

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2015

and Report of Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Thitikorn Public Company Limited

I have audited the accompanying consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. I have also audited the accompanying separate financial statements of Thitikorn Public Company Limited, which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate 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 consolidated and separate financial statements based on my audit. I conducted my audit in accordance with the 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 consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2015, and their financial performance and their cash flows for the year then ended, and the separate financial statements referred to above present fairly, in all material respects, the financial position of Thitikorn Public Company Limited as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 18, 2016

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND 2014

ASSETS

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2015	2014	2015	2014
CURRENT ASSETS					
	Cash and cash equivalents	252,151	90,993	164,001	44,478
	Trade receivables				
	- Current portion of hire-purchase contract receivables - net	3,637,916	3,971,167	3,269,556	3,536,096
	- Current portion of loan receivables - net	149,728	-	149,728	-
	- Other trade receivables	57,521	72,254	55,334	68,777
	Receivables from and short-term loan to related parties	-	755	667,077	857,827
	Current portion of long-term loans to other parties	62,430	3,800	62,430	3,800
	Merchandises	3,848	3,741	2,097	3,741
	Asset foreclosed - net	160,784	190,165	160,635	190,066
	Other current assets	31,177	40,093	26,839	46,610
	Total Current Assets	<u>4,355,555</u>	<u>4,372,968</u>	<u>4,557,697</u>	<u>4,751,395</u>
NON-CURRENT ASSETS					
	Restricted deposits at financial institutions	25,000	25,000	-	-
	Hire-purchase contract receivables - net	3,438,733	3,796,608	2,966,616	3,230,321
	Loan receivables - net	25,920	-	25,920	-
	Investments in subsidiaries accounted for using the cost method	-	-	166,538	291,387
	Long-term loans to other parties - net	5,860	69,287	5,860	69,287
	Property, plant and equipment - net	214,593	190,866	194,931	167,255
	Goodwill - net of allowance for impairment of Baht 83.64 million in 2015	-	83,640	-	-
	Intangible assets - net	10,007	9,052	9,775	8,775
	Deferred tax assets	125,275	134,925	114,315	126,319
	Property for lease - net	19,729	20,133	-	-
	Assets not used in operations	14,282	14,282	5,708	5,708
	Other non-current assets	48,772	50,420	13,668	11,737
	Total Non-Current Assets	<u>3,928,171</u>	<u>4,394,213</u>	<u>3,503,331</u>	<u>3,910,789</u>
	TOTAL ASSETS	<u><u>8,283,726</u></u>	<u><u>8,767,181</u></u>	<u><u>8,061,028</u></u>	<u><u>8,662,184</u></u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht				
		Consolidated		The Company Only		
Note		2015	2014	2015	2014	
CURRENT LIABILITIES						
	Bank overdrafts and short-term borrowings from financial institutions	16	65,013	680,608	64,995	678,638
	Trade payables - other parties		137,471	46,766	106,703	46,629
	Current portion of long-term loans	17	510,842	300,000	500,000	300,000
	Current portion of debentures	18	1,620,000	300,000	1,620,000	300,000
	Payables to and short-term loans from related parties	5	1,318	1,387	391,051	573,593
	Income tax payable		6,483	4,944	-	-
	Deposits and advances from customers		114,259	108,745	108,717	105,609
	Accrued expenses and other current liabilities					
	- Accrued sales promotions and rewards		75,525	70,697	68,992	64,062
	- Others		64,373	86,342	59,784	57,055
	Total Current Liabilities		<u>2,595,284</u>	<u>1,599,489</u>	<u>2,920,242</u>	<u>2,125,586</u>
NON-CURRENT LIABILITIES						
	Long-term loans - net of current portion	17	8,132	500,000	-	500,000
	Debentures - net of current portion	18	1,320,000	2,620,000	1,320,000	2,620,000
	Liability for post-employment benefits	19	31,039	34,543	25,164	28,620
	Other non-current liabilities		7,968	10,536	4,432	7,001
	Total Non-Current Liabilities		<u>1,367,139</u>	<u>3,165,079</u>	<u>1,349,596</u>	<u>3,155,621</u>
	Total Liabilities		<u>3,962,423</u>	<u>4,764,568</u>	<u>4,269,838</u>	<u>5,281,207</u>
SHAREHOLDERS' EQUITY						
	Share capital - common shares, Baht 1 par value					
	Authorized share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
	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	20	972,987	972,987	972,987	972,987
	Retained earnings					
	- Appropriated for legal reserve	20	50,000	50,000	50,000	50,000
	- Unappropriated		2,789,812	2,471,559	2,268,203	1,857,990
	Other component of equity					
	- Difference on financial statement conversion of subsidiaries		1,506	455	-	-
	Equity attributable to Owners of the Parent		<u>4,314,305</u>	<u>3,995,001</u>	<u>3,791,190</u>	<u>3,380,977</u>
	Non-controlling interests		6,998	7,612	-	-
	Total Shareholders' Equity		<u>4,321,303</u>	<u>4,002,613</u>	<u>3,791,190</u>	<u>3,380,977</u>
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>8,283,726</u>	<u>8,767,181</u>	<u>8,061,028</u>	<u>8,662,184</u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

