

**THITIKORN PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**

**Interim Financial Information**

**For the Period Ended September 30, 2014**

**and Report on Review of Interim Financial Information**

**Performed by the Certified Public Accountant**

***M.R. & ASSOCIATES CO., LTD.***

***Certified Public Accountants***

## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE CERTIFIED PUBLIC ACCOUNTANT**

To the Board of Directors of Thitikorn Public Company Limited

I have reviewed the accompanying consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at September 30, 2014, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to the consolidated financial statements. I have also reviewed the accompanying separate financial statements of Thitikorn Public Company Limited, which comprise the statement of financial position as at September 30, 2014, and the related statements of comprehensive income for the three-month and nine-month periods then ended, the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with the Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the Thai Accounting Standard No. 34 "Interim Financial Reporting".

## **Other Matter**

The comparative consolidated statement of financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2013 and the comparative statement of financial position of Thitikorn Public Company Limited as at December 31, 2013 were audited by another auditor in my office whose report dated February 20, 2014 expressed an unmodified opinion on those statements. In addition, the comparative consolidated statements of comprehensive income for the three-month and nine-month periods then ended September 30, 2013, consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Thitikorn Public Company Limited and its subsidiaries, and the comparative statements of comprehensive income for the three-month and nine-month periods then ended September 30, 2013, statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Thitikorn Public Company Limited were reviewed by another auditor in my office whose report dated November 12, 2013 stated that nothing has come to his attention that causes him to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

(Mr. Akadet Pliensakul)  
Certified Public Accountant  
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.  
Bangkok  
November 11, 2014

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2014 AND DECEMBER 31, 2013**

**ASSETS**

		In Thousand Baht			
		Consolidated		The Company Only	
		September 30,	December 31,	September 30,	December 31,
		2014	2013	2014	2013
		(Reviewed)		(Reviewed)	
Note		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	81,973	100,427	32,638	78,191
	Trade receivables				
	- Current portion of hire-purchase contract receivables - net	3, 4	4,146,340	4,367,260	3,677,451
	- Other receivables		61,686	83,668	59,061
	Receivables from and short-term loan to related parties	3	-	-	961,565
	Current portion of long-term loans to other parties		5,000	5,000	5,000
	Merchandises		5,260	17,008	5,260
	Asset foreclosed - net	5	254,365	314,868	254,365
	Other current assets	3	57,877	81,967	62,732
	<b>Total Current Assets</b>		<u>4,612,501</u>	<u>4,970,198</u>	<u>5,058,072</u>
	<b>NON-CURRENT ASSETS</b>				
	Restricted deposits at financial institutions		25,000	25,000	-
	Hire-purchase contract receivables - net	3, 4	4,049,227	4,691,563	3,410,246
	Investments in subsidiaries accounted for using the cost method	1	-	-	286,383
	Long-term loans to other parties - net		74,228	90,697	74,228
	Property, plant and equipment - net	10	177,639	161,650	163,656
	Goodwill		83,640	83,640	-
	Intangible assets - net		9,406	8,216	9,175
	Deferred tax assets	7	139,830	150,274	131,383
	Property for lease - net		20,235	20,537	-
	Assets not used in operations		14,282	14,282	5,708
	Other non-current assets		46,838	51,376	10,347
	<b>Total Non-Current Assets</b>		<u>4,640,325</u>	<u>5,297,235</u>	<u>4,091,126</u>
	<b>TOTAL ASSETS</b>		<u><u>9,252,826</u></u>	<u><u>10,267,433</u></u>	<u><u>9,149,198</u></u>
				<u><u>10,352,238</u></u>	

