnirun Suwangate
Independent Director and
Audit Committee



Age 63 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2014-Present Independent Directors & Audit Committee Member LEASE IT PCL
- 2009-Present Adviser Foundation for Thai Entrepreneurship Development

Shareholding -none-



Mrs. Rungnapa Ogas
Assistant Managing Director -
Operation

Age 53 years

Qualifications

- Master's degree, Business Administration, Ramkhamhaeng University

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

2006-Present Assistant Managing Director LEASE IT PCL.

Shareholding 1/1/2015 5 Shares

Changing during the year : - Shares

Shareholding 31/12/2015 5 Shares

Mr. Teerawat Khammuang
Assistant Managing Director -
Sales & Marketing



Age 45 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

2007-Present The General Manager LEASE IT PCL.

Shareholding 1/1/2015 30,005 Shares

Changing during the year : 30,000 Shares

Shareholding 31/12/2015 5 Shares



Ms. Sitaphatr Nirojthanarat
 Assistant Managing Director -
 Credit & Finance and Accounting

Age 34 years

Qualifications

- 2004-2005 MSc in Marketing Management
Aston Business School, Aston University, UK
- 2001-2004 Bachelor of Arts,
English major (2nd class honors)
Chulalongkorn University

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2015-Present Assistant Managing Director -
LEASE IT PCL.
- 2010-2015 Marketing Department Manager,
Corporate Marketing
Charoen Pokphand Food PCL.

Shareholding 1/1/2015 1,500,000 Shares
Changing during the year : 65,000 Shares
Shareholding 31/12/2015 1,565,000 Shares



Ms. Piyanan Mongkol
 Assistant Manager-
 Credit and Legal contract

Age 44 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2006-Present Assistant Credit Manager LEASE IT PCL.

Shareholding 1/1/2015 33,005 Shares
Changing during the year : 13,700 Shares
Shareholding 31/12/2015 46,750 Shares



Mr. Riththigrai Bunthoathook
Assistant Manager-
Sales and Marketing

Age 45 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2008-Present Manager Sales and marketing department. LEASE IT PCL.
- 2007-2008 Research Officer Thai national industry funding Corporation
- 2000-2007 Research Assistant credit. Bank of Ayudhya PCL.

Shareholding 1/1/2015 40,005 Shares
Changing during the year : 40,000 Shares
Shareholding 31/12/2015 5 Shares

Mrs. Chonticha Supaluxmetha
Assistant Manager -
Accounting and Financial Control



Age 44 years

Qualifications

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

Kin Relationship with the Executive Management -none-

Working Experience for the last 5 Years

- 2014-Present Assistant Manager – Accounting and Financial Control , LEASE IT PCL.
- 2000-2014 ISO Consultant & Trainer, Quality System Development International (Thailand) Co.,Ltd.
- 2011-2014 Independent Accountant

Shareholding -none-

Details of the tenure of the management in related companies

As at 31 December 2015

Name	Company	Related Company		
		1	2	3
Mrs.Duangphorn Sucharittanuwat	X,AC			
Mr.Thienchai Srivichit	V	X	/	
Mr.Sompon Aketerajit	/,*			
Mr.Prakob Visitkitjakarn	AAC,//			AAC,//
Police Lieutenant General Jate Mongkolhutti	AC,//			
Mr.Suthud Khancharoensuk	AC,//			
MRS.Nitnirun Suwangate	AC,//			
Mrs.Rungnapa Ogas	**			
Mr.Teerawat Khammuang	**			
Ms.Sitaphtr Nirajthanarat	**			
Ms.Piyanan Mongkol	***			
Mr.Riththigrai Bunthoathook	***			
Mrs. Chonticha Supaluxmetha	***			

Remark X = The chairman of Board

AAC= The Chairman of Audit Committee

/ = Director

* = Chief Executive Officer

*** = Assistant Manager

V = Assistant the chairman of Board

AC = Audit Committee

// = Independent Director

** = Assistant Manageing Director

Related Company:

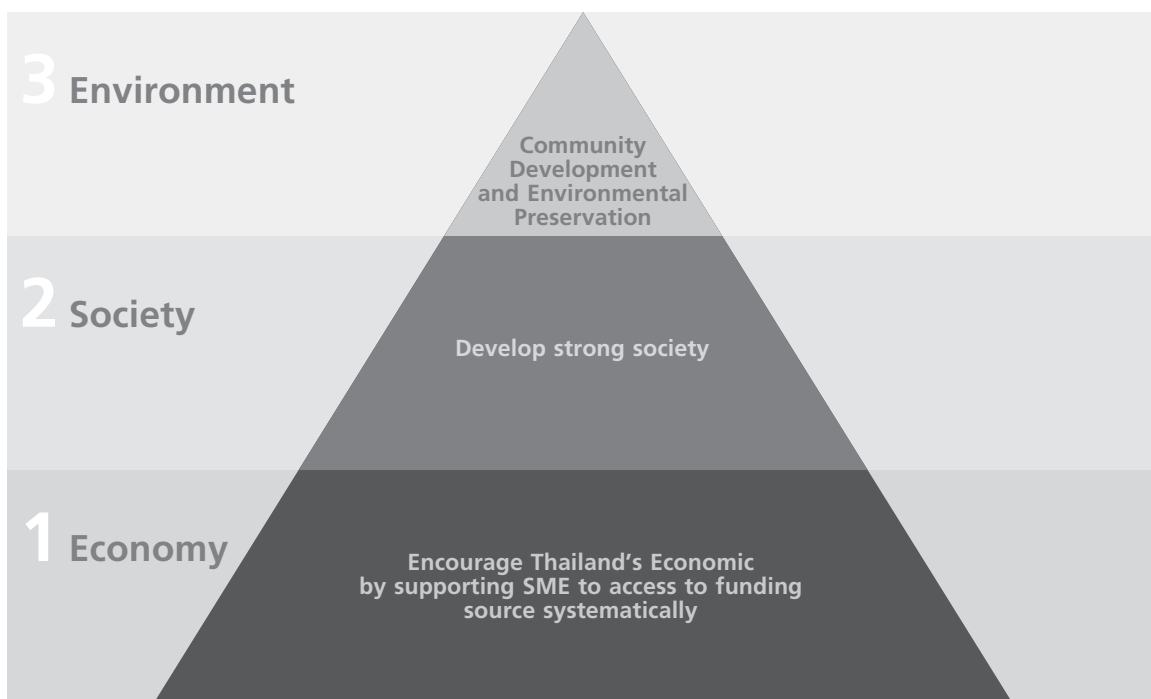
1. SVOA PCL.
2. IT CITY PCL
3. ARIP PCL.

9

Corporate Social Responsibility (CSR)

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

In 2015, The Company has determined strategic directions for corporate social responsibility to sustainability under 3 core aspects which are followings;



1. Economy :

Encourage Thailand's Economic by supporting SMEs to access to funding source systematically

The company aims to be a non-financial source of alternative fund for Small and Medium Enterprises (SMEs) which cannot access to source of funds, not being supported by financial institutions even that those SMEs have potential to grow. Such businesses normally require funding outside the system (private lender) which is a barrier to succeed the company's goals in long term.

a. Product Innovation for SMEs

The Company considers developing a variety of financial products/services to provide total financial solutions especially for SMEs entrepreneurs in order that SMEs can grow in accordance with their true capability.

b. True Financial Partner

The company always supports SMEs side by side and gives them financial advice on funding source in accordance with our core mission to enhance the relationship between the company and SMEs customers as "True Financial Partner".

2. Society :

Develop strong society

The company gives importance to developing strong society according to good governance guideline so that the company sets clear guidelines for executives and employees to conform as followings;

a. Anti-corruption and Bribery Policy

The company is committed to conduct its business with transparency. Anti-bribery and anti-corruption are defined as the main policy, or better said “Code of Conduct” of the company. A code of conduct is a set of rules outlining the responsibilities of or proper practices for an individual, party or organization. Related concepts include ethical, honor and moral codes. Accordingly, directors, management and employees are required to comply with the Code of Conduct. Every single transaction through the company is exempted from being involved in paying/offering bribes to other parties (or other agencies in all forms), whether the deviation from the Code of Construct is conducted directly or indirectly. On the contrary, the company is highly encouraged to join the practices that will benefit all parties, or profit the operations of the company legally and safely. In the past and up to this point, the company has never ever faced any reports or complaints concerning bribery and corruption violations. To show commitment, the company registered to be a member of PACT Network in year 2015.

b. International Human Rights Principles

Moreover, the company aims to expand basic human rights in terms of promoting respect for the rights and freedom of every individual through non-discrimination and anti-racist values. The concept of non-discrimination includes equality with respect to gender, social class, religion, or political beliefs of people. The company freely accepts and tolerates those who think and believe in different ways. However, the company does not merely focus on the promotion and protection of human rights. But it also

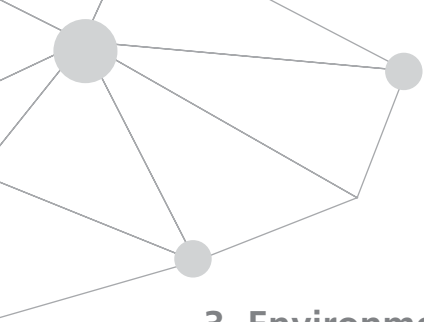
emphasizes on the moral and ethical policies for all the employees involved with the company. The rights for freedom of speech and expression of ideas also are fully considered under the company’s policy. As an instance, it is important for the company to respect the all rights of stakeholders equally. Beyond of that, the company takes social and ethical responsibility towards all its business operations in addition to different groups of people including customers, employees, investors, shareholders, stakeholders, board of directors, management, corporate governance team, and even the environment.

c. Treat all employees fairly.

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

d. Operations with fairness and responsible partners.