		In Thousand Baht			
		Consolidated		The Company Only	
		2015	2014	2015	2014
Note			(Restated)		(Restated)
REVENUES					
	Interest income on hire purchase	2,553,360	2,824,523	2,500,174	2,758,244
	Interest income on loan	13,075	-	13,075	-
	Sales of merchandises	31,111	20,973	31,111	20,973
	Other income	796,584	833,629	961,398	1,267,058
	Total Revenues	3,394,130	3,679,125	3,505,758	4,046,275
EXPENSES					
	Cost of sales	31,787	21,052	31,787	21,052
	Selling expenses	28	816	28	816
	Administrative expenses	1,800,846	1,935,804	1,914,841	2,355,480
	Bad debt and provision for doubtful accounts	891,776	1,279,854	877,988	1,266,869
	Loss on impairment of goodwill	83,640	-	-	-
	Finance costs	153,760	211,618	168,897	224,836
	Total Expenses	2,961,837	3,449,144	2,993,541	3,869,053
	PROFIT BEFORE INCOME TAX EXPENSE	432,293	229,981	512,217	177,222
	Income Tax Expense	24,654	32,266	12,004	13,144
	PROFIT FOR THE YEAR	407,639	197,715	500,213	164,078
Other Comprehensive Income (Loss)					
<i>Item that will be reclassified subsequently to profit or loss</i>					
	- Difference on financial statement conversion of subsidiaries	1,051	455	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>					
	- Actuarial loss on liability for post-employment benefits	-	(2,486)	-	(2,660)
	Other Comprehensive Income for the Year	1,051	(2,031)	-	(2,660)
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	408,690	195,684	500,213	161,418
Profit (Loss) Attributable to:					
	Owners of the parent	408,253	198,109	500,213	164,078
	Non-controlling interests	(614)	(394)	-	-
	Profit for the Year	407,639	197,715	500,213	164,078
Total Comprehensive Income (Loss) Attributable to:					
	Owners of the parent	409,304	196,078	500,213	161,418
	Non-controlling interests	(614)	(394)	-	-
	Total Comprehensive Income for the Year	408,690	195,684	500,213	161,418
	Basic Earnings per Share (Baht)	0.817	0.396	1.000	0.328
	Weighted average number of common shares	500,000,000	500,000,000	500,000,000	500,000,000

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Consolidated (In Thousand Baht)										
Equity attributable to Owners of the Parent										
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	Difference on Financial Statement Conversion of Subsidiary				
Beginning Balance as at January 1, 2014		500,000	972,987	50,000	2,490,931	-		4,013,918	-	4,013,918
Increase in non-controlling interests	11	-	-	-	-	-		-	8,006	8,006
Payment of dividends	24	-	-	-	(214,995)	-		(214,995)	-	(214,995)
Total comprehensive income for the year		-	-	-	195,623	455		196,078	(394)	195,684
Ending Balance as at December 31, 2014		500,000	972,987	50,000	2,471,559	455		3,995,001	7,612	4,002,613
Payment of dividends	24	-	-	-	(90,000)	-		(90,000)	-	(90,000)
Total comprehensive income for the year		-	-	-	408,253	1,051		409,304	(614)	408,690
Ending Balance as at December 31, 2015		500,000	972,987	50,000	2,789,812	1,506		4,314,305	6,998	4,321,303

The accompanying notes are an integral part of these financial statements

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

The Company Only (In Thousand Baht)

	Note	Retained Earnings				Total
		Issued and Fully Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated	
Beginning Balance as at January 1, 2014		500,000	972,987	50,000	1,911,567	3,434,554
Dividends paid	24	-	-	-	(214,995)	(214,995)
Total comprehensive income for the year		-	-	-	161,418	161,418
Ending Balance as at December 31, 2014		500,000	972,987	50,000	1,857,990	3,380,977
Dividends paid	24	-	-	-	(90,000)	(90,000)
Total comprehensive income for the year		-	-	-	500,213	500,213
Ending Balance as at December 31, 2015		500,000	972,987	50,000	2,268,203	3,791,190

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	432,293	229,981	512,217	177,222
Adjustments				
Depreciation and amortization	65,980	50,364	60,504	47,386
Expenses for post-employment benefits	2,904	3,917	2,432	3,356
Unrealized loss on exchange rate	1,562	1,464	511	1,009
Bad debt and provision for doubtful accounts	891,776	1,279,854	877,988	1,266,869
Decrease in allowance for diminution in value of asset foreclosed	(27,636)	(50,704)	(27,955)	(49,608)
Gain on sales of current investment	-	(1,058)	-	(1,058)
Gain on sales of equipment	(4,433)	329	(4,351)	329
Gain on decrease in share capital for returns of subsidiary (see Note 11)	-	-	(33,449)	-
Loss on impairment of goodwill (see Note 11)	83,640	-	-	-
Dividend income	-	-	(116,244)	(403,951)
Interest income	(7,164)	(9,686)	(37,209)	(54,839)
Interest expense	153,760	211,618	168,897	224,836
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(188,876)	22,320	(336,106)	(314,371)
Trade receivables - loan receivables	(179,182)	-	(179,182)	-
Trade receivables - other	6,493	288	5,340	(1,307)
Other receivables from related parties	755	(755)	(3,517)	(1,517)
Merchandises	(107)	13,267	1,644	13,267
Asset foreclosed	57,017	175,407	57,386	174,410
Other current assets	6,924	40,364	17,896	33,483
Other non-current assets	(4,206)	(1,515)	(1,053)	(826)
Increase (Decrease) in operating liabilities :				
Trade payables - other parties	90,705	(47,289)	60,074	(47,426)
Other payables to related parties	(69)	129	(234,808)	(192,578)
Deposits and advances from customers	5,514	1,670	3,108	1,038
Accrued expenses and other current liabilities	(19,263)	(996)	5,537	3,258
Liability for post-employment benefits	(6,408)	(1,047)	(5,888)	(783)
Other non-current liabilities	(2,568)	(2,769)	(2,569)	(2,056)
	1,359,411	1,915,153	791,203	876,143
Income tax paid	(7,611)	(13,037)	(878)	(1,199)
Net Cash Provided by Operating Activities	1,351,800	1,902,116	790,325	874,944
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in short-term loans to related party	-	-	(121,000)	(104,500)
Collections from short-term loans to related party	-	-	322,491	447,500
Increase in long-term loans to other parties	(23,200)	(30,740)	(23,200)	(30,740)
Collections from long-term loans to other parties	27,997	53,350	27,997	53,350
Purchases of current investment	-	(620,000)	-	(620,000)
Proceeds from sales of current investment	-	621,058	-	621,058
Purchases of fixed assets	(85,552)	(78,612)	(83,770)	(63,984)
Proceeds from sales of equipment	6,986	1,677	6,146	1,678
Purchases of intangible assets	(3,948)	(3,258)	(3,894)	(3,041)
Payment for investment in subsidiaries (see Note 11)	-	-	(64,377)	(8,175)
Proceeds from decrease in share capital for returns from subsidiary (see Note 11)	-	-	214,531	-
Dividends received	-	-	116,244	586,314
Interest received	7,983	9,893	38,831	56,127
Net Cash Provided by (Used in) Investing Activities	(69,734)	(46,632)	429,999	935,587