The accompanying condensed notes are an integral part of these financial statements.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2014 AND DECEMBER 31, 2013**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Thousand Baht			
		Consolidated		The Company Only	
		September 30,	December 31,	September 30,	December 31,
		2014	2013	2014	2013
		(Reviewed)		(Reviewed)	
Note		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>CURRENT LIABILITIES</b>					
	Bank overdrafts and short-term borrowings from financial institutions	916,219	1,218,669	914,135	1,210,915
	Trade payables - other parties	91,880	94,055	91,880	94,055
	Current portion of long-term loans	600,000	1,600,000	600,000	1,600,000
6	Current portion of debentures	300,000	500,000	300,000	500,000
3	Payables to and short-term loans from related parties	1,359	1,258	549,995	730,057
	Income tax payable	3,357	4,156	-	-
	Deposits and advances from customers	107,432	107,075	104,697	104,571
	Accrued expenses and other current liabilities	151,150	166,431	115,993	126,307
	<b>Total Current Liabilities</b>	<u>2,171,397</u>	<u>3,691,644</u>	<u>2,676,700</u>	<u>4,365,905</u>
<b>NON-CURRENT LIABILITIES</b>					
	Long-term loans - net of current portion	500,000	800,000	500,000	800,000
6	Debentures - net of current portion	2,620,000	1,720,000	2,620,000	1,720,000
9	Liability for post-employment benefits	33,973	28,566	28,190	22,722
	Other non-current liabilities	11,050	13,305	7,515	9,057
	<b>Total Non-Current Liabilities</b>	<u>3,165,023</u>	<u>2,561,871</u>	<u>3,155,705</u>	<u>2,551,779</u>
	<b>Total Liabilities</b>	<u>5,336,420</u>	<u>6,253,515</u>	<u>5,832,405</u>	<u>6,917,684</u>
<b>SHAREHOLDERS' EQUITY</b>					
	Share capital - common shares, Baht 1 par value				
	Authorized share capital - 500,000,000 shares, Baht 1 par value	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
	Issued and fully paid-up share capital - 500,000,000 shares,				
	Baht 1 par value	500,000	500,000	500,000	500,000
	Premium on shares	972,987	972,987	972,987	972,987
	Retained earnings				
	- Appropriated for legal reserve	50,000	50,000	50,000	50,000
	- Unappropriated	2,393,419	2,490,931	1,793,806	1,911,567
	<b>Total Shareholders' Equity</b>	<u>3,916,406</u>	<u>4,013,918</u>	<u>3,316,793</u>	<u>3,434,554</u>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>9,252,826</u>	<u>10,267,433</u>	<u>9,149,198</u>	<u>10,352,238</u>

The accompanying condensed notes are an integral part of these financial statements.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**

(REVIEWED)  
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2014	2013	2014	2013
<b>REVENUES</b>					
Hire-purchase income		694,519	771,417	678,761	750,364
Sales of merchandises		4,596	9,913	4,596	9,913
Other income	3	223,404	208,564	334,568	399,278
<b>Total Revenues</b>		<b>922,519</b>	<b>989,894</b>	<b>1,017,925</b>	<b>1,159,555</b>
<b>EXPENSES</b>					
Cost of sales		4,683	9,849	4,683	9,849
Selling expenses		70	154	70	154
Administrative expenses	3	510,234	555,910	617,954	742,456
Bad debt and provision for doubtful accounts		291,577	306,042	287,357	303,692
Finance costs	3	50,757	58,560	54,111	61,475
<b>Total Expenses</b>		<b>857,321</b>	<b>930,515</b>	<b>964,175</b>	<b>1,117,626</b>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>65,198</b>	<b>59,379</b>	<b>53,750</b>	<b>41,929</b>
<b>Income Tax Expense (Tax Income)</b>	7	<b>22,970</b>	<b>(9,344)</b>	<b>16,011</b>	<b>(11,550)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>42,228</b>	<b>68,723</b>	<b>37,739</b>	<b>53,479</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>42,228</b>	<b>68,723</b>	<b>37,739</b>	<b>53,479</b>
<b>Basic Earnings per share (Baht)</b>		<b>0.08</b>	<b>0.14</b>	<b>0.08</b>	<b>0.11</b>

The accompanying condensed notes are an integral part of these financial statements.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**

(REVIEWED)  
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2014	2013	2014	2013
<b>REVENUES</b>					
Hire-purchase income		2,144,632	2,252,892	2,093,567	2,190,616
Sales of merchandises		17,349	29,717	17,349	29,717
Other income	3	628,890	623,652	956,425	1,180,009
<b>Total Revenues</b>		<u>2,790,871</u>	<u>2,906,261</u>	<u>3,067,341</u>	<u>3,400,342</u>
<b>EXPENSES</b>					
Cost of sales		17,360	28,703	17,360	28,703
Selling expenses		777	902	777	902
Administrative expenses	3	1,475,648	1,490,012	1,789,458	2,025,360
Bad debt and provision for doubtful accounts		990,716	861,862	978,909	857,186
Finance costs	3	166,545	163,084	176,188	171,464
<b>Total Expenses</b>		<u>2,651,046</u>	<u>2,544,563</u>	<u>2,962,692</u>	<u>3,083,615</u>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		139,825	361,698	104,649	316,727
<b>Income Tax Expense (Tax Income)</b>	7	<u>22,342</u>	<u>(16,366)</u>	<u>7,415</u>	<u>(23,436)</u>
<b>PROFIT FOR THE PERIOD</b>		117,483	378,064	97,234	340,163
<b>Other Comprehensive Income</b>		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>117,483</u>	<u>378,064</u>	<u>97,234</u>	<u>340,163</u>
<b>Basic Earnings per share (Baht)</b>		<u>0.23</u>	<u>0.76</u>	<u>0.19</u>	<u>0.68</u>

The accompanying condensed notes are an integral part of these financial statements.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**