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



3. Environment :



a. Community Development and Environmental Preservation

To achieve successfully and sustainable in a socially responsible and environmentally, the company has established a policy of commitment to social responsibility and environmental activities. CSR policy functions are built to achieve continuity through the following procedures:

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



Year 2015, The Company organized the CSR campaign “Tree-Planting and Building Artificial Saltlick for Animal at Pa kradad, Khao Yai National Park. The objectives of this activity are as followings;

- 1) Corporate Social Responsibility - The company executives and employees has planted more than 60 trees which are Makah trees to help reforestation at Pa kradad, Khao Yai National Park and also the employees has built the artificial salt lick for animal. The salt lick is a place where animals can go to lick essential mineral nutrients from a deposit of salts and other minerals.
- 2) Teambuilding - To establish a good relationship among executives and employees to work together as a team. The company also aims to cultivate society of giving to among employees as well.

In the board meeting No.2/2016 held 11th February 2016, 5 audit committees member, who are the risk Management committee, attended the meeting. They evaluated the adequacy of the internal control system of the company through making inquiries from executives. As a result of that, they concluded that the evaluation of the internal control system of the Company includes 5 parts as follows:

1. Organizational Control and Environmental Measures

The company aims to set target of doing business and sets budget for evaluate its performance. The budget would under the approval of the Board of directors. Furthermore, the company set the appropriate and reasonable business target in line with economic situation. The executive responsible for each function is regularly reviewed by the company. The company structure is suitable for nature of work and responsibility. The company set the supervision line clearly in order that every unit can proceed effectively. The company sets the policy and authorities or proceeds the important issues in writing according to level of authorization and creates workflow of each unit under the audit process of internal control unit regularly. Moreover, the company has fair operation policy and plan with customers to protect customers' benefit and keep customers' royalty in long term.

2. Risk Management Measure

The company analyzes the cause of risk factors in order to reduce risk that can occur and follow up the cause of the risk factors and find the way to prevent the risks. The employees know their roles, duties and risks together with the measurement to control that risks they are responsible to. The measurement is informed in working procedure, training and company's policy.

3. Management Control Activities

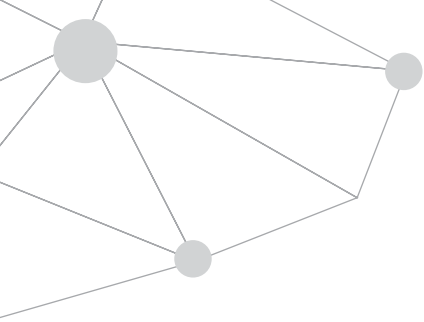
The company set the level of approval authority clearly, work flow manual, detail of employees in each unit and job description clearly. As the related transaction policy, the company proceed according to the principles approved by Board of directors and approved by Audit committee. The stakeholders cannot vote for that kind of issue. The board of directors must aware of benet of the company to the utmost and consider as if the transaction was made by external party.

4. Information and Communication Measure

The company provides information systems, quality and adequate decisions, both of financial data and other information. The Company's accounting policies as standard that is acknowledged in the auditor's report.

To the efficiency of Information Technology System, the company controlled to access the Information Technology systems, data, recall and the infringement of license and protection of the intellectual property of the company and our customer.

The company had a policy to evaluate and reported to Board of directors every quarter.



5. Monitoring

The company follows up the meeting results every quarter in order to report the result to Board of directors with reasons and recommendation for improvement. Meantime, the executives also hold the meeting weekly to evaluate the situations in order to set the problem-solving guideline in time.

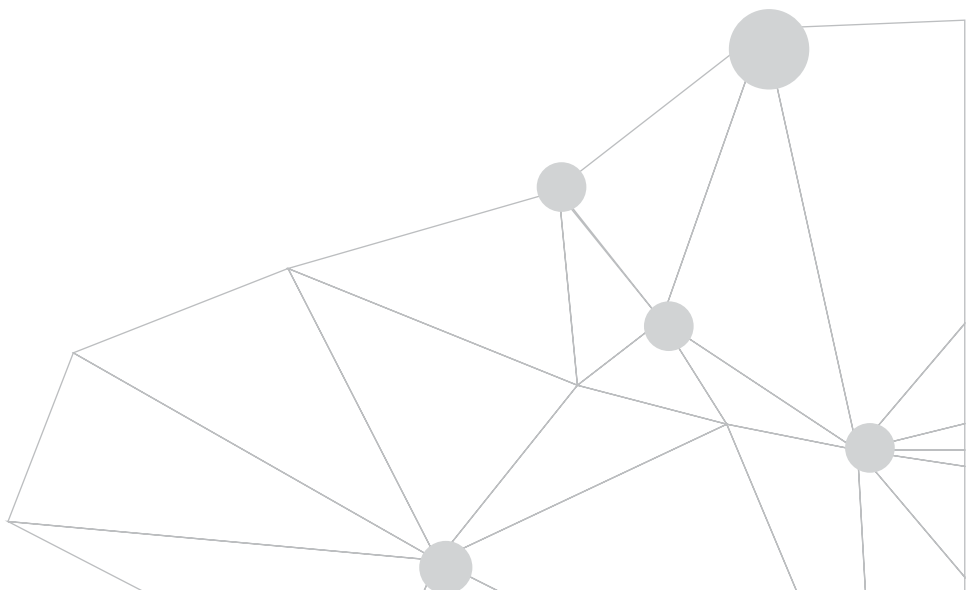
The majority of the members of Board of Directors were agreed upon developing an internal system which controls transactions with major shareholders, directors, executives or related persons sufficiently, adequately and appropriately.

10.1 Observations of Internal Audit on Internal Controls of the Company

Internal audit department has been monitoring the management system core areas by providing feedback to the company. In practice, the internal audit department leads to improve the quality of internal audits continuously by increasing the checks and balances (Check and Balance) on every control system. The internal audit department conducted a follow-up check-in on systems of 2558. The results of such investigation of internal audit on internal controls could provide good detections and recommendations for the company to revise various issues successfully.

10.2 Observations of Auditor on Internal Controls of the Company

The EY Office Limited, the auditor of the company as for the year ending 31 December 2015, examined the effectiveness of internal control system in order to set the appropriate scope of audit work. The results is that the company operation is in accordance with accounting standards.



11 Connected Transactions

Opinions of the Audit Committee

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

● Necessities and reasonableness of related transactions

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

● Procedures on approval of related transaction

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

● Trends of related transactions in the future

The Company expected that such related transactions shall continue to occur in the future because the related transactions of the Company and the person who may have conflict of interest shall be as per normal business practices of the Company. In addition, the Company has appointed the Audit Committee to Audit and consider the disclosure of information of related transactions which may have conflict of interest so they shall be correctly and completely be in accordance to the law on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as compliance with the regulations related to disclosure of information on connected transactions and acquisition or disposal of assets and in accordance with the generally accepted accounting standards specified by the Federation of Accounting Professions.

● Policy on Conflict of Interest

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

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

12

Financial Position and Results of Operations

12.1 Financial Statements

12.1.1 The audit report

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

The auditor audited the financial statements of the company. The financial statements was reported that as of December 31, 2013 the operations and cash flows for the year end were correct and complete according to the matter of financial statement standards. The explanatory paragraph described about the adoption of accounting report issue number 12, "Income Taxes" for practical, the company edited financial statements in December 31, 2012 and showed the comparative data to reflect changes in accounting policy. In addition the company presented statement of financial position as at January 1, 2012 for a comparison using such accounting policies as well.

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

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

(c) Fiscal year 2015 audited by Ms.Somjai Khunapasut, CPA No. 4499 of EY Office Limited.

The auditor audited the financial statements of the company. The financial statements was reported that as of December 31, 2015 the financial performance and cash flows for the year end were correct and complete according to the matter of financial statement standards.

12.1.2 Summary of Financial Information

Lease IT Company Limited Statements of Financial Position

(Unit : Million Baht)

	2013		2014		2015	
	MB	Percent	MB	Percent	MB	Percent
Assets						
Current assets						
Cash and cash equivalents	9.91	1.44	9.98	1.16	71.47	6.10
Trade and other receivables	60.49	8.82	51.87	6.03	24.09	2.06
Current portion of account receivables						
• Financial lease receivables	142.20	20.74	144.96	16.84	112.98	9.64
• Hire-purchase receivables	48.03	7.01	50.70	5.89	72.54	6.19
• Factoring receivables	138.29	20.17	253.66	29.47	518.31	44.23
• Project backup financial receivables	126.74	18.49	187.34	21.76	202.11	17.25
Refundable input tax	4.96	0.72	1.86	0.22	-	-
Other current assets	3.74	0.55	5.47	0.64	8.26	0.70
Total current assets	534.36	77.94	705.84	82.01	1,009.78	86.17

	2013		2014		2015	
	MB	Percent	MB	Percent	MB	Percent
Non-current assets						
Restricted bank deposits	19.37	2.83	16.03	1.86	43.35	3.70
Project backup financial receivables - net	-	-	14.76	1.72	-	-
Factoring receivables – net of current portion	6.39	0.93	1.42	0.16	0.11	0.01
Financial lease receivables – net	97.76	14.26	88.05	10.23	56.69	4.84
Hire-purchase receivables – net	18.81	2.74	21.24	2.47	44.56	3.80
Equipment	5.25	0.77	7.78	0.90	9.72	0.83
Intangible assets	0.87	0.13	1.23	0.14	1.33	0.11
Deferred tax assets	2.73	0.40	4.43	0.51	6.31	0.54
Total non-current assets	151.18	22.06	154.95	17.99	162.06	13.83
Total assets	685.54	100.00	860.78	100.00	1,171.84	100.00
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from banks	356.41	51.99	366.20	42.54	313.18	26.73
Current portion of Bank overdrafts and short-term loans						
● Current portion of long-term loans from banks	28.07	4.09	23.88	2.77	9.19	0.78
● Current portion of undue output tax	13.95	2.03	13.88	1.61	-	-
Trade and other payables	7.01	1.02	8.38	0.97	0.66	0.06
Current portion of liabilities under	-	-	0.38	0.04	0.43	0.04
Income tax payable	4.19	0.61	6.29	0.73	9.99	0.85
Cash receipt awaiting for return to factoring receivables and financial lease receivables	14.30	2.09	30.85	3.58	42.91	3.66
Other current liabilities	32.16	4.69	24.73	2.87	29.19	2.49
Total current liabilities	456.10	66.53	474.58	55.13	405.56	34.61
Non-current liabilities						
Long-term loans from banks – net of current portion	17.64	2.57	8.75	1.02	1.11	0.09
Guarantee received from factoring receivables	10.27	1.50	-	-	-	-
Liabilities under finance lease agreement – net of current portion	-	-	1.56	0.18	1.13	0.09
Debentures	-	-	-	-	349.03	29.78
Provision for long-term employee benefits	2.74	0.40	3.12	0.36	3.89	0.33
Undue output tax – net of current portion	8.37	1.22	7.83	0.91	-	-
Total non-current liabilities	39.03	5.69	21.27	2.47	355.17	30.31
Total liabilities	495.13	72.23	495.85	57.60	760.72	64.92

Lease IT Company Limited Statements of Financial Position (Cont.)