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-term borrowings from financial institutions	(616,106)	(539,070)	(614,154)	(533,286)
Increase in short-term loans from related parties	-	-	105,600	90,600
Repayments of short-term loans from related parties	-	-	(53,500)	(54,650)
Proceeds from long-term loans	21,692	160,000	-	160,000
Repayments of long-term loan	(302,718)	(1,760,000)	(300,000)	(1,760,000)
Issuances of debentures	320,000	1,200,000	320,000	1,200,000
Redemption of debentures	(300,000)	(500,000)	(300,000)	(500,000)
Increase in non-controlling interests	-	8,006	-	-
Interest paid	(153,776)	(218,859)	(168,747)	(231,913)
Dividends paid	(90,000)	(214,995)	(90,000)	(214,995)
Net Cash Used in Financing Activities	(1,120,908)	(1,864,918)	(1,100,801)	(1,844,244)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	161,158	(9,434)	119,523	(33,713)
Cash and Cash Equivalents at Beginning of Year	90,993	100,427	44,478	78,191
CASH AND CASH EQUIVALENTS AT END OF YEAR	252,151	90,993	164,001	44,478
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of year				
Cash in hand	19,899	10,002	18,937	8,744
Current accounts at banks	39,555	40,648	8,813	16,291
Savings deposits at banks	192,697	35,943	136,251	19,443
Investment in bills of exchange (not exceeding three months)	-	4,400	-	-
Total	252,151	90,993	164,001	44,478
b. Non-cash transactions				
Receivable on decrease in share capital for returns from subsidiary (see Note 11)	-	-	8,144	-
Purchases of equipment by means of payables	3,311	148	3,311	96

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

1. GENERAL INFORMATION

Thitikorn Public Company Limited (“the Company”) was incorporated in Thailand on August 4, 1972 and has its registered office at 69 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240, Thailand. The Company has been listed on the Stock Exchange of Thailand since 2003.

The major shareholder is Sinthonglor Company Limited (incorporated in Thailand which holds 42.36% of the Company’s shares).

The Company and its subsidiaries principally engage in vehicle hire-purchase business. Details of the Company’s subsidiaries are as follows:

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
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. (see Note 11)	Debt collection and forfeiture services	700	223,375	99.99	99.99
TK Ngern Tan Jai Co., Ltd. (see Note 11)	Nano finance business	50,000	-	99.99	-
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	21,015*	21,015*	61.90	61.90
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	17,616**	3,236**	99.60	98.00

* KIP 5,250 million

** USD 500,000 in 2015 and USD 100,000 in 2014 (see Note 11)

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Starting from January 1, 2015, 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 (TSIC), and Thai Financial Reporting Interpretation (TFRIC) which have been effective from the accounting period starting on or after January 1, 2015. The aforesaid adoption of new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Company and its subsidiaries, except for the effects from adoption of TAS 19 (revised 2015) “Employees Benefits” which requires the actuarial gain or loss on measurement of provisions shall be recognized as other comprehensive income or loss in the statement of comprehensive income whereby the Company and its subsidiaries previously recognized as profit or loss in the statement of comprehensive income. The effects with retrospective adjustment of such matter to the statements of comprehensive income for the year ended December 31, 2014 are as follows:

	<u>Increase (Decrease) - In Thousand Baht</u>	
	<u>Consolidated</u>	<u>The Company Only</u>
Administrative expenses	(3,107)	(3,325)
Total expenses	(3,107)	(3,325)
Profit before income tax expense	3,107	3,325
Income tax expense	621	665
Profit for the year	2,486	2,660
Other comprehensive income (item that will not be reclassified subsequently to profit or loss) - actuarial loss on liability for post-employment benefits (net of income tax effect of Baht 621 thousand and Baht 665 thousand, respectively)	2,486	2,660
Profit attributable to owners of the parent	2,486	2,660
Basic earnings per share (in Baht)	0.005	0.005

Besides the abovementioned effects, other significant changes are as follows:

TAS 1 (revised 2014) “Presentation of Financial Statements”

This revised standard requires the additional grouping of items under other comprehensive income in the statement of comprehensive income into (1) items that will be reclassified subsequently to profit or loss and (2) items that will not be reclassified subsequently to profit or loss.