(REVIEWED)  
(UNAUDITED)

		In Thousand Baht				
		Consolidated				
		Retained Earnings				
		Issued and	Appropriated			
		Fully Paid-up	Premium on	for Legal		
Note	Share Capital	Shares	Reserve	Unappropriated	Total	
	<b>Beginning Balance as at January 1, 2014</b>	500,000	972,987	50,000	2,490,931	4,013,918
8	Dividends paid	-	-	-	(214,995)	(214,995)
	Total comprehensive income for the period	-	-	-	117,483	117,483
	<b>Balance as at September 30, 2014</b>	<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,393,419</u>	<u>3,916,406</u>
	<b>Beginning Balance as at January 1, 2013</b>	500,000	972,987	50,000	2,277,253	3,800,240
8	Dividends paid	-	-	-	(215,018)	(215,018)
	Total comprehensive income for the period	-	-	-	378,064	378,064
	<b>Balance as at September 30, 2013</b>	<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,440,299</u>	<u>3,963,286</u>

The accompanying condensed notes are an integral part of these financial statements.



**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**

(REVIEWED)  
(UNAUDITED)

		In Thousand Baht				
		The Company Only				
				Retained Earnings		
		Issued and	Appropriated			
		Fully Paid-up	Premium on	for Legal		
		Share Capital	Shares	Reserve	Unappropriated	Total
	Note					
<b>Beginning Balance as at January 1, 2014</b>		500,000	972,987	50,000	1,911,567	3,434,554
Dividends paid	8	-	-	-	(214,995)	(214,995)
Total comprehensive income for the period		-	-	-	97,234	97,234
<b>Balance as at September 30, 2014</b>		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,793,806</u>	<u>3,316,793</u>
<b>Beginning Balance as at January 1, 2013</b>		500,000	972,987	50,000	1,752,584	3,275,571
Dividends paid	8	-	-	-	(215,018)	(215,018)
Total comprehensive income for the period		-	-	-	340,163	340,163
<b>Balance as at September 30, 2013</b>		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,877,729</u>	<u>3,400,716</u>

The accompanying condensed notes are an integral part of these financial statements.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**

(REVIEWED)  
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	139,825	361,698	104,649	316,727
Adjustments				
Depreciation and amortization	36,929	29,877	34,910	28,178
Expenses for post-employment benefits	6,045	2,097	5,842	1,679
Loss on written-off asset	382	-	-	-
Unrealized loss on exchange rate	176	506	176	506
Bad debt and provision for doubtful accounts	990,716	861,862	978,909	857,186
Increase (Decrease) in allowance for diminution in value of asset foreclosed	(20,368)	46,787	(19,229)	46,787
Gain on sales of current investment	(1,058)	-	(1,058)	-
Gain on sales of equipment	(119)	(2,368)	(119)	(2,059)
Dividend income	-	-	(303,969)	(349,358)
Interest income	(6,489)	(6,742)	(41,582)	(50,035)
Interest expense	166,545	163,084	176,188	171,464
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(118,633)	(1,448,376)	(349,987)	(1,454,616)
Trade receivables - other	13,155	11,188	10,705	10,732
Other receivables from related parties	-	-	(28)	(181,021)
Merchandises	11,748	4,671	11,748	4,671
Asset foreclosed	80,871	(165,460)	79,732	(165,460)
Other current assets	24,541	(18,049)	19,347	(20,241)
Other non-current assets	471	(2,084)	321	(2,083)
Increase (Decrease) in operating liabilities :				
Trade payables - other parties	(2,175)	84,349	(2,175)	84,349
Other payables to related parties	101	(617)	(201,469)	202,219
Deposits and advances from customers	357	(36,287)	126	(35,602)
Accrued expenses and other current liabilities	(314)	(32,611)	4,653	(34,819)
Liability for post-employment benefits paid	(638)	(1,998)	(374)	(1,292)
Other non-current liabilities	(2,255)	(1,632)	(1,542)	(817)
	1,319,813	(150,105)	505,774	(572,905)
Income tax paid	(9,012)	(25,529)	(956)	(15,714)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,310,801</b>	<b>(175,634)</b>	<b>504,818</b>	<b>(588,619)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in investment in subsidiaries	-	-	(3,171)	-
Increase in short-term loans to related party	-	-	(92,500)	(264,500)
Collections from short-term loans to related party	-	-	330,500	236,500
Increase in long-term loans to other parties	(26,940)	(126,183)	(26,940)	(126,183)
Collections from long-term loans to other parties	43,409	98,750	43,409	98,750
Purchases of current investment	(620,000)	-	(620,000)	-
Proceeds from sales of current investment	621,058	-	621,058	-
Purchases of fixed assets	(51,145)	(54,120)	(46,928)	(54,108)
Proceeds from sales of equipment	1,521	4,229	1,521	3,920
Purchases of intangible assets	(3,077)	(3,200)	(2,927)	(3,200)
Interest received	6,642	6,959	42,564	50,132
Dividends received	-	-	486,332	349,358
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(28,532)</b>	<b>(73,565)</b>	<b>732,918</b>	<b>290,669</b>