(Unit : Million Baht)

	2013		2014		2015	
	MB	Percent	MB	Percent	MB	Percent
Shareholders' equity						
Share capital						
Registered	200.00	29.17	200.00	23.23	200.00	17.07
Issued and fully paid-up	116.00	16.92	200.00	23.23	200.00	17.07
Share premium	8.00	1.17	70.72	8.22	70.72	6.03
Retained earnings						
Appropriated – statutory reserve	5.77	0.61	8.16	0.95	11.68	1.00
Unappropriated	60.64	9.19	86.06	10.00	128.71	10.98
Other elements of the shareholders	(0.75)	(0.11)	-	-	-	-
Total shareholders' equity	190.41	27.78	364.94	42.40	411.11	35.08
Total liabilities and shareholders' equity	685.54	100.00	860.78	100.00	1,171.84	100.00

Statement of Comprehensive Income

(Unit : Million Baht)

	2013		2014		2015	
	MB	Percent	MB	Percent	MB	Percent
Interest income*	73.55	70.28	79.96	62.44	119.69	62.69
Fees and service income	18.43	17.61	27.19	21.23	55.26	28.95
Other income	12.67	12.11	20.91	16.33	15.96	8.36
Total revenues	104.65	100	128.07	100	190.91	100
Expenses	9.15	8.74	11.75	9.17	15.75	8.25
Selling expenses	24.58	23.49	30.48	23.80	43.19	22.62
Administrative expenses	4.5	4.3	5.5	4.29	13.30	6.97
Total expenses	38.22	36.52	47.73	37.27	72.24	37.84
Profit before finance cost and Income tax expenses	66.42	63.47	80.34	62.73	118.68	62.17
Finance cost	26.31	25.14	21.47	16.76	29.57	15.49
Profit before income tax expenses	40.11	38.33	58.87	45.97	89.11	46.68
Income tax expenses	8.01	7.65	11.06	8.64	18.66	9.77
Profit for the year	32.10	30.67	47.81	37.33	70.45	36.90

Statement of Cash Flows

(Unit : Million Baht)

	2013	2014	2015
Cash flows from operating activities			
Profit before tax	40.11	58.87	89.10
Adjustment to reconcile profit before tax to net cash provided by (paid from)			
Operating activities:			
Depreciation and amortization	0.67	1.33	1.94
Allowance for doubtful trade and other receivables (reversal)	4.5	5.5	13.09
Provision for long-term employee benefits	0.23	0.39	0.42
Loss on disposal of fixed assets	-	-	(0.004)
Interest expenses	26.31	21.47	29.57
Amortisation of deferred interest income under the financial lease and hire-purchase agreements	(34.68)	(35.48)	(29.81)
Profit from operating actives before change in operating assets and liabilities	37.15	52.08	104.32
Operating assets (increase) decrease			
Trade and other receivables	(7.83)	7.70	29.07
Factoring receivables	3.99	(112.90)	(272.55)
Financial lease and hire-purchase receivables	(1.14)	38.10	40.14
Project backup financial receivables	(32.05)	(78.22)	(2.66)
Other current assets	(1.55)	1.37	(0.92)
Operating liabilities increase (decrease)			
Trade and other payables	4.45	1.37	(7.72)
Other current liabilities	13.34	10.62	(0.93)
Other non-current liabilities	0.87	(10.82)	(7.83)
Cash flows from (used in) operating activities	17.22	(90.70)	(113.78)
Cash paid for interest expenses	(25.74)	(22.84)	(25.46)
Cash paid for corporate income tax	(9.20)	(9.55)	(16.76)
Net cash flows used in operating activities	(17.72)	(123.09)	(155.99)
Cash flows from investing activities			
Increase in restricted bank deposits	(6.94)	3.34	(27.32)
Purchase of equipment and intangible assets	(4.20)	(1.25)	(3.99)
Net cash flows used in investing activities	(11.14)	2.09	(31.30)
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from banks	(21.59)	9.79	(53.02)
Cash received from long-term from banks	(40.95)	(14.33)	(22.94)
Cash received from issuance of debentures	-	-	348.74
Cash received from additional ordinary shares	24.00	145.60	-
Dividend paid	(18.20)	(20.00)	(24.00)
Net cash flows from financing activities	25.16	121.06	248.80
Net decrease in cash and cash equivalents	(3.70)	0.06	61.50
Cash and cash equivalents at beginning of the year	13.61	9.91	9.97
Cash and cash equivalents at end of the year	9.91	9.97	71.47

12.1.3 Summary of Key Financial Ratios.

Financial Ratio	2013	2014	2015
Profitability Ratio :			
Net Profit Margin (%)	30.67%	37.33%	36.90%
Return on Equity (%)	18.64%	17.22%	18.16%
Rate of interest on revenue (Include Fee and Service Income) (%)	16.56%	15.90%	19.48%
Rate of interest on financial cost (%)	6.71%	5.36%	8.19%
Interest Rate Spread (%)	9.86%	10.54%	11.29%
Rate of interest on revenue (Exclude Fee and Service Income) (%)	13.25%	11.86%	13.33%
Rate of interest on financial cost (%)	6.71%	5.36%	8.19%
Interest Rate Spread (%)	6.54%	6.50%	5.14%
Efficiency Ratio :			
Interest Income to Asset Ratio (%)	10.15%	11.08%	14.31%
Return on Assets (%)	4.96%	6.18%	6.93%
Current Ratio (Times)	0.16	0.17	0.19
Financial Ratio :			
Debt to Equity Ratio (Times)	2.59	1.36	1.85
Debt to Equity Ratio (Times)(According to Term and condition)	2.56	1.34	1.85
Total Credit to Total Financing Ratio (%)	1.42	1.70	2.51
Dividend Payout Ratio (%)	62.31%	50.20%	51.10%
Dividend Payout Ratio (%) (After transferred to statutory reserve)	69.21%	52.84%	53.79%
Asset Quality Ratio :			
Allowance for Doubtful account to Total Credit Ratio (%)	1.75	2.03	2.83
Bad Debt to Total Credit to Total Credit Ratio (%)	0.0002	-	-

** Propose to pay a dividend amount 0.18 baht per share, dividend payout ratio 53.79%, and wait for the resolution of the Annual General Meeting of Shareholders in 2016**

13 Description, Analysis, Results of Operations and Financial Position

13.1 Overview of Operating Results

A business cycle includes a wide range of financial products line. As a result, the operating outcomes of the company have been growing steadily. The total income of the company has increased from 128.07 million Baht in year 2014 reached to 190.91 million Baht in year 2015, representing a growth rate of 49.07 percent. Year 2014 also represented a growth rate in terms of total revenue, having 22.38 percent increase compared to year 2013.

(a) Revenue

The company's revenue in 2015 consisted of interest income, fees and service income, and other sources of income which accounted to 62.69 percent, 28.94 percent, and 8.36 percent, respectively. Interest income is the main source income for the company. According to our strategic plans for the year 2015 expanding client base of government into the large private sector from 20 percent to 30 percent. And encouraging current customers to use upstream and middle stream financial product which provide higher marginal returns. As a result, the company's revenue increased from Factoring, Project Backup financing, Bid Bond and Front End Fee. Moreover in Year 2015, the company launched a loan to open the L/C (Letter of Credit).

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

Interest Income	2015		2014		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
• Financial lease	20,951	17.50	27,143	33.95	-6,192	-22.81
• Hire purchase	8,856	7.40	8,332	10.42	524	+6.29
• Factoring	53,937	45.06	24,080	30.11	29,857	+123.99
• Project Backup Financing	35,949	30.04	20,409	25.52	15,540	+76.14
Total Interest Income	119,693	100.00	79,964	100.00	39,729	+49.68

As shown in the above table, in year 2015 the ratio of interest income in terms of long-term loans consisted of the financial leases (17.50 percent) and the hire purchase (7.40 percent). Total of interest income in terms of long-term loans was 24.90 percent. Interest income in terms of short-term loans consisted of the factoring (45.06 percent) and the project backup financing (30.04 percent). Total of interest income in terms of short-term loans was 75.10 percent. In year 2014, the ratios of interest income in terms of long-term loans and short-term loans were 44.37 percent and 55.63 percent, respectively. It can be seen that a portion of long-term credit less since the company's policies to extend credit to customers who paid the higher.

Interest income from financial leases and hire purchase was decreased to 16.52 percent compared with the previous year because of the majority customers are IT business. The Company has strategy to expand customer base by increasing customers in other businesses outside IT. The company will enable to

continue maintain its ability to make revenue. Interest income obtained from factoring service in 2015 was increased to 123.99 percent due to the company's strategy that will accelerated expand the client base by starting at the lower risk product such as Factoring. In the above table you would see that the interest income from project backup financing has grown noticeably (i.e., it increased to 76.14 percent from a year earlier) because there was a new product launched since the year 2012 and has been serving the needs of customers more efficiently. However, loans to support projects still are at high risk. Therefore, almost all customers of project backup financing service always contact with the company and they have had a good payment record. This way the company is able to reduce those types of risks. As a result of all these changes and policies, the total interest income in year 2015 faced a significant growth rate increasing to 49.68 percent compared to year 2014.

Fees and service income consists of extending loans, finance leases, hire purchase, factoring, and project backup and bid bond services. The table below shows the changes of the fee and service income for year 2014 and 2015.