TFRS 13 “Fair Value Measurement”

This new standard applies when other relevant TAS and TFRS require or permit fair value measurement and/or disclosures of information relating to fair value measurement and fair values. Detail of the fair value measurement of the Company and its subsidiaries are discussed in Note 26.

In addition, FAP has issued several Notifications which were announced in the Royal Gazette during 2015 regarding the revision and issuance of new TAS, TFRS, TSIC, and TFRIC with the effective for the accounting period beginning on or after January 1, 2016 whereby the Company and its subsidiaries have not yet adopted in the preparation of the accompanying financial statements and have no policy to early adopt before the effective period, which are as follows:

Conceptual Framework for Financial Reporting (revised 2015)

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2015 and 2014

TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

Management of the Company and its subsidiaries has preliminarily assessed and believed that there will be no material effect to the financial statements of the Company and its subsidiaries upon adoption of the aforementioned new and revised TAS and TFRS as well as TSIC and TFRIC.

The Company and its subsidiaries disclosed information for the year ended December 31, 2014 for being the comparative information in the financial statements for the year ended December 31, 2015 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as “the Group”).

Significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiaries were necessarily transformed for uniformity with the Company’s policies.

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

Goodwill

The excess of business combination cost over the fair values of assets and liabilities of the acquired subsidiary is accounted for as goodwill from business combination in the consolidated financial statements. Goodwill is presented as non-current asset in the consolidated statement of financial position at cost net of allowance for impairment.

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Foreign Currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Foreign entity

Assets and liabilities of foreign entity are translated to Thai Baht at the exchange rates ruling at the end of reporting period.

Revenues and expenses of foreign entity are translated to Thai Baht at the exchange rates ruling 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 component of equity until the investment is disposed.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Restricted deposits at bank were presented as a separate item under “Non-current assets” in the statements of financial position.

Trade Receivables

Trade receivables are stated at their invoice values less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Hire-purchase and loan receivables are stated at net realizable value which resulted from carrying book value less unearned interest income and allowance for doubtful accounts. The Group provides their allowance for doubtful accounts of hire-purchase and loan receivables based on the age of the total amount of outstanding balance of each contract less unearned interest income and collaterals of automobiles (if applicable). The percentages of allowance for doubtful accounts are described as follows:

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Period	Allowance for doubtful accounts (%)	
	Automobile	Motorcycle
Not yet due	1	1
Past due 1 month	1	1
Past due 2 - 3 months	2	20
Past due 4 - 6 months	20	50
Past due 7 - 12 months	50	100
Past due over 12 months	100	100

The allowance for doubtful accounts of hire-purchase receivables - automobile is calculated based on outstanding balance past due not over 6 months less collaterals at 80%, outstanding balance past due 7-12 months less collaterals at 50% and outstanding balance past due more than 12 months less no collaterals.

Other Trade Receivables

Other trade receivables are stated at their invoice values less allowance for doubtful accounts (if any)

Allowance for doubtful accounts equals to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Merchandises

Merchandises, featuring motorcycles are stated at the lower of cost (specific method) and net realizable value. Net realized value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Allowance for losses on diminution in value is made for all deteriorated, damaged, obsolete, and slow-moving merchandises (if any).

Asset Foreclosed

Asset foreclosed is stated at the lower of net receivable balance and net realizable value from proceeds to be received from the sale of the foreclosed asset.

Net realized value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Company and subsidiaries estimate allowance for losses on diminution in value of asset foreclosed as follow:

- Outstanding less than one year 30%
- Outstanding longer than one year 100%

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Investments

Current investment

Current investment is 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 year 2014.

Investments in Subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method and are stated at cost less allowance for impairment (if any).

Property, Plant and Equipment, Property for Lease, and Depreciation

Owned assets

Land is stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration are included as part of asset cost.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each part of an item separately for each significant part of plant and equipment. The useful lives of the assets are as follows:

Buildings and building improvements (for use and lease)	20 years
Buildings and building improvements on rented land	10 years, 20 years, and over the lease terms
Furniture, fixtures and office equipment	5 years and 10 years
Vehicles for use and for lease	5 years

No depreciation has been charged for land and construction in progress.

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Depreciation methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life.

Intangible Assets

Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and impairment losses (if any), which are amortized on a straight-line method over the useful lives which are the lease terms.

Software licenses

Software licenses are stated at cost less accumulated amortization and impairment losses (if any), which are amortized on a straight-line method over the useful lives of 5 years.

Amortization

Amortization is charged to the part of administrative expenses of the statement of comprehensive income on a straight-line method over the useful lives of particular intangible assets. Intangible assets with an indefinite useful life are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's net selling price or value in use) shall be estimated and reviewed. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and by recording the devaluation in the statement of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

Trade and Other Payables

Trade and other payables are stated at cost.

Employee Benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

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Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost, interest cost, past service cost, and actuarial gain/loss on measurement.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue Recognition

Interest income from hire-purchase receivable is the unearned interest income and is recognized as income in each installment period based on the effective interest rate method for new hire-purchase agreements made starting from 2008 and the sum-of-digits method for hire-purchase agreements made before 2008. Income from each installment is recognized on an accrual basis (based on the due date of the installment irrespective of actual collection). The Group ceases recognition of income when receivables are overdue more than 3 installments, unless there is an indication of inability to repay, where income recognition is ceased immediately.

Interest income from loan receivable is the unearned interest income and is recognized as income under the time proportion based on the effective interest rate method.

Sales are recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental income is recognized on a straight-line basis over the lease term.