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**

(REVIEWED)  
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2014	2013	2014	2013
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in bank overdrafts and short-term borrowings from financial institutions	(302,626)	470,072	(296,956)	523,381
Increase in short-term loans from related party	-	-	67,100	57,400
Repayments of short-term loans from related party	-	-	(45,750)	(32,370)
Proceeds from long-term loans	160,000	500,000	160,000	500,000
Repayment of long-term loans	(1,460,000)	(200,000)	(1,460,000)	(200,000)
Issuance of debentures	1,200,000	570,000	1,200,000	570,000
Redemption of debentures	(500,000)	(700,000)	(500,000)	(700,000)
Interest paid	(183,102)	(178,723)	(192,688)	(187,057)
Dividends paid	(214,995)	(215,018)	(214,995)	(215,018)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(1,300,723)</b>	<b>246,331</b>	<b>(1,283,289)</b>	<b>316,336</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(18,454)</b>	<b>(2,868)</b>	<b>(45,553)</b>	<b>18,386</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>100,427</b>	<b>100,023</b>	<b>78,191</b>	<b>64,366</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>81,973</b>	<b>97,155</b>	<b>32,638</b>	<b>82,752</b>
<b>Supplementary disclosures of cash flow information</b>				
<b>a. Cash and cash equivalents at end of period</b>				
Cash in hand	10,683	22,303	5,531	21,626
Current accounts at banks	26,966	18,917	13,420	12,339
Savings deposits at banks	44,324	55,935	13,687	48,787
Total	81,973	97,155	32,638	82,752
<b>b. Non-cash transactions</b>				
Purchases of fixed assets by means of payables	986	70	986	70

The accompanying condensed notes are an integral part of these financial statements.

# THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Notes to Financial Statements

September 30, 2014 and 2013 (Reviewed) (Unaudited)

And December 31, 2013 (Audited)

### 1. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL INFORMATION

The accompanying interim financial information is prepared on a condensed basis and in accordance with The Thai Accounting Standard No. 34 (Revised 2012) “Interim Financial Reporting” including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission.

The accompanying interim financial information is prepared as updated information to the financial statements for the year ended December 31, 2013 with an emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. This interim financial information should therefore be read in conjunction with the financial statements for the year ended December 31, 2013.

For convenience of the readers, an English translation of the interim financial information is prepared from the Thai language interim financial information that is issued for domestic financial reporting purposes.

The consolidated financial statements for the three-month and nine-month periods ended September 30, 2014 and 2013, which are a component of this interim financial information, and the consolidated financial statements for the year ended December 31, 2013, include the accounts of the Company and its subsidiaries which the Company has controlling power or directly and indirectly holdings on those subsidiaries as follows:

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile business	40,000	40,000	99.99	99.99
TK Debt Services Co., Ltd.	Debt collection and forfeiture services	223,375	223,375	99.99	99.99
Suosdey Finance PLC (Cambodia)	Hire-purchase motorcycle and automobile business	3,250	-	98.00	-

At the Board of Directors’ meeting held on August 13, 2014, the Board of Directors approved the Company to establish a new subsidiary (the fourth) at Phnom Penh in the Kingdom of Cambodia (“Cambodia”) which is named “Suosdey Finance PLC” (“Suosdey”) whereby the Company and its two directors are shareholders of such company at the proportion of 98% and 2%, respectively, and source of fund for this investment is derived from the Company’s working capital. Suosdey is licensed by the National Bank of Cambodia to be registered as a juristic company under the laws of Cambodia in order to conduct its business relating to hire-purchase of motorcycle and automobile in Cambodia. Authorized share capital of Suosdey comprises of 100,000 common shares at U.S. 1 Dollar per share, amounting to U.S. 100,000 Dollar or approximately Baht 3.25 million. In addition, three-fifths of the directors of Suosdey are the Company’s directors. As at September 30, 2014, Suosdey was during the preparation stage and has not yet started its key business activities.

All significant intercompany transactions between the Company and its subsidiaries were eliminated in the preparation of the consolidated financial statements.

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Starting from January 1, 2014, the Company and its subsidiaries have adopted the revision and issuance of new Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TIC), and Thai Financial Reporting Interpretation (TFRIC), issued by FAP, which have been effective from the accounting period starting on or after January 1, 2014.