Fee Income/ Service Income	2015		2014		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
● Leasing	300	0.54	262	0.96	38	+14.50
● Hire purchase	149	0.27	183	0.67	-34	-18.58
● Factoring	21,031	38.06	8,608	31.65	12,423	+144.32
● Project Backup Finance	25,668	46.45	14,504	53.33	11,164	+76.97
● Bid bond	8,095	14.65	3,594	13.22	4,501	+125.24
● Others	18	0.03	44	0.16	-26	-59.09
Total	55,261	100.00	27,195	100.00	28,066	+103.20

From the table above, in 2015 the proportion of fee income and service income from long-term financial lease of leasing and hire purchase are 0.54 and 0.27, respectively. The proportion of the fee income and service income of short-term credit of factoring service, project backup financing, and bid bond are 38.06, 46.45, and 14.65 percent, respectively. The proportion of fee income mainly comes from providing short-term credit to 99.19 percent.

Fee and service income from short-term loans, as the factoring were increased by 144.32 percent compared with the previous year due to the increasing of front end fee of new customer. Moreover, the project backup financing were increased by 76.97 percent compared with the year due to credit to support a new product by the company. So the growth rate was quite high in line with income. The fee income of the bid bond grew sharply in 2015, since the bid bond was a new financing service of the company. The service began in 2010 and number of customers has grown continuously for the year 2015. The company had credit facilities with banks to issue bid bond in order to pen new channels for customers as an opportunity to compete in bidding and customer response as well. The results in a significant growth in terms of product revenue reaching to 125.24 percent compared with a year ago.

Other sources of revenue consisted of providing products and other income. However, other forms of income mainly comprised of interest income and default payment reaching to 19.97 percent and 80.03 percent, respectively, in year 2015.

Other Income	2015		2014		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
• Margin (Trade Finance)	3,187	19.97	6,415	30.67	-3,228	-50.32
• Others	12,774	80.03	14,498	69.33	-1,724	-11.89
Total	15,961	100.00	20,913	100.00	-4,952	-23.68

Revenue from the supply of goods in 2015 had decreased (compared with the previous year) by 50.32 percent due to the customer choose to use the project backup financing instead. Other income primarily from penalty fee was decreased of 11.89 percent over the previous year. Because the country is facing a political problem that result in multiple projects were stopped since 2013. As a result, customers are unable to deliver their project and can not pay back the debt to the company on time until year 2014. Later in 2558, the political situation began to return to normal, the Company's penalty interest income decreased from the previous year.

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

Expense	2015		2014		Change	
	Thousand Baht	Percent	Thousand Baht	Percent	Thousand Baht	Percent
Cost of sales	15,752	15.47	11,753	16.98	3,999	+34.03
Administrative expenses	56,487	55.48	35,979	51.99	20,508	+57.00
Financial expenses	29,570	29.04	21,466	31.03	8,104	+37.75
Total	101,809	100.00	69,198	100.00	32,611	47.13

Cost of sales

In year 2015 the cost of sales increased by 34.03 percent (compared with the previous year) because of the growth of credit expansion. The rate of growth in sales incentives also increased positively and in the same direction.

Administrative expenses

In 2015, administrative expenses were increased by 57.00 percent (compared with the previous year). Mainly due to the increasing of relevant tax expenses and provisions for doubtful accounts.

Financial costs

In 2015, financial cost was decreased by 47.13 percent (compared with the previous year). This is in line with the increase in AR account Portfolio.

Allowance for doubtful accounts

The table below shows more details about the allowance for doubtful accounts (for year 2014 and year 2015) for each financial product.

Financial Products/Services (Unit : Thousand Baht)	2015	2014
Products and Services		
Brought forward	3,368	2,443
Plus : Allowance for doubtful accounts	-1,292	925
Minus : Doubtful accounts	-	-
Carry forward	2,076	3,368
Leasing		
Brought Forward	558	1,341
Plus : Allowance for doubtful accounts	6,226	-783
Minus : Doubtful accounts	-	-
Carry forward	6,784	558
Hire Purchase		
Brought Forward	37	49
Plus : Allowance for doubtful accounts	1,630	-12
Minus : Doubtful accounts	-	-
Carry forward	1,667	37
Loan Agreement		
Brought Forward	10,014	7,513
Plus : Allowance for doubtful accounts	9,211	2,501
Minus : Doubtful accounts	-	-
Carry forward	19,225	10,014
Loan Agreement		
Brought Forward	2,926	57
Plus : Allowance for doubtful accounts	- 2,684	2,869
Minus : Doubtful accounts	-	-
Carry forward	242	2,926
Total	29,994	16,903

In year 2015, the company's allowance for doubtful accounts amounting to 13.09 million Baht, which showed 77.45 percent increase compared with the previous year due to the company has a policy of bad debt reserves classified by aging as the basic backup. In this year, the company has changed the way to present aging of accounts receivable (Leasing & Hire Purchase) from presenting just only receivables payment overdue by installments to presenting the whole contract of accounts receivable payment overdue. This is the company's intention to uplift the company's standard of aging classification. In consequence, the company has to add provisions to be in line with the provisions policy on aging classification. However, the company believes that there will be no problems in debtor's payment because most debtors are in public sector, which usually delays payment. As of December 31, 2015, the company has reserved a total amount of 29.99 MB (representing 2.83 percent of outstanding account receivables).

(c) Net Profit

During the years 2014 - 2015, the Company has a net profit of 47.81 million Baht and 70.45 million Baht, respectively. The increase represents a net profit margin of 36.90 percent which was a result of the boost in lending through adding various financial products (i.e., such as bid bond, providing products, hire purchase, factoring, or project backup financing services). The launch of project backup finance focused on the integrated services, making the total revenues for the company increased continuously. The results show that the company's net profit growth did well every year.

13.2 Financial Status

(a) Assets

At the end of the year 2014 - 2015, the company's total assets increased from 860.78 million Baht to 1,171.84 million Baht. The company's receivables from loans accounted for 93.17 percent, 88.02 percent of total assets, respectively.

Current assets of the years 2014 - 2015 were 705.84 million Baht and 1,009.78 million Baht, respectively. Current assets included receivables based on current portion of leasing and hire purchase receivables, current portion of factoring receivables, and current portion of loan receivables (project backup financing) which accounted for 18.37 percent, 51.33 percent and 20.02 percent of total current assets in 2015.

Non-current assets of the years 2014 - 2015 were 154.95 million Baht and 162.06 million Baht, respectively. Non current assets included receivables based on leasing and hire purchase (net of current portion) and receivables based on factoring (net of current portion), net of current portion) accounted for 62.47 percent and 0.07 percent of total non-current assets in 2015.

Quality of Assets

The company has set guidelines to control the quality of the receivables. As mentioned earlier, accounts receivable is an asset which is the major proportion of the company in regard to the amount of loans. There is the policy for issuing various types of credit to the debtors of the company in order to achieve high quality debtors. In addition, there is no significant concentration because of diversification of customers and number of customers.

Debtor	2015	2014	Increase/ (Decrease)	% Change
	Million baht	Million baht		
Financial lease	194.79	258.74	(63.95)	- 24.72%
High purchase	131.86	78.03	53.83	68.99%
Factoring	537.65	265.10	272.55	102.81%
Loan	202.36	205.02	(2.66)	-1.30%
Account receivable	18.92	52.15	(33.23)	-63.72%
Total	1,085.58	859.04		

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

In the years 2014-2015, receivables (under the factoring) has increased from 265.10 million Baht to 537.65 million Baht, respectively, representing an increase of 102.81 percent. The cause of the accelerated expansion of the customer base and the factoring in the private sector increased.

The company began offering project backup financing services in 2012. By the expansion of the debtor under the project backup financing reached to 94.74 million Baht, 126.80 million Baht and 205.02 million Baht in 2012, 2013 and 2014 respectively. Year 2015, receivable under the project backup financing reached 202.36 million Baht. The cause is for supporting existing customers who have used the company's main products.

Trade in supplier services (within the years 2014 - 2015) amounted to 52.15 million Baht and 18.9252.15 million Baht, having a decrease of 63.72 percent. This is because the company has switched to alternative products. (Project backup financing) And due to the government policy of accelerate the disbursement of funds in the end of year 2014.

(B) Liquidity

(Unit : Million Baht)			
Item	2015	2014	Increase/ (Decrease)
	Million baht	Million baht	
Cash flows from (used in) operating activities	(155.99)	(123.09)	88.90
Cash flows from (used in) investing activities	(31.30)	2.09	(6.19)
Cash flows from (used in) financing activities	248.79	121.06	(82.60)
Cash and cash equivalents at end of the year	61.50	0.06	0.11

In 2015, the company's cash flow from used in operating activities such as receivables from loans amounted to 155.99 million Baht. Accordingly, cash flow received from investing activities amounted to 31.30 million Baht.. Moreover, cash flow received from financing activities amounted to 248.79 million Baht.

(c) Source of funds

As at 31 December 2014 and 2015, the company has a detailed list of financial liabilities, equity shareholders, and the ratio of financial liabilities to equity shareholders as follows:

Item	2015	2014	Increase/ (Decrease)	% Change
Financial Debts				
Short-Term Loan from financial institutions	313.18	366.20	(53.02)	(14.48)
Long-Term Loan	10.30	32.63	(22.33)	(68.43)
Total liabilities	323.48	398.83	(75.35)	(18.89)
Total shareholders' equity	411.11	364.94	46.17	12.65
Net cash flows	734.59	763.77	(29.18)	(3.82)
Debt to Equity Ratio (Times)	0.79	1.09		

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

1. Liability

As at 31 December 2014 and 2015, the company had total liabilities of 495.85 million Baht and 760.72 million Baht, respectively. The company's liabilities included bank overdrafts and short-term loans from banks. The increase in total liabilities was result of the expansion of credit to the company.

As at 31 December 2014 and 2015, the company's ratio of loans per loan was 1.70 times and 2.51 times, respectively. This shows that the loan will be applied to all almost loans.

2. Equity Shareholders

Due to the company offers various types of credit and meet the financial needs of clients in the business which enabled the company to provide a more comprehensive market coverage and product/service diversification. As a result, the company's revenues and profits were increased every year, resulting in higher retained earnings to the company in the shareholders' equity On 31 December 2014 and 2015 with a total of 364.94 and 411.11 million Baht, respectively.