Dividend income is recognized on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

Other interest income is recognized on a time proportion basis that reflects effective yield on the asset.

Other income is recognized on an accrual basis.

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Expense Recognition

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the lease term.

Other expenses are recognized on an accrual basis.

Income Tax

Income tax on the profit or loss for the year, which is recognized in the statement of comprehensive income, is current tax and deferred tax.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized (see Note 23).

Use of Estimates

In order to prepare financial statements in conformity with the accounting standard and the financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by uncertainty are as follows:

- Allowance for doubtful accounts of trade receivables and other receivables
- Allowance for losses on diminution in value of asset foreclosed
- Useful lives and residual values of building and equipment, property for lease and intangible assets
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods and tax rates that deferred tax assets will be realized
- Fair values of financial assets, financial liabilities and financial instruments.

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Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding during the year

4. INTEREST INCOME FROM HIRE-PURCHASE CONTRACT

Prior to 2008, the Company and its subsidiaries recognize interest income on hire-purchase contract as the unearned interest income in each installment period based on the sum-of-digits method. Starting from January 1, 2008, the Group recognizes interest income on hire-purchase contract as the unearned interest income in each installment period based on the effective interest rate method for new hire-purchase contracts made from the year 2008 to conform to the change in the Thai Accounting Standard No. 17 “Leases” (revised 2007) which currently is the Thai Accounting Standard No. 17 “Leases” (revised 2014).

5. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of a company.

Types of relationship of related parties are as follows:

Name of Companies	Type of Business	Type of Relationship
C. V. A. Company Limited	Hire-purchase motorcycle and related services	Subsidiary
Chayapak Company Limited	Hire-purchase automobile	Subsidiary
TK Debt Services Co., Ltd.	Debt collection and forfeiture services	Subsidiary
TK Ngern Tan Jai Co., Ltd.	Nano finance business	Subsidiary
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	Subsidiary through direct and indirect shareholding
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	Subsidiary
S. P. International Co., Ltd.	Sale automobile and related services	Co-directors & Co-shareholders
SPSU Public Co., Ltd.	Sale motorcycle	Co-directors & Co-shareholders
Lexus Bangkok Co., Ltd.	Sale automobile	Co-directors & Co-shareholders
Toyota Pathumthani Toyota’s Dealer Co., Ltd.	Sale automobile and related services	Co-directors & Co-shareholders
Napas Co., Ltd.	Transport motorcycle	Co-shareholders
Thitiphol Co., Ltd.	Sale spare parts of motorcycle	Co-shareholders

Pricing policies for each transaction with related parties are as follows:

Type of Transaction	Pricing Policies
Interest income	MOR - 3%
Dividend income	At amount approved for declaration
Other income	Cost
Rental and services	Contract price
Management fee	Contract price
Utility expenses	Cost
Stationery expense	Cost
Other expenses	Mutual agreement
Service expenses	Mutual agreement
Interest expense	MOR - 3%
Key management’s remunerations	Mutual agreement
Purchase for hire-purchases (vehicles)	Market price
Purchase of fixed assets (vehicles)	Market price
Sales of fixed assets (vehicles)	Mutual agreement

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Significant transactions with related parties for the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Interest income				
Subsidiaries	-	-	30,579	45,722
Dividend income				
Subsidiaries	-	-	116,244	403,951
Other income				
Subsidiaries	-	-	125	169
Rental and services				
Related companies	35,782	33,809	34,630	30,614
Management fee				
Related companies	10,200	10,200	7,200	7,200
Utility expenses				
Related companies	4,380	4,797	4,357	4,355
Stationery expense				
Related companies	2,253	2,300	2,189	2,212
Other expenses				
Related companies	11,944	11,200	8,533	8,382
Service expenses				
Subsidiaries	-	-	235,393	534,734
Interest expense				
Subsidiaries	-	-	15,423	13,227
Key management's remunerations				
Short-term benefits	33,906	28,219	33,906	28,219
Post-employment benefits	3,503	1,184	3,503	1,184
Total	37,409	29,403	37,409	29,403
Purchase for hire-purchases				
Related companies	409,999	354,214	-	-
Purchase of fixed assets				
Related companies	19,327	-	19,327	-
Sales of fixed assets				
Related companies	205	-	205	-
Related person (director)	841	-	-	-
Total	1,046	-	205	-

During the quarter 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 was fully provided allowance for doubtful accounts as of the date of sales. However, during the quarter 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 the carrying amount whereby the outstanding balance amounted to approximately Baht 25.0 million was fully provided allowance for doubtful accounts.

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Significant outstanding balances with related parties as at December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Receivables and short-term loan				
Receivables and accrued income - subsidiaries				
Accrued dividend income	-	-	8,144	-
Accrued interest and other income	-	-	4,138	3,317
Total	-	-	12,282	3,317
Advances				
Subsidiaries	-	-	3,286	755
Related persons (directors)	-	755	-	755
Total	-	755	3,286	1,510
Short-term loans				
Subsidiaries (Interest rate at 4.375 - 4.5% p.a. in 2015 and 4.25 - 4.375% p.a. in 2014)	-	-	651,509	853,000
Total	-	755	667,077	857,827
Payables and short-term loans				
Accrued expenses				
Subsidiaries	-	-	14,460	249,041
Related companies	1,318	1,387	1,301	1,362
Total	1,318	1,387	15,761	250,403
Short-term loans				
Subsidiaries (Interest rate at 4.375 - 4.5% p.a. in 2015 and 4.25 - 4.375% p.a. in 2014)	-	-	375,290	323,190
Total	1,318	1,387	391,051	573,593