The aforesaid adoption of new and revised TAS and TFRS as well as TIC and TFRIC did not have any material effect on the Company and its subsidiaries.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company and its subsidiaries applied significant accounting policies and methods of computation to the preparation of interim financial information for the three-month and nine-month periods ended September 30, 2014 and 2013 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2013 except for the following matters:

- (a) Adoption of new and revised TAS and TFRS as well as TIC and TFRIC as discussed in Note 1 that are effective for the accounting period beginning on or after January 1, 2014 which had no any material effect.
- (b) Additional accounting policies for current investment in mutual fund whereby the Company has intention to hold not exceeding 1 year as investment in available-for-sale securities. The Company states this investment at fair value which is computed based on net asset value of the mutual fund and recognizes the change in value of such investment as other comprehensive income or loss in the statement of comprehensive income and as a separate item in shareholders' in equity. When investment is sold or disposed, the cumulative gain or loss previously recognized in shareholders' equity is recognized as profit or loss in statement of comprehensive income. The Company uses the weighted average method in computation of the cost of investment sold. However, the Company purchased and entirely sold such investment during the three-month period ended June 30, 2014.
- (c) Additional accounting policies for foreign entity whereby assets and liabilities, accounted for in foreign currency, of foreign entity are translated to Thai Baht at the exchange rates (closing rates) at the end of reporting period. Revenues and expenses, accounted for in foreign currency, of foreign entity are translated to Thai Baht at the exchange rates at the dates of the transactions. Differences arising on foreign currency translation or conversion are recognized as other comprehensive income or loss and separately presented as other components of equity until the investment is disposed.

**3. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2014 and 2013 are as follows:

	Consolidated (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2014	2013	2014	2013
<b>Rental and service charges</b>				
Related companies	8,404	7,655	25,163	23,068
<b>Management fee</b>				
Related companies	2,550	2,550	7,650	7,650
<b>Utility expenses</b>				
Related companies	1,247	1,284	3,612	3,621
<b>Stationery expense</b>				
Related companies	626	702	1,739	1,967
<b>Other expenses</b>				
Related companies	2,769	3,580	8,750	10,799

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	Consolidated (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2014	2013	2014	2013
<b>Key management's remunerations</b>				
Short-term benefits	13,629	13,934	24,187	22,889
Post-employment benefits	296	120	888	359
Total	<u>13,925</u>	<u>14,054</u>	<u>25,075</u>	<u>23,248</u>
<b>Purchase of fixed assets</b>				
Related companies	-	9,402	-	17,681
<b>Purchase for hire-purchases</b>				
Related companies	<u>80,228</u>	<u>191,336</u>	<u>313,955</u>	<u>719,970</u>
	The Company Only (In Thousand Baht)			
	Three-Month Periods		Nine-Month Periods	
	2014	2013	2014	2013
<b>Interest income</b>				
Subsidiaries	<u>11,114</u>	<u>15,003</u>	<u>35,499</u>	<u>43,785</u>
<b>Other income</b>				
Subsidiaries	<u>51</u>	<u>42</u>	<u>131</u>	<u>125</u>
<b>Dividend income</b>				
Subsidiaries	<u>103,646</u>	<u>181,023</u>	<u>303,969</u>	<u>530,381</u>
<b>Rental and service charges</b>				
Related companies	<u>7,503</u>	<u>6,755</u>	<u>22,460</u>	<u>20,366</u>
<b>Management fee</b>				
Related companies	<u>1,800</u>	<u>1,800</u>	<u>5,400</u>	<u>5,400</u>
<b>Utility expenses</b>				
Related companies	<u>1,108</u>	<u>1,162</u>	<u>3,217</u>	<u>3,337</u>
<b>Stationery expense</b>				
Related companies	<u>595</u>	<u>695</u>	<u>1,674</u>	<u>1,956</u>
<b>Other expenses</b>				
Related companies	<u>2,156</u>	<u>1,880</u>	<u>6,241</u>	<u>5,150</u>
<b>Service expenses</b>				
Subsidiaries	<u>136,687</u>	<u>216,470</u>	<u>400,308</u>	<u>626,518</u>
<b>Key management's remunerations</b>				
Short-term benefits	13,629	13,934	24,187	22,889
Post-employment benefits	296	120	888	359
Total	<u>13,925</u>	<u>14,054</u>	<u>25,075</u>	<u>23,248</u>
<b>Interest expense</b>				
Subsidiaries	<u>3,357</u>	<u>2,926</u>	<u>9,650</u>	<u>8,413</u>
<b>Purchase of fixed assets</b>				
Related companies	<u>-</u>	<u>9,402</u>	<u>-</u>	<u>17,681</u>

During the three-month period ended June 30, 2014, the Company sold its hire-purchase contract receivables to a subsidiary at price equivalent to carrying amount whereby the outstanding balance of such receivables amounted to approximately Baht 25.2 million which was fully provided allowance for doubtful accounts as of the sales date. However, during the three-month period ended September 30, 2014, the Company decided to own-manage the collections from such receivables and, therefore, recalled and was transferred such hire-purchase contract receivables from the subsidiary at price equivalent to carrying amount whereby the outstanding balance amounted to approximately Baht 25.0 million which was fully provided allowance for doubtful accounts.