In terms of returns to shareholders, during the years 2014 - 2015, the company make a profit for its shareholders at the rate of 17.22 percent and 18.16 percent respectively.

3. Appropriate Capital Structure

For year 2014 – 2015, the company's debt to equity ratio was equal to 1.36 times and 1.85 times, respectively. The ratio of debt to equity shareholders of the company declined, and reflected capital structure that became stronger and stronger. Because the company was listed on the Stock Exchange of Thailand.



13.2.1 Factors Affecting the Future Operating Results

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

13.2.2 Remuneration of Auditors

On December 31, 2014, the company paid a remuneration disclosure to the auditors of the company (Audit Fee) (as well as auditors of the EY office Limited) in the amount of 900,000 Baht. The 2015 Annual General Meeting of Shareholders approved the remuneration for the auditors for the year 2015 in the amount of 900,000 baht. In return, the company has no other obligation to pay the auditors of the Office of Auditing, or any other parties related to the auditors.

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

Audit Committee's Annual Report for the Year 2015

To All Shareholders

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

1. Mr. Prakob Visitkitjakarn Chairman of the Audit Committee
 2. Mrs. Duanphorn Sucharittanuwat Chairman of the Board and Audit Committee Member
 3. Police General Jate Mongkolhutthi Audit Committee Member
 4. Mr. Suthud Khancharoensuk Audit Committee Member
 5. Mrs. Nitnirun Suwannaked Audit Committee Member
- Mr. Pattarapol Sirivibul is the secretary of the Audit Committee.

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

In the year 2015, the Audit Committee has held 4 meetings with management levels, chief executives, and auditors in order to discuss and exchange of ideas about certain matters such as agenda reports, financial statements, internal control of the company, transactions or potential conflict of interest, risk management, and financial statement disclosures of the company. The conclusions are summarized as follows:

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



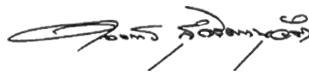
(Mr. Prakob Visitkitjakarn)
Chairman of the Audit Committee

Committee's Responsibility to Prepare Financial Report for the Year 2015

The Board of Directors realizes the duties and responsibilities of the committee members of the company listed on the Stock Exchange of Thailand. The duties are to oversee the financial statements of the company, in the year 2015, to be as adequate, transparent, and complete as possible. Moreover, the committee members are in charge of maintaining the assets of the company away from unusual operations (i.e., fraud protection) via following appropriate accounting standards and practices regularly throughout the business processes. In preparing the Company's Annual Report for fiscal year 2015, the committee members do their best to make judgment and estimates that are reasonable and prudent in terms of financial statements and financial information.

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

The Board of Directors of the company has an opinion that (all) the financial statements and cash flows for the financial year 2015 (ended in December 31, 2015) are reviewed by the audit committee with managers, and audited by the auditor were accurate, completed, reliable, reasonable and compatible with generally accepted accounting standards. In addition, accounting policies were appropriate and able to be practiced and disclosed regularly. Transparency was sufficient, and able to be practiced in relation to laws and related regulations.



(Mrs. Duangphorn Sucharittanuwat)
Chairman of the Board



(Mr. Sompon Aketerajit)
Managing Director



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Independent Auditor's Report

To the Shareholders of Lease IT Public Company Limited

I have audited the accompanying financial statements of Lease IT Public Company Limited, which comprise the statement of financial position as at 31 December 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 Lease IT Public Company Limited as at 31 December 2015, and 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: 11 February 2016

15 Financial Statements

Lease IT Public Company Limited Statements of financial position As at 31 December 2015

(Unit: Baht)

	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	7	71,470,335	9,974,542
Trade and other receivables	8	24,093,203	51,869,126
Current portion of loan receivables	9	202,114,854	187,339,798
Current portion of factoring receivables	10	518,314,760	253,664,894
Current portion of financial lease receivables	11	112,983,477	144,955,548
Current portion of hire-purchase receivables	12	72,540,255	50,704,088
Other current assets		8,259,189	7,330,693
Total current assets		1,009,776,073	705,838,689
Non-current assets			
Restricted bank deposits	13	43,348,695	16,032,627
Loan receivables - net of current portion	9	-	14,755,185
Factoring receivables - net of current portion	10	110,345	1,419,742
Financial lease receivables - net of current portion	11	56,686,041	88,049,842
Hire-purchase receivables - net of current portion	12	44,556,236	21,244,356
Equipment	14	9,722,798	7,781,094
Intangible assets	15	1,328,085	1,228,095
Deferred tax assets	16	6,307,606	4,434,934
Total non-current assets		162,059,806	154,945,875
Total assets		1,171,835,879	860,784,564

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

Lease IT 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 overdrafts and short-term loans			
from financial institutions	17	313,184,033	366,201,061
Trade and other payables	18	656,433	8,378,766
Current portion of long-term loans	19	9,191,600	23,878,612
Current portion of liabilities under			
financial lease agreement	20	429,999	379,187
Income tax payable		9,995,180	6,285,752
Cash receipt awaiting for return to factoring			
receivables and financial lease receivables		42,909,217	30,846,213
Other current liabilities		29,188,937	38,606,374
Total current liabilities		405,555,399	474,575,965
Non-current liabilities			
Long-term loans - net of current portion	19	1,114,546	8,754,145
Liabilities under finance lease agreement -			
net of current portion	20	1,133,543	1,560,182
Debentures	21	349,033,605	-
Provision for long-term employee benefits	22	3,886,580	3,124,448
Other non-current liabilities		-	7,830,491
Total non-current liabilities		355,168,274	21,269,266
Total liabilities		760,723,673	495,845,231

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

Lease IT Public Company Limited
Statements of financial position (continued)
 As at 31 December 2015

(Unit: Baht)

	Note	2015	2014
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	23		
Registered			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Issued and fully paid-up			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Share premium	23	70,718,399	70,718,399
Retained earnings			
Appropriated - statutory reserve	24	11,681,139	8,158,806
Unappropriated		128,712,668	86,062,128
Total shareholders' equity		411,112,206	364,939,333
Total liabilities and shareholders' equity		1,171,835,879	860,784,564

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

Lease IT Public Company Limited
Statements of comprehensive income
 For the year ended 31 December 2015

(Unit: Baht)			
	Note	2015	2014
Profit or loss:			
Revenues			
Interest income	25	119,693,154	79,964,329
Fees and service income	26	55,260,955	27,194,665
Other income	27	15,960,749	20,913,131
Total revenues		190,914,858	128,072,125
Expenses			
Selling expenses/Procurement of goods		15,751,619	11,753,483
Administrative expenses		56,487,021	35,979,093
Total expenses		72,238,640	47,732,576
Profit before finance cost and income tax expenses		118,676,218	80,339,549
Finance cost		(29,570,436)	(21,465,691)
Profit before income tax expenses		89,105,782	58,873,858
Income tax expenses	16	(18,659,128)	(11,067,266)
Profit for the year		70,446,654	47,806,592
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss		(342,226)	-
Less: Income tax effect		68,445	-
Other comprehensive income for the year		(273,781)	-
Total comprehensive income for the year		70,172,873	47,806,592
Earnings per share			
Basic earnings per share	29	0.35	0.26
Weighted average number of ordinary shares (shares)		200,000,000	182,049,315

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

Lease IT Public Company Limited
Cash flow statements
 For the year ended 31 December 2015

(Unit: Baht)

	2015	2014
Cash flows from operating activities		
Profit before income tax expenses	89,105,782	58,873,858
Adjustment to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	1,943,302	1,333,277
Doubtful account on trade and other receivables (reversal)	(1,292,624)	924,989
Doubtful account on loan receivables (reversal)	(2,684,268)	2,868,986
Doubtful account on factoring receivables	9,210,573	2,501,301
Doubtful account on financial lease receivables (reversal)	6,226,256	(782,180)
Doubtful account on hire-purchase receivables (reversal)	1,631,112	(13,096)
Gain on sales of equipment	(3,507)	-
Amortisation of deferred interest income under the financial lease and hire-purchase agreements	(29,806,858)	(35,475,185)
Provision for long-term employee benefits	419,906	385,709
Interest expenses	29,570,436	21,465,691
Profit from operating activities before change in operating assets and liabilities	104,320,110	52,083,350
Operating assets (increase) decrease		
Trade and other receivables	29,068,547	7,699,990
Loan receivables	2,664,397	(78,224,846)
Factoring receivables	(272,551,042)	(112,901,362)
Financial lease receivables	78,060,490	43,205,859
Hire-purchase receivables	(37,923,175)	(5,101,932)
Other current assets	(926,281)	1,369,183

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

Lease IT Public Company Limited
Cash flow statements (continued)
 For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
Operating liabilities increase (decrease)		
Trade and other payables	(7,722,332)	1,367,905
Other current liabilities	(935,771)	10,624,774
Other non-current liabilities	(7,830,491)	(10,818,405)
Cash flows used in operating activities	(113,775,548)	(90,695,484)
Cash paid for interest expenses	(25,462,140)	(22,843,162)
Cash paid for income tax	(16,758,685)	(9,553,729)
Net cash flows used in operating activities	(155,996,373)	(123,092,375)
Cash flows from investing activities		
Decrease (increase) in restricted bank deposits	(27,316,068)	3,341,158
Cash paid for purchase of equipment and intangible assets	(3,986,161)	(1,246,412)
Proceeds from sales of equipment	4,673	-
Net cash flows from (used in) investing activities	(31,297,556)	2,094,746
Cash flows from financing activities		
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(53,017,028)	9,786,949
Cash received from long-term loans	-	19,368,538
Repayments of long-term loans	(22,326,611)	(32,452,781)
Repayments of liabilities under finance lease agreement	(605,760)	(1,241,425)
Cash received from issuance of debentures	348,739,121	-
Cash received from issuance of ordinary shares	-	145,597,999
Dividend paid	(24,000,000)	(20,000,000)
Net cash from financing activities	248,789,722	121,059,280
Net increase in cash and cash equivalents	61,495,793	61,651
Cash and cash equivalents at beginning of the year	9,974,542	9,912,891
Cash and cash equivalents at end of the year	71,470,335	9,974,542
Supplemental cash flows information		
Non-cash item		
Assets acquired under finance lease agreement	-	2,979,047