Movements of loans from and loans to related parties during the year are as follows:

	The Company Only (In Thousand Baht)			
	December 31, 2014	Increase	Decrease	December 31, 2015
Short-term loans to subsidiaries				
Suosdey Finance PLC.	-	17,000	7,491	9,509
Chayapak Co., Ltd.	853,000	104,000	315,000	642,000
Total	853,000	121,000	322,491	651,509
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	323,190	105,600	53,500	375,290

As at December 31, 2015 and 2014, the Company has been guarantor for (1) short-term loan credit facilities granted by a local commercial bank to Chayapak Co., Ltd. amounting to Baht 600 million and (2) long-term loan credit facilities granted by a commercial bank incorporated in Cambodia of Suosdey Finance PLC. amounting to USD 1 million (such loans were drawdown of USD 0.6 million as at December 31, 2015). There is no intercompany charge on these guarantees.

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6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Cash	19,899	10,002	18,937	8,744
Current accounts and savings deposits at banks	232,252	76,591	145,064	35,734
Investment in bills of exchange	-	4,400	-	-
Total	252,151	90,993	164,001	44,478

7. HIRE-PURCHASE CONTRACT AND LOAN RECEIVABLES - NET

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	2015			2014		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	10,665,347	6,061,362	4,603,985	11,564,141	6,520,319	5,043,822
Less Unearned income	(3,073,750)	(2,058,236)	(1,015,514)	(3,261,566)	(2,179,065)	(1,082,501)
Net	7,591,597	4,003,126	3,588,471	8,302,575	4,341,254	3,961,321
Less Allowance for doubtful accounts	(514,948)	(365,210)	(149,738)	(534,800)	(370,087)	(164,713)
Net	7,076,649	3,637,916	3,438,733	7,767,775	3,971,167	3,796,608

	The Company Only (In Thousand Baht)					
	2015			2014		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	9,687,494	5,603,928	4,083,566	10,442,933	6,008,065	4,434,868
Less Unearned income	(2,985,747)	(2,008,599)	(977,148)	(3,178,796)	(2,132,365)	(1,046,431)
Net	6,701,747	3,595,329	3,106,418	7,264,137	3,875,700	3,388,437
Less Allowance for doubtful accounts	(465,575)	(325,773)	(139,802)	(497,720)	(339,604)	(158,116)
Net	6,236,172	3,269,556	2,966,616	6,766,417	3,536,096	3,230,321

Hire-purchase contract receivables at December 31, 2015 and 2014 (contract terms are 1.5 - 5 years) are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Current	4,919,873	5,332,408	4,238,587	4,543,286
Overdue 1 month	1,131,446	1,282,454	1,061,544	1,188,468
Overdue 2 - 3 months	1,136,640	1,275,094	1,079,678	1,185,874
Overdue 4 - 6 months	272,947	310,485	250,600	286,562
Overdue 7 - 12 months	78,528	66,324	61,136	55,388
Overdue longer than 12 months	52,163	35,810	10,202	4,559
Total	7,591,597	8,302,575	6,701,747	7,264,137
Less Allowance for doubtful accounts	(514,948)	(534,800)	(465,575)	(497,720)
Net	7,076,649	7,767,775	6,236,172	6,766,417

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The Group determines allowance for doubtful accounts in line with the 2014 policy. Such policy is not compliance with the accounting guidance for making of 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 (2012 - 2014), the Company and its subsidiaries had an average actual bad debt less than doubtful accounts based on such basis defined by the SEC and ICAAT. As at December 31, 2015, the Group had allowance for doubtful accounts at 6.78% (6.95% for the Company only) of total hire-purchase contract receivables before deducting allowance for doubtful accounts.

As at December 31, 2015, the Company and its subsidiaries have the outstanding hire-purchase contract receivables, classified by income recognition method, as follows:

	Consolidated (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	7,467	10,657,880	10,665,347
Less Unearned income	(1,218)	(3,072,532)	(3,073,750)
Net	6,249	7,585,348	7,591,597

	The Company Only (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	922	9,686,572	9,687,494
Less Unearned income	(188)	(2,985,559)	(2,985,747)
Net	734	6,701,013	6,701,747

Loan Receivables

	Consolidated and The Company Only (In Thousand Baht)					
	2015			2014		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	208,725	180,886	27,839	-	-	-
Less Unearned income	(29,543)	(27,977)	(1,566)	-	-	-
Net	179,182	152,909	26,273	-	-	-
Less Allowance for doubtful accounts	(3,534)	(3,181)	(353)	-	-	-
Net	175,648	149,728	25,920	-	-	-

Loan receivables as at December 31, 2015 are aged by outstanding installment payments of each contract as follows:

	Consolidated and The Company Only (In Thousand Baht)	
	2015	2014
	Current	151,864
Overdue 1 month	18,917	-
Overdue 2 - 3 months	7,915	-
Overdue 4 - 6 months	486	-
Total	179,182	-
Less Allowance for doubtful accounts	(3,534)	-
Net	175,648	-

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The abovementioned receivables are receivables under loan agreements with terms between 1-2 years which are repayable monthly at the fixed equally amount per month. The characteristics of agreements or contracts of such receivables are relevant to the hire-purchase contract receivables.