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Significant outstanding balances with related parties as at September 30, 2014 and December 31, 2013 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<b>Receivables and short-term loan</b>				
<b>Accrued income</b>				
Subsidiaries	-	-	3,565	186,862
<b>Short-term loan</b>				
Subsidiaries (Interest rate at 4.25 - 4.375% p.a. in 2014 and 4.375% p.a. in 2013)	-	-	958,000	1,196,000
Total	-	-	961,565	1,382,862
<b>Advances (Other current assets)</b>				
Subsidiaries	-	-	5,538	-
<b>Payables and short-term loan</b>				
<b>Accrued expenses</b>				
Subsidiaries	-	-	240,108	441,615
Related companies	1,359	1,258	1,297	1,202
Total	1,359	1,258	241,405	442,817
<b>Short-term loan</b>				
Subsidiaries (Interest rate at 4.25 - 4.375% p.a. in 2014 and 4.375% p.a. in 2013)	-	-	308,590	287,240
Total	1,359	1,258	549,995	730,057

Significant movements of loans from and loans to related parties during the period are as follows:

	The Company Only (In Thousand Baht)			September 30, 2014
	December 31, 2013	Increase	Decrease	
<b>Short-term loans to subsidiary</b>				
Chayapak Company Limited	1,196,000	92,500	(330,500)	958,000
<b>Short-term loans from subsidiary</b>				
C.V.A. Company Limited	287,240	67,100	( 45,750)	308,590

As at September 30, 2014 and December 31, 2013, the Company has been guarantor for the short-term loan credit facilities granted by a local bank to Chayapak Co., Ltd. amounting to Baht 600 million. There is no intercompany charge on this guarantee.

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**4. HIRE-PURCHASE CONTRACT RECEIVABLES - NET**

	Consolidated (In Thousand Baht)					
	September 30, 2014			December 31, 2013		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	12,155,867	6,787,950	5,367,917	13,554,343	7,322,807	6,231,536
Less Unearned income	( 3,430,759)	(2,279,311)	(1,151,448)	( 3,930,807)	(2,570,982)	(1,359,825)
Net	8,725,108	4,508,639	4,216,469	9,623,536	4,751,825	4,871,711
Less Allowance for doubtful accounts	( 529,541)	( 362,299)	( 167,242)	( 564,713)	( 384,565)	( 180,148)
Net	<u>8,195,567</u>	<u>4,146,340</u>	<u>4,049,227</u>	<u>9,058,823</u>	<u>4,367,260</u>	<u>4,691,563</u>

  

	The Company Only (In Thousand Baht)					
	September 30, 2014			December 31, 2013		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	10,918,795	6,237,993	4,680,802	12,031,231	6,681,693	5,349,538
Less Unearned income	( 3,338,007)	(2,227,737)	(1,110,270)	( 3,808,975)	(2,505,464)	(1,303,511)
Net	7,580,788	4,010,256	3,570,532	8,222,256	4,176,229	4,046,027
Less Allowance for doubtful accounts	( 493,091)	( 332,805)	( 160,286)	( 514,319)	( 342,087)	( 172,232)
Net	<u>7,087,697</u>	<u>3,677,451</u>	<u>3,410,246</u>	<u>7,707,937</u>	<u>3,834,142</u>	<u>3,873,795</u>

Hire-purchase contract receivables as at September 30, 2014 and December 31, 2013 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Current	5,663,668	6,489,723	4,765,959	5,359,454
Overdue 1 month	1,337,008	1,414,393	1,241,152	1,302,278
Overdue 2 - 3 months	1,319,154	1,297,761	1,231,117	1,223,963
Overdue 4 - 6 months	335,610	292,897	311,528	267,305
Overdue 7 - 12 months	34,846	74,529	27,528	57,308
Overdue longer than 12 months	34,822	54,233	3,504	11,948
Total	8,725,108	9,623,536	7,580,788	8,222,256
Less Allowance for doubtful accounts	( 529,541)	( 564,713)	( 493,091)	( 514,319)
Net	<u>8,195,567</u>	<u>9,058,823</u>	<u>7,087,697</u>	<u>7,707,937</u>

The Company and its subsidiaries determine their allowance for doubtful accounts in line with the 2013 policy. Such policy is not compliance with the accounting guidance for determining the allowance of doubtful accounts for consumer finance business which was mutually defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand (ICAAT). However, based on the statistic information for the past three years (2011 - 2013), the Company and its subsidiaries had an average actual bad debt less than provision for doubtful accounts computed based on such basis defined by SEC and ICAAT. As at September 30, 2014, the Company and its subsidiaries had allowance for doubtful accounts at 6.07% (6.50% for the Company only) of total hire-purchase contract receivables before deducting the allowance of doubtful accounts.