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

Lease IT Public Company Limited
Statements of changes in shareholders' equity
For the year ended 31 December 2015

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2014	116,000,000	8,000,000	5,768,476	60,645,866	190,414,342
Issued ordinary shares (Note 23)	84,000,000	62,718,399	-	-	146,718,399
Dividend paid (Note 30)	-	-	-	(20,000,000)	(20,000,000)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	-	2,390,330	(2,390,330)	-
Profit for the year	-	-	-	47,806,592	47,806,592
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	47,806,592	47,806,592
Balance as at 31 December 2014	200,000,000	70,718,399	8,158,806	86,062,128	364,939,333
Balance as at 1 January 2015	200,000,000	70,718,399	8,158,806	86,062,128	364,939,333
Dividend paid (Note 30)	-	-	-	(24,000,000)	(24,000,000)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	-	3,522,333	(3,522,333)	-
Profit for the year	-	-	-	70,446,654	70,446,654
Other comprehensive income for the year	-	-	-	(273,781)	(273,781)
Total comprehensive income for the year	-	-	-	70,172,873	70,172,873
Balance as at 31 December 2015	200,000,000	70,718,399	11,681,139	128,712,668	411,112,206

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

1. General information

Lease IT Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is SVOA Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in providing financial services in form of hire-purchase, leasing, factoring services and loans. The registered office of the Company is at 900/17, Rama III Road, Bang Pong Pang, Yanawa, Bangkok 10120.

2. Basis of preparation of the financial statements

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

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

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

3. New financial reporting standards

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

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 followings 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.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gain and loss immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value 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 year 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) Interest income on loans receivables and factoring

The Company recognised interest income from loan receivables and factoring on an accrual basis using the effective interest rate, except for overdue receivables for more than ninety days, interest are recognised on a cash basis.

b) Interest income from financial lease and hire-purchase contracts

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

c) Fees and service income

Fees and service income are recognised on an accrual basis.

4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

b) Direct expenses charged on loans

Initial direct expenses at the inception of contract i.e. commission expenses are to be deferred and amortised using the effective interest method.

4.3 Cash and cash equivalents

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

4.4 Receivables

Receivables, which include trade receivables, loan receivables, factoring receivables, receivables under financial lease contracts and receivables under hire-purchase contracts are stated at net realisable value. Unearned financial lease and hire-purchase income are presented as a deduction from financial lease receivables and hire-purchase receivables, and deferred direct expenses are presented as a deduction from unearned interest income.

4.5 Allowance for doubtful accounts

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

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

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

In addition, the Company sets aside further provision based on consideration of additional loss that may be incurred in the future.

4.6 Equipment and depreciation

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

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

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

Depreciation is included in determining income.

An item of 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 asset is derecognised.

4.7 Intangible assets and amortisation

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

Intangible assets are amortised as expenses in the profit or loss on a straight-line basis over the economic useful life, as follows:

	<u>Useful lives</u>
Computer software	10 years

No amortisation is provided on computer software under installation.

4.8 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.9 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial 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.

Current tax

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

Deferred tax

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

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences 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 recorded directly to shareholders' equity.

4.11 Related party transactions

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

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

4.12 Long-term leases

Leases which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance 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 included in long-term payables, while the interest element is charged to profit or loss over the lease period.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 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.

4.14 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:

Allowance for doubtful accounts

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary 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 taxable profit.

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.

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 disclosures of fair value hierarchy.

6. Related party transactions

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

1. Purchase of goods, service expenses and other services are charged at the agreed prices.
2. Fixed assets are sold and purchased at market price.

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

(Unit: Thousand Baht)		
	2015	2014
Transactions with a major shareholder		
(SVOA Public Company Limited)		
Purchases of goods and services	755	3,828
Other service charge expenses	539	394
Purchases of fixed assets	30	-
Dividend paid	11,280	20,000
Transactions with related companies		
Purchases of goods and services	-	362
Other service charge expenses	2,395	1,198
Purchases of fixed assets	7	185

The balance of the accounts as at 31 December 2015 and 2014 between the Company and those related parties are as follows:

(Unit: Thousand Baht)		
	2015	2014
Trade and other payables - related parties		
Major shareholder	78	37
Related companies (related by common shareholder and/or common directors)	578	650
Total trade and other payables - related parties	656	687

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)		
	2015	2014
Short-term employee benefits	21,080	17,938
Post-employment benefits	324	292
Total	21,404	18,230

7. Cash and cash equivalents

(Unit: Thousand Baht)		
	2015	2014
Cash	20	10
Bank deposits	71,450	9,965
Total	71,470	9,975

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests rate of 0.4 percent per annum (2014: between 0.5 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)		
	2015	2014
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	16,305	48,301
Past due		
Up to 1 month	541	-
6 - 12 months	-	1,860
Over 12 months	2,071	1,989
Total	18,917	52,150
Less: Allowance for doubtful debts	(2,076)	(3,368)
Total trade receivables - unrelated parties - net	16,841	48,782
<u>Other receivables</u>		
Other receivables - unrelated parties	7,252	3,087
Total other receivables - unrelated parties	7,252	3,087
Trade and other receivables - unrelated parties - net	24,093	51,869

9. Loan receivables

(Unit: Thousand Baht)						
	Current portion of loan receivables ⁽¹⁾		Long-term portion of loan receivables		Total	
	2015	2014	2015	2014	2015	2014
Loan receivables	202,357	190,266	-	14,755	202,357	205,021
Less: Allowance for doubtful debts ⁽²⁾	(242)	(2,926)	-	-	(242)	(2,926)
Loan receivables - net	202,115	187,340	-	14,755	202,115	202,095

(1) The current portion of loan receivables included receivables for which revenue recognition has ceased
(2) Total allowance for doubtful debts is presented net of current portion of loan receivables

As at 31 December 2015 and 2014, the loan receivables classified by the age, based on due date, as follows

(Unit: Thousand Baht)		
	2015	2014
Aged on the basis of due date		
Not yet due	189,479	198,397
Past due		
Up to 1 month	12,368	2,300
1 - 3 months	400	-
3 - 6 months	-	3,974
Over 12 months	110	350
Total loan receivables	202,357	205,021
Less: Allowance for doubtful debts	(242)	(2,926)
Loan receivables - net	202,115	202,095

As at 31 December 2015 and 2014, the Company has been received the transfers collection rights between the loans receivables with their trade accounts receivable as collateral for these loans in full amount.

10. Factoring receivables

(Unit: Thousand Baht)

	Current portion of factoring receivables ⁽¹⁾		Long-term portion of factoring receivables		Total	
	2015	2014	2015	2014	2015	2014
Factoring receivables	537,540	263,679	110	1,420	537,650	265,099
Less: Allowance for doubtful debts ⁽²⁾	(19,225)	(10,014)	-	-	(19,225)	(10,014)
Factoring receivables - net	518,315	253,665	110	1,420	518,425	255,085

(1) The current portion of factoring receivables included receivables for which revenue recognitions has ceased

(2) Total allowance for doubtful debts is presented net of current portion of factoring receivables

The Company has the factoring receivables, giving the credit with a rate of approximately 70 to 95 percent of invoice amount. As at 31 December 2015 and 2014, the factoring receivables classified by the age, based on due date, as follows:

(Unit: Thousand Baht)

	2015	2014
Aged on the basis of due date		
Not yet due	424,238	248,118
Past due		
Up to 1 month	62,126	8,848
1 - 3 months	21,144	389
3 - 6 months	2,418	123
6 - 12 months	20,053	5,394
Over 12 months	7,671	2,227
Total	537,650	265,099
Less: Allowance for doubtful debts	(19,225)	(10,014)
Factoring receivables - net	518,425	255,085

11. Financial lease receivables

As at 31 December 2015 and 2014, financial lease receivables generally have 3 years terms and are payable in equal installments payment, with interest charged at fixed rates throughout the contracts. The balances of financial lease receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)						
	Current portion of financial lease receivables ⁽¹⁾		Long-term portion of financial lease receivables		SDU	
	2015	2014	2015	2014	2015	2014
Financial lease receivables	133,031	162,955	61,760	95,787	194,791	258,742
Less: Unearned financial income	(13,263)	(17,441)	(5,074)	(7,737)	(18,337)	(25,178)
Total	119,768	145,514	56,686	88,050	176,454	233,564
Less: Allowance for doubtful debts ⁽²⁾	(6,784)	(558)	-	-	(6,784)	(558)
Financial lease receivables - net	112,984	144,956	56,686	88,050	169,670	233,006

(1) The current portion of financial lease receivables included receivables for which revenue recognition has ceased

(2) Total allowance for doubtful debts is presented net of current portion of financial lease receivables

As at 31 December 2015 and 2014, the balance of the Company's financial lease receivables were classified by aging (determined on an individual contract basis, whereby if any installments are overdue the full balance under the contract is considered to be overdue) as follows:

(Unit: Thousand Baht)		
	2015	2014
Age of receivables		
Not yet due	154,563	185,346
Past due		
Up to 1 month	5,213	39,219
1 - 3 months	9,454	1,224
3 - 6 months	343	7,385
6 - 12 months	813	80
Over 12 months	6,068	310
Total	176,454	233,564
Less: Allowance for doubtful debts	(6,784)	(558)
Financial lease receivables - net	169,670	233,006

The Company has transferred its collection rights under the finance lease agreements to a financial institution as collateral for short-term and long-term loans as discussed in Note 17 and Note 19 to the financial statements. As at 31 December 2015, the balance of the above financial lease receivables that were placed as collateral for such short-term loans totaling Baht 41 million and Baht 20 million for long-term loans (2014: Baht 55 million and Baht 52 million, respectively).