8. OTHER TRADE RECEIVABLE - NET

Other trade receivables aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Current	57,521	72,254	55,334	68,777
Overdue within 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue longer than 12 months	-	-	-	-
Total	57,521	72,254	55,334	68,777

9. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Balance outstanding within one year	229,692	271,664	229,479	271,522
Balance outstanding longer than one year	8,448	23,791	8,448	23,791
Total	238,140	295,455	237,927	295,313
Less Allowance for diminution in value	(77,356)	(105,290)	(77,292)	(105,247)
Net	160,784	190,165	160,635	190,066

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2015 and 2014, two subsidiaries have collateralized their fixed deposits with a local bank totalling Baht 25 million as guarantees for their overdraft lines with such bank.

11. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD IN SEPARATE FINANCIAL STATEMENTS AND GOODWILL IN CONSOLIDATED FINANCIAL STATEMENTS

	The Company Only					
	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct Shareholding		Cost of Investments (In Thousand Baht)	
	2015	2014	2015	2014	2015	2014
C.V.A. Company Limited	50,000	50,000	99.99	99.99	49,993	49,993
Chayapak Company Limited	40,000	40,000	99.99	99.99	43,993	43,993
TK Debt Services Co., Ltd.	700	223,375	99.99	99.99	-	189,226
TK Ngern Tan Jai Co., Ltd.	50,000	-	99.99	-	49,997	-
Sabaidee Leasing Co., Ltd. (Lao PDR)	21,015	21,015	23.81*	23.81*	5,003	5,003
Suosdey Finance PLC. (Cambodia)	17,616	3,236	99.60	98.00	17,552	3,172
Total					166,538	291,387

* Total percentage of direct and indirect shareholding through two wholly-owned (99.99%) subsidiaries is 61.90%.

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During 2015 and 2014, TK Debt Services Co., Ltd. declared dividends to shareholders which was attributable to portion of the Company totalling approximately Baht 116.2 million and Baht 404.0 million, respectively.

On April 29, 2015, the Company has established the new subsidiary (the 6th subsidiary), i.e. TK Ngern Tan Jai Co., Ltd. (“TKN”), in order to engage in nano finance business whereby the authorized share capital of TKN amounting to Baht 50 million (divided in to 50,000 common shares at Baht 1,000 par value). The Company has the percentage of shareholding in TKN of 99.99% while the rest is held by three directors of the Company. TKN has subsequently started its core activities of its business in February 2016.

In December 2015, a subsidiary i.e. Suosdey Finance PLC., increased its authorized share capital from USD 100,000 (approximately Baht 3.2 million) to USD 500,000 (approximately Baht 17.6 million) in order to support the rise in volumes of business activities. Such increase in capital was entirely invested by the Company and, therefore, the percentage of shareholding of the Company in such company was increased from 98.00% to 99.60%.

In addition, at the Board of Directors’ meeting on April 21, 2015, the Board of Directors unanimously passed the resolution to approve the plan for decrease in authorized share capital of subsidiary (i.e. TK Debt Services Co., Ltd. “TKD”). The plan is to reduce in number of shares and par value totalling 5 times to be completed in November 2015 whereby the authorized share capital of TKD will be decreased from Baht 223,375,000 (divided into 8,935,000 common shares at Baht 25 par value) to Baht 700,000 (divided into 140,000 common shares at Baht 5 par value) at the 5th decrease in share capital. During 2015, TKD has decreased its share capital for such 5 times and total amount of the decrease in share capital attributable to portion of the Company amounting to approximately Baht 222.6 million. The Company accounted for the proceeds from such decrease for return of capital by deducting the carrying amount of investment in TKD and incurred gain on decrease for return of capital amounting to approximately Baht 33.4 million which was presented as part of “Other income” in the separate statement of comprehensive income for the year 2015. As at December 31, 2015, TKD was still payable for return of capital to the Company amounting to approximately 8.1 million, which was presented as part of “Receivables from and short-term loans to related parties” in separate statement of financial position as at December 31, 2015.

The abovementioned decrease in share capital of TKD as well as enforcement of certain notifications and regulations by the government has affected and cast the uncertainty in current and future operating activities of TKD with the decreasing trend. This matter triggered indicator of impairment of goodwill in TKD, accounted for in the consolidated financial statements of the Group. The Company’s management has considered and assessed the relevant information as well as tested the impairment of goodwill and found that the recoverable amount of goodwill was none (assessed by the value in use with discount rate on estimation of 4% p.a., which was the average rate of borrowing costs). Accordingly, the Company recognized the carrying amount of such goodwill amounting to approximately Baht 83.6 million as “Loss on impairment of goodwill”, separately presented in the consolidated statement of comprehensive income for the year 2015. Such recognition of loss on impairment of goodwill was approved by the Management Board’s meeting on September 23, 2015.

12. LONG-TERM LOANS TO OTHER PARTIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Long-term loans to other parties	68,290	73,087	68,290	73,087
Less Current portion	(62,430)	(3,800)	(62,430)	(3,800)
Net	5,860	69,287	5,860	69,287

This account represents the unsecured loans to 61 agents in 2015 and 68 agents in 2014. These loans bear interest rate at 9% p.a. in 2015 and 2014 and mature during the years 2015 to 2018.