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**5. ASSET FORECLOSED - NET**

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Balance outstanding within one year	363,379	449,811	363,379	449,811
Balance outstanding longer than one year	26,612	21,051	26,612	19,912
Total	389,991	470,862	389,991	469,723
Less Allowance for diminution in value	(135,626)	(155,994)	(135,626)	(154,855)
Net	254,365	314,868	254,365	314,868

**6. DEBENTURES**

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Debentures	2,920,000	2,220,000	2,920,000	2,220,000
Less Current portion	( 300,000)	( 500,000)	( 300,000)	( 500,000)
Net	2,620,000	1,720,000	2,620,000	1,720,000

On August 27, 2010, the Company issued a series of debentures to specific investors amounting to Baht 300 million (divided into 300,000 units at Baht 1,000 per unit) and bears interest at 3.9% p.a. with maturity in 2015. Interest is payable semi-annually.

On January 28, 2011, the Company issued another series of debentures to specific investors amounting to Baht 250 million (divided into 250,000 units at Baht 1,000 per unit) and bears interest at 4.04% p.a. with maturity in 2016. Interest is payable semi-annually.

On May 27, 2011, the Company issued another series of debentures to institutional investors and/or large investors amounting to Baht 300 million (divided into 300,000 units at Baht 1,000 per unit) and bears interest at 3.92% p.a. in 1<sup>st</sup> - 3<sup>rd</sup> year and interest at 5.00% p.a. in 4<sup>th</sup> - 5<sup>th</sup> year with maturity in 2016. Interest is payable quarterly.

On June 30, 2011, the Company issued another series of debentures to institutional investors and/or large investors amounting to Baht 500 million (divided into 500,000 units at Baht 1,000 per unit) and bears interest at 4.35% p.a. with maturity in 2014. Interest is payable semi-annually.

On November 6, 2012, the Company issued another series of debentures to specific investors amounting to Baht 300 million (divided into 300,000 units at Baht 1,000 per unit) and bears interest at 4.2% p.a. with maturity in 2016. Interest is payable semi-annually.

On July 19, 2013, the Company issued another series of debentures to institutional investors and/or large investors amounting to Baht 570 million (divided into 570,000 units at Baht 1,000 per unit) and bears interest at 3.98% p.a. with maturity in 2016. Interest is payable semi-annually.

On March 26, 2014, the Company issued another series of debentures to institutional investors and/or large investors amounting to Baht 900 million (divided into 900,000 units at Baht 1,000 per unit) and bears interest at 4% p.a. with maturity in 2017. Interest is payable semi-annually.

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On April 30, 2014, the Company issued another series of debentures to specific investors amounting to Baht 100 million (divided into 100,000 units at Baht 1,000 per unit) and bears interest at 4% p.a. with maturity in 2017. Interest is payable semi-annually.

On May 9, 2014, the Company issued another series of debentures to specific investors amounting to Baht 200 million (divided into 200,000 units at Baht 1,000 per unit) and bears interest at 3.63% p.a. with maturity in 2016. Interest is payable quarterly.

Under the conditions of the issuances of debentures, the Company has to comply with the specified conditions as shown below:

1. To maintain Debt-to-Equity ratio at the rate not exceeding 7:1
2. To maintain dividend payment ratio not exceeding 60% of net profit

**7. INCOME TAX AND DEFERRED TAX ASSETS / LIABILITIES**

Corporate income tax recorded as (income) expense for the three-month and nine-month periods ended September 30, 2014 and 2013 consists of:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2014	2013	2014	2013
Income tax computed from accounting profit	13,040	11,875	10,750	8,385
Effects from non-deductible expenses (Decrease in effects)	178	12,409	( 3,192)	12,237
Effects from additional deductible expenses or non-taxable income	(10,314)	(21,733)	( 7,558)	(20,622)
Income tax on taxable profit	2,904	2,551	-	-
Decrease (Increase) in deferred tax assets	20,066	(11,895)	16,011	(11,550)
Income tax presented in statement of comprehensive income	<u>22,970</u>	<u>( 9,344)</u>	<u>16,011</u>	<u>(11,550)</u>
	Nine-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2014	2013	2014	2013
Income tax computed from accounting profit	27,965	72,339	20,930	63,345
Effects from non-deductible expenses	17,385	26,089	12,285	25,687
Effects from additional deductible expenses or non-taxable income	(36,593)	(91,329)	(33,215)	(89,032)
Income tax on taxable profit	8,757	7,099	-	-
Adjustment to tax payable in respect of previous periods	3,141	-	-	-
Decrease (Increase) in deferred tax assets	10,444	(23,465)	7,415	(23,436)
Income tax presented in statement of comprehensive income	<u>22,342</u>	<u>(16,366)</u>	<u>7,415</u>	<u>(23,436)</u>