12. Hire-purchase receivables

As at 31 December 2015 and 2014, hire-purchase receivables generally have 2 years terms and are payable in equal installments payment, with interest charged at fixed rates throughout the contracts. The balances of hire-purchase receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)						
	Current portion of hire-purchase receivables ⁽¹⁾		Long-term portion of hire-purchase receivables		Total	
	2015	2014	2015	2014	2015	2014
Hire-purchase receivables	83,007	55,191	48,853	22,838	131,860	78,029
Less: Unearned financial income	(8,800)	(4,450)	(4,297)	(1,594)	(13,097)	(6,044)
Total	74,207	50,741	44,556	21,244	118,763	71,985
Less: Allowance for doubtful debts ⁽²⁾	(1,667)	(37)	-	-	(1,667)	(37)
Hire-purchase receivables - net	72,540	50,704	44,556	21,244	117,096	71,948

1) The current portion of hire-purchase receivables included receivables for which revenue recognition has ceased

2) Total allowance for doubtful debts is presented net of current portion of hire-purchase receivables

As at 31 December 2015 and 2014, the balance of the Company's hire-purchase receivables were classified by aging (determined on an individual contract basis, whereby if any installments are overdue the full balance under the contract is considered to be overdue) are as follows:

(Unit: Thousand Baht)		
	2015	2014
Age of receivables		
Not yet due	110,153	57,422
Past due		
Up to 1 month	4,239	3,533
1 - 3 months	899	11,030
3 - 6 months	430	-
6 - 12 months	3,042	-
Total	118,763	71,985
Less: Allowance for doubtful debts	(1,667)	(37)
Hire-purchase receivables - net	117,096	71,948

13. Restricted bank deposits

As at 31 December 2015, the Company had bank deposits subject to withdrawal restrictions of Baht 43 million (2014: Baht 16 million), comprised of Baht 11 million (2014: Baht 2 million) for which rights had been transferred to the Company by debtors and withdrawal restrictions were imposed by the bank granting credit facilities to the Company, and deposits of Baht 32 million (2014: Baht 14 million) that were used to secure bank guarantees issued by banks on behalf of the Company's customer.

14. Equipment

(Unit: Thousand Baht)						
	Building improvement	Furniture	Computers	Office equipment	Motor vehicles	Total
Cost						
1 January 2014	1,076	307	1,327	814	3,514	7,038
Additions	-	339	307	105	2,979	3,730
31 December 2014	1,076	646	1,634	919	6,493	10,768
Additions	2,231	30	445	1,010	-	3,716
Disposals	-	-	(194)	(23)	-	(217)
31 December 2015	3,307	676	1,885	1,906	6,493	14,267
Accumulated depreciation						
1 January 2014	219	143	1,057	359	9	1,787
Depreciation for the year	215	69	213	127	576	1,200
31 December 2014	434	212	1,270	486	585	2,987
Depreciation for the year	468	112	285	259	649	1,773
Depreciation for disposals	-	-	(194)	(22)	-	(216)
31 December 2015	902	324	1,361	723	1,234	4,544
Net book value						
31 December 2014	642	434	364	433	5,908	7,781
31 December 2015	2,405	352	524	1,183	5,259	9,723
Depreciation charge for the year						
2014 (Included in administrative expenses)						1,200
2015 (Included in administrative expenses)						1,773

As at 31 December 2015, the Company had motor vehicle, acquired under finance lease agreement, with net book value amounting to Baht 2.5 million.

15. Intangible assets

(Unit: Thousand Baht)			
	Computer software	Computer software under installation	Total
Cost			
1 January 2014	1,299	-	1,299
Additions	400	95	495
31 December 2014	1,699	95	1,794
Additions	270	-	270
31 December 2015	1,969	95	2,064
Accumulated amortisation			
1 January 2014	433	-	433
Amortisation for the year	133	-	133
31 December 2014	566	-	566
Amortisation for the year	170	-	170
31 December 2015	736	-	736
Net book value			
31 December 2014	1,133	95	1,228
31 December 2015	1,233	95	1,328

16. Deferred tax assets/Income tax expenses

16.1 Deferred tax assets

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

(Unit: Thousand Baht)		
	2015	2014
Deferred tax assets		
Allowance for doubtful accounts	6,041	3,381
Provision for long-term employee benefits	777	625
Deferred fees income incurred at the initiation of financial lease and hire-purchase contracts	72	80
Difference of financial leases income	200	349
Total	7,090	4,435
Deferred tax liabilities		
Deferred commission expenses	(589)	-
Deferred expense on debentures issuance	(193)	-
Total	(782)	-
Deferred tax assets - net	6,308	4,435

16.2 Income tax expenses

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

(Unit: Thousand Baht)		
	2015	2014
Current income tax:		
Current income tax charge for the year	20,467	12,979
Adjustment in respect of income tax of previous year	(3)	(212)
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,805)	(1,700)
Income tax expenses reported in the statement of comprehensive income	18,659	11,067

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: Thousand Baht)		
	2015	2014
Deferred tax relating to actuarial loss	(68)	-

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

(Unit: Thousand Baht)		
	2015	2014
Accounting profit before tax	89,106	58,874
Accounting profit before tax multiplied by income tax rate (20%)	17,821	11,775
Adjustment in respect of income tax of previous year	(3)	(212)
Effects of:		
Non-deductible expenses	91	84
Additional expense deductions allowed	(9)	(43)
Others	759	(537)
Total	841	(496)
Income tax expenses reported in the statement of comprehensive income	18,659	11,067

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

(Unit: Thousand Baht)			
	Interest rate	2015	2014
	(Percent per annum)		
Bank overdrafts	MOR	40	865
Short-term loans	MOR, MLR	63,144	165,336
Bills of exchange	4.15 to 5.00	250,000	200,000
Total		313,184	366,201

As at 31 December 2015 and 2014, short-term loan from a financial institution is secured by the transfer of collection rights under financial lease agreements to the bank as described in Note 11.

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

18. Trade and other payables

(Unit: Thousand Baht)		
	2015	2014
Trade accounts payables - unrelated parties	-	7,422
Other payables - related parties	656	687
Other payables - unrelated parties	-	270
Total trade and other payables	656	8,379

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

As at 31 December 2015 and 2014, long-term loans from local banks consist of:

No.	Agreement date	Credit facility (Unit: Million Baht)	Outstanding loans (Unit: Thousand Baht)						Significant conditions of the loan agreements			
			Current portion		Long-term portion		Total		Loan period	Principal repayment	Interest payment	Interest rate
			2015	2014	2015	2014	2015	2014				
1	16 January 2013	14.9	-	1,721	-	-	-	1,721	2 years 2 months	Monthly	Monthly	At the rate of MLR per annum
2	20 February 2013	2.8	-	788	-	-	-	788	2 years 8 months	Monthly	Monthly	At the rate of MLR per annum
3	20 February 2013	12.2	-	3,796	-	-	-	3,796	2 years 8 months	Monthly	Monthly	At the rate of MLR per annum
4	17 July 2013	9.0	-	900	-	-	-	900	1 year 8 months	Monthly	Monthly	At the rate of MLR per annum
5	3 December 2013	11.2	2,512	4,344	-	2,150	2,512	6,494	2 years 7 months	Monthly	Monthly	At the rate of MLR per annum
6	3 December 2013	6.5	1,460	2,520	-	1,250	1,460	3,770	2 years 7 months	Monthly	Monthly	At the rate of MLR per annum
7	7 February 2014	4.9	980	2,940	-	-	980	2,940	2 years	Semi-annually	Monthly	At the rate of MLR per annum
8	1 April 2014	7.3	2,860	2,664	-	2,860	2,860	5,524	2 years 9 months	Monthly	Monthly	At the rate of MLR per annum
9	15 December 2014	7.2	1,380	4,206	1,114	2,494	2,494	6,700	2 years 11 months	Monthly	Monthly	At the rate of MLR-0.75 per annum
Total long-term loans			9,192	23,879	1,114	8,754	10,306	32,633				

Under the loan agreements, the Company has to comply with certain covenants as specified in the agreements i.e. to maintain certain debt to equity ratio at the rate prescribed in the agreements, to maintain the portion of the Company's shares held by its major shareholders, the transfer the collection right under financial lease agreements according to the agreements as described in Note 11.

20. Liabilities under financial lease agreement

(Unit: Thousand Baht)		
	2015	2014
Liabilities under financial lease agreement	1,929	2,538
Less : Deferred interest expenses	(365)	(599)
Total	1,564	1,939
Less : Portion due within one year	(430)	(379)
Liabilities under financial lease agreement - net of current portion	1,134	1,560

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

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

(Unit: Thousand Baht)			
	2015		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	609	1,320	1,929
Deferred interest expenses	(179)	(186)	(365)
Present value of future minimum lease payments	430	1,134	1,564

(Unit: Thousand Baht)			
	2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	609	1,929	2,538
Deferred interest expenses	(230)	(369)	(599)
Present value of future minimum lease payments	379	1,560	1,939

21. Debentures

On 29 April 2015, the Company had issued name registered, unsecured and unsubordinated debentures without a debentureholders' representative debenture for the total number of 150,000 units, at the price of Baht 1,000 per unit, totalling Baht 150 million. These debentures are 3-years debentures at the coupon rate of 5.25% per annum with interest payable every three-month.

On 29 July 2015, the Company had issued name registered, unsecured and unsubordinated debentures without a debentureholders' representative debenture for the total number of 200,000 units, at the price of Baht 1,000 per unit, totalling Baht 200 million. These debentures are 2-years debentures at the coupon rate of 5.30% per annum with interest payable every three-month.

Debenture agreements contain certain covenants which the Company has to comply with such as financial ratios, payment of dividend and assets dispositions, etc.

Movements of debentures net of deferred issuing expenses for the year ended 31 December 2015 are summarised below.

(Unit: Thousand Baht)	
Balance as at 1 January 2015	-
Debentures issued during the period	350,000
Deferred debenture issuing expenses	(1,261)
Amortisation of deferred debenture issuing expenses	295
Balance as at 31 December 2015	349,034

22. Provision for long-term employee benefits

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

(Unit: Thousand Baht)		
	For the year ended 31 December	
	2015	2014
Provision for long-term employee benefits at beginning of year	3,124	2,739
Included in profit or loss:		
Current service cost	282	265
Interest cost	138	120
Included in other comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumptions changes	(317)	-
Financial assumptions changes	414	-
Experience adjustments	245	-
Provision for long-term employee benefits at end of year	3,886	3,124

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 14 years.