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13. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)							
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture, fixtures and office equipment	Vehicles for use	Vehicles for lease	Construction in progress	Total
Cost								
Balance as at December 31, 2013	12,617	24,221	171,053	90,947	104,136	-	7,354	410,328
Acquisitions	-	-	6,759	11,703	990	6,189	53,119	78,760
Disposals	-	-	(770)	(2,384)	(1,938)	-	-	(5,092)
Transfers in (out)	-	-	44,855	6,235	-	-	(51,090)	-
Balance as at December 31, 2014	12,617	24,221	221,897	106,501	103,188	6,189	9,383	483,996
Acquisitions	-	-	5,213	21,071	19,532	1,775	41,272	88,863
Disposals	-	-	(161)	(2,877)	(11,005)	-	-	(14,043)
Transfers in (out)	-	-	43,663	3,577	-	-	(47,240)	-
Balance as at December 31, 2015	12,617	24,221	270,612	128,272	111,715	7,964	3,415	558,816
Accumulated depreciation								
Balance as at December 31, 2013	-	22,041	100,756	65,951	59,930	-	-	248,678
Depreciation for the year	-	893	23,723	9,238	13,657	27	-	47,538
Depreciation for assets disposed	-	-	(553)	(638)	(1,895)	-	-	(3,086)
Balance as at December 31, 2014	-	22,934	123,926	74,551	71,692	27	-	293,130
Depreciation for the year	-	727	34,586	11,672	14,180	1,418	-	62,583
Depreciation for assets disposed	-	-	(132)	(1,301)	(10,057)	-	-	(11,490)
Balance as at December 31, 2015	-	23,661	158,380	84,922	75,815	1,445	-	344,223
Net book value								
December 31, 2014	12,617	1,287	97,971	31,950	31,496	6,162	9,383	190,866
December 31, 2015	12,617	560	112,232	43,350	35,900	6,519	3,415	214,593

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	The Company Only (In Thousand Baht)						
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture, fixtures and office equipment	Vehicles for use	Construction in progress	Total
Cost							
Balance as at December 31, 2013	7,802	15,291	170,045	86,112	93,350	7,354	379,954
Acquisitions	-	-	6,547	10,587	-	46,946	64,080
Disposals	-	-	(770)	(2,352)	(1,939)	-	(5,061)
Transfers in (out)	-	-	39,046	5,870	-	(44,916)	-
Balance as at December 31, 2014	7,802	15,291	214,868	100,217	91,411	9,384	438,973
Acquisitions	-	-	5,213	21,063	19,533	41,272	87,081
Disposals	-	-	(160)	(2,877)	(9,152)	-	(12,189)
Transfers in (out)	-	-	43,663	3,577	-	(47,240)	-
Balance as at December 31, 2015	7,802	15,291	263,584	121,980	101,792	3,416	513,865
Accumulated depreciation							
Balance as at December 31, 2013	-	13,766	99,749	61,234	54,997	-	229,746
Depreciation for the year	-	746	23,507	9,157	11,616	-	45,026
Depreciation for assets disposed	-	-	(553)	(606)	(1,895)	-	(3,054)
Balance as at December 31, 2014	-	14,512	122,703	69,785	64,718	-	271,718
Depreciation for the year	-	579	33,476	11,366	12,189	-	57,610
Depreciation for assets disposed	-	-	(132)	(1,301)	(8,961)	-	(10,394)
Balance as at December 31, 2015	-	15,091	156,047	79,850	67,946	-	318,934
Net book value							
December 31, 2014	7,802	779	92,165	30,432	26,693	9,384	167,255
December 31, 2015	7,802	200	107,537	42,130	33,846	3,416	194,931

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As at December 31, 2015 and 2014, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 203.2 million and Baht 177.8 million, respectively (Baht 190.5 million and Baht 165.1 million, respectively, for the Company only).

14. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2013	27,809	49,049	76,858
Acquisitions	890	2,368	3,258
Written off	(19,998)	-	(19,998)
Balance as at December 31, 2014	8,701	51,417	60,118
Acquisitions	30	3,918	3,948
Balance as at December 31, 2015	8,731	55,335	64,066
Accumulated amortization			
Balance as at December 31, 2013	26,660	41,982	68,642
Amortization for the year	446	1,976	2,422
Written off	(19,998)	-	(19,998)
Balance as at December 31, 2014	7,108	43,958	51,066
Amortization for the year	470	2,523	2,993
Balance as at December 31, 2015	7,578	46,481	54,059
Net book value			
December 31, 2014	1,593	7,459	9,052
December 31, 2015	1,153	8,854	10,007
	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2013	5,788	48,801	54,589
Acquisitions	890	2,151	3,041
Balance as at December 31, 2014	6,678	50,952	57,630
Acquisitions	30	3,864	3,894
Balance as at December 31, 2015	6,708	54,816	61,524
Accumulated amortization			
Balance as at December 31, 2013	4,639	41,856	46,495
Amortization for the year	446	1,914	2,360
Balance as at December 31, 2014	5,085	43,770	48,855
Amortization for the year	470	2,424	2,894
Balance as at December 31, 2015	5,555	46,194	51,749
Net book value			
December 31, 2014	1,593	7,182	8,775
December 31, 2015	1,153	8,622	9,775

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The Group had amortization for the years ended December 31, 2015 and 2014 amounting to approximately Baht 3.0 million and Baht 2.4 million, respectively (same amount for the Company only) which was presented as part of “Administrative expenses” in the statements of comprehensive income.

As at December 31, 2015 and 2014, cost of intangible assets of the Company and its subsidiaries that have been fully amortized but still in use amounting to approximately Baht 44.6 million and Baht 42.6 million, respectively (same amount for the Company only).

15. PROPERTY FOR LEASE AND ASSETS NOT USED IN OPERATIONS

A subsidiary has property for lease, comprising land and buildings, which were transferred from assets not used in operations in March 2013 at the carrying value. The details of such assets are as follows:

	Consolidated (In Thousand Baht)				Balance as at December 31, 2015
	Balance as at December 31, 2014	Movements during the Year			
		Addition	Deduction	Transfer	
Cost					
Land	12,800	-	-	-	12,800
Buildings