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Deferred tax assets and liabilities presented in the statements of financial position as at September 30, 2014 and December 31, 2013 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<i>Deferred tax assets</i>				
Effects from non-deductible items from				
- Allowance for doubtful accounts	105,910	113,362	98,620	103,283
- Allowance for diminution in value of asset foreclosed	27,125	31,199	27,125	30,971
- Liability for post-employment benefits	6,795	5,713	5,638	4,544
Total	139,830	150,274	131,383	138,798
<i>Deferred tax liabilities</i>				
	-	-	-	-
Net	139,830	150,274	131,383	138,798

## 8. DIVIDENDS

At the general shareholders' meeting held on April 24, 2014, the shareholders unanimously approved the Company to pay dividends for the 2013 operations at Baht 0.43 per share totalling Baht 215 million. The Company paid such dividends to the shareholders on May 15, 2014.

At the general shareholders' meeting held on April 23, 2013, the shareholders unanimously approved the Company to pay the final dividends for the 2012 operations at Baht 0.43 per share totalling Baht 215 million. The Company paid such dividends to the shareholders on May 9, 2013.

## 9. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Company and its subsidiaries have obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during the nine-month period ended September 30, 2014. Movements of liability for post-employment benefits for the nine-month period ended September 30, 2014 are as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Liability for post-employment benefits as at January 1, 2014	28,566	22,722
Current service cost	1,769	1,551
Interest cost	1,169	966
Actuarial loss	3,107	3,325
Expense recognized in statement of comprehensive income	6,045	5,842
Employee benefits paid during the period	( 638)	( 374)
Liability for post-employment benefits as at September 30, 2014	33,973	28,190

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Significant assumptions used in calculation of liability for post-employment benefits as at September 30, 2014 are as follows:

- Discount rate	4.58% p.a. (4.41% p.a. as at December 31, 2013)
- Salary escalation rate	4.89% p.a. (4.13% p.a. as at December 31, 2013)
- Employee turnover rate	0% - 67% p.a. (0% - 16% p.a. as at December 31, 2013)
- Disability rate	10% of Thai Mortality Table (2008) (not changed from December 31, 2013)
- Mortality rate	100% of Thai Mortality Table (2008) (50% as at December 31, 2013)

**10. SIGNIFICANT INFORMATION CLASSIFIED BY OPERATING SEGMENT**

Balance sheet and statement of income are significant financial and core information of the Company and its subsidiaries that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. However, the Company and its subsidiaries have a single core operating segment (which is internal reporting segment) by product which is hire-purchase on automobile and motorcycle for general retail customers. Accordingly, the accompanying interim financial information does not include information relating to the information on products, and key customers.

*Information on Geographic Areas*

As at September 30, 2014, the subsidiary in Cambodia was during the preparation stage and has not yet started its key business activities. In addition, the operation of this subsidiary is insignificant as compared to the entire operation of the group of companies. Accordingly, the accompanying interim financial information does not include information relating to information on geographic areas.

The Company and its subsidiaries in Thailand have no any non-current asset located in the countries other than Thailand. However, as at September 30, 2014, the subsidiary in Cambodia has fixed assets, i.e. leasehold improvements, furniture, fixtures and office equipment, and vehicles of which carrying amounts totalling approximately Baht 4.1 million were shown in the consolidated statement of financial position as at September 30, 2014.

**11. COMMITMENTS**

As at September 30, 2014,

- a. The Company and its subsidiaries had commitments on lease and service agreements for office premises and branches for periods of 1 to 10 years. Under the terms of such agreements, the Company and its subsidiaries are committed to pay annual rental and service fees totalling approximately Baht 54.8 million.
- b. The Company had commitments on improvements of the leased buildings amounting to approximately Baht 6.3 million.

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**12. OTHER**

As at September 30, 2014, the Company and its two subsidiaries were during the process of the establishment of other subsidiary in The Lao People's Democratic Republic ("Laos") in order to conduct its business relating to hire-purchase of motorcycle and automobile in Laos. Authorized share capital of such subsidiary is determined at Kip 5,250 million or approximately Baht 21 million which will be invested by the Company and its subsidiaries of Kip 3,250 million or approximately Baht 13 million whereby the rest will be invested by two directors of the Company.

**13. APPROVAL OF THE INTERIM FINANCIAL INFORMATION**

The accompanying interim financial information has been approved to be issued by the Company's Audit Committee's meeting on November 11, 2014.