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)		
	2015	2014
Discount rate	2.9%	4.4%
Future salary increase rate	5.5%	5.5%
Employee turnover rate (depending on age of employees)	8.0% - 30.0%	5.0% - 20.0%

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: million Baht)				
	Rate increase		Rate decrease	
	Rate per annum	Liability increase (decrease)	Rate per annum	Liability increase (decrease)
Discount rate	1	(0.3)	1	0.3
Salary increase rate	1	0.3	1	(0.3)
Turnover rate	20 of based assumption	(0.2)	20 of based assumption	-

23. Share capital

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

23.2 During 17 - 19 March 2014, the Company offered 50.4 million ordinary shares, with a par value of Baht 1 each, at a price of Baht 1.80 each through the Initial Public Offering and directors and employees of the Company. The Company registered the increase of its issued and paid-up share capital from Baht 116 million (116 million ordinary shares with a par value of Baht 1 each) to Baht 200 million (200 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 20 March 2014, and the Stock Exchange of Thailand approved the 200 million ordinary shares with a par value of Baht 1 each as listed securities for trading, effective from 25 March 2014. The Company incurred expenses relating to the share offering totaling Baht 4.5 million (net of income tax of Baht 1.1 million), which were presented as a deduction from the share premium.

24. Statutory reserve

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

In 2015, the Company set aside a statutory reserve totaling Baht 3.5 million (2014: Baht 2.4 million).

25. Interest income

(Unit: Thousand Baht)		
	2015	2014
Interest income from		
Loan contracts	35,949	20,409
Factoring contracts	53,937	24,080
Financial lease contracts	20,951	27,143
Hire-purchase contracts	8,856	8,332
Total interest income	119,693	79,964

26. Fees and service income

(Unit: Thousand Baht)		
	2015	2014
Fees and service income from		
Loan contracts	25,668	14,504
Factoring contracts	21,031	8,608
Financial lease contracts	300	262
Hire-purchase contracts	149	183
Letter of guarantees	8,095	3,594
Others	18	44
Total fees and service income	55,261	27,195

27. Other income

(Unit: Thousand Baht)		
	2015	2014
Revenues from procurement of goods	92,595	215,786
Cost of sales from procurement of goods	(89,408)	(209,371)
Change in revenues and cost	3,187	6,415
Others	12,774	14,498
Total other income	15,961	20,913

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

28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Salaries and wages and other employee benefits	22,051	16,794
Doubtful accounts	13,296	5,500
Rental expenses from operating lease agreements and services expenses	2,640	1,762
Depreciation and amortisation	1,943	1,333

29. 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.

30. Dividends

Dividends	Approved by	Total dividends	Dividends per share	Paid date
		Million Baht	Baht	
Final dividends for 2013	Annual General Meeting of the Company's shareholders dated 28 April 2014	20	0.10	May 2014
Final dividends for 2014	Annual General Meeting of the Company's shareholders dated 10 April 2015	24	0.12	April 2015

31. Provident fund

The Company and its employees jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The fund is monthly contributed to by the employees at the rate of 5 percent of their basic salaries and by the Company at the same rate. The fund is managed by SCB Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund. The contributing for the year 2015 amounting to Baht 0.62 million were recognised as expenses (2014: Baht 0.49 million).

32. Segment information

The Company's principal operations involve a single operating segment in lending business in term of hire-purchase, financial leases, factoring from selling and service, and loans. The Company operates in the single geographical area in Thailand. Segment performance is measured based on operation profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues and operating profits as presented in the comprehensive income statement and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Major customers

For the years 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

33. Commitments

As at 31 December 2015 and 2014, the Company has commitments other than those disclosed in other notes as follows:

33.1 Operating lease commitments and service agreements

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

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

	(Unit: Million Baht)	
	2015	2014
Payable within:		
In up to 1 year	3.8	1.6
In over 1 and up to 3 years	4.6	-

33.2 Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 37 million (2014: Baht 31 million) issued by banks on behalf of the Company's customers in respect of certain bid bonds.

33.3 Employee Joint Investment Program

During 2015, 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 at the rate of 5 percent of their basic salaries, but not over than Baht 100,000. The program is entitled for 3 years. During 2015, the amount contributed by the Company to EJIP members was presented under the caption of personnel expenses.

34. 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, trade and other receivables, loan receivables, factoring receivables, financial lease receivables, hire-purchase receivables, restricted bank deposits bank overdraft and short-term loans, trade and other payables, long-term loans, financial lease payables, and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

34.1 Credit risk

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

34.2 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 investments in securities, market risk therefore consists of only interest rate risk and foreign exchange rate risk.

Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

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: Million Baht)

	2015					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	71	-	71	0.4
Trade and other receivables	-	-	-	24	24	-
Loan receivables	202	-	-	-	202	15
Factoring receivables	518	-	-	-	518	15
Financial lease receivables	113	57	-	-	170	6.8 - 7.8
Hire-purchase receivables	72	45	-	-	117	5.9 - 8.0
Restricted bank deposits	-	32	11	-	43	0.4
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	250	-	63	-	313	4.2 - 5.0, MOR, MLR
Trade and other payables	-	-	-	1	1	-
Long-term loans	-	-	10	-	10	MLR, MLR - 0.75
Liabilities under financial lease agreement	-	2	-	-	2	14.2
Debentures	-	349	-	-	349	5.3

(Unit: Million Baht)

	2014					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	10	-	10	0.5
Trade and other receivables	-	-	-	52	52	-
Loan receivables	187	15	-	-	202	15
Factoring receivables	254	1	-	-	255	14.5 - 15
Financial lease receivables	145	88	-	-	233	6.8 - 7.8
Hire-purchase receivables	51	21	-	-	72	6.8 - 7.8
Restricted bank deposits	-	14	2	-	16	0.5 - 1.75
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	366	-	366	5.2 - 5.6, MOR, MLR
Trade and other payables	-	-	-	8	8	-
Long-term loans	-	-	33	-	33	MLR, MLR-0.75
Liabilities under financial lease agreement	-	2	-	-	2	14.2

Foreign exchange risk

The Company's exposure to foreign currency risk arises mainly from imported goods that are denominated in foreign currencies, the Company seeks to reduce this risk by entering into forward exchange contracts.

As at 31 December 2015, the Company has outstanding foreign exchange contract to purchase USD 1.08 million at the rate of 35.94 - 36.20 per dollar, maturing in January and February 2016. Gain on forward exchange contracts of Baht 0.06 million have been recognised in the financial statements.

34.3 Fair value of financial instruments

As at 31 December 2015 and 2014, the Company had no financial assets and liabilities that were measured at fair value, but had financial assets and liabilities that measured at cost and have to be disclosed fair value, using different levels of inputs as follows:

(Unit: Million Baht)					
	31 December 2015				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Assets for which fair value are disclosed					
Cash and cash equivalents	71	-	71	-	71
Trade and other receivables	24	-	24	-	24
Loan receivables	202	-	202	-	202
Factoring receivables	518	-	518	-	518
Financial lease receivables	170	-	-	164	164
Hire-purchase receivables	117	-	-	118	118
Restricted bank deposits	43	-	43	-	43
Liabilities for which fair value are disclosed					
Bank overdrafts and short-term loans from financial institutions	313	-	313	-	313
Trade and other payables	1	-	1	-	1
Long-term loans	10	-	10	-	10
Liabilities under financial lease agreement	2	-	2	-	2
Debentures	349	-	351	-	351

Fair value hierarchy of financial assets and liabilities as at 31 December 2015 has been prepared in accordance with Note 4.14 to the financial statements.

As at 31 December 2014, there are no material differences between the book value of financial assets and 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, trade and other receivables, trade and other payables, overdraft and short-term loans, restricted bank deposits, their carrying amounts in the statement of financial position is approximate their fair value.
- b) Fair value of loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables 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 carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- d) Fair value of debentures and liabilities under financial lease agreement is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

35. Capital management

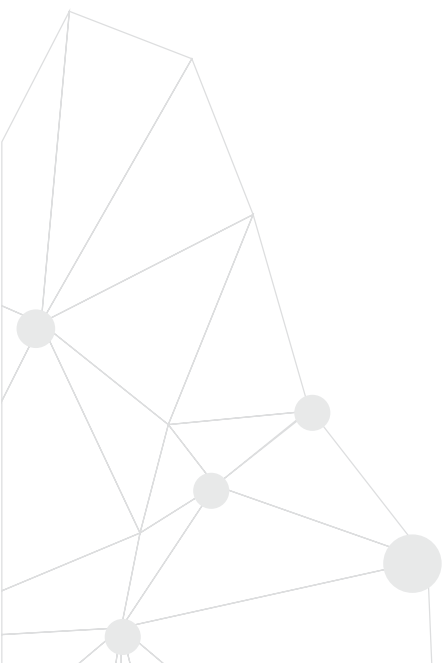
The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 1.85:1 (2014: 1.36:1).

36. Event after the reporting period

On 11 February 2016, a meeting of the Company's Board of Directors passed resolutions to propose to the Annual General Meeting of Shareholders for approval cash dividend payment to the shareholders from its net profit for the year 2015 by Baht 0.18 per share.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 February 2016.



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**General information &
other important information**

Company Name	Lease IT Public Company Limited
The headquarters	900/17 Rama III Road, Bangpongpan, Yannawa, Bangkok 10120 Thailand
Nature of Business	Leasing, Hire Purchase, and Factoring including other financial services such as Bid Bond, Project Backup Financing, and Trade Finance
Company Registration Number	0107556000353
Tel.	0-2686-3200-4
Fax	0-2686-3228
Website	www.leaseit.co.th

Reference

Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Dindang, Dindang, Bangkok 10400 Tel : 66(0)-2009-9726 Fax : 66(0)-2009-9807-8 or TSD Call Center 66(0)-2009-9999
Auditor	Ms. Somjai Khunapasut Certified Public Accountant (Thailand) No. 4499 Ms. Ratana Jala Certified Public Accountant (Thailand) No. 3734 Ms. Rachada Youngsawadvanich Certified Public Accountant (Thailand) No. 4951 EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel : 66(0)-2264-0777 Fax : 66(0)-2264-0789-90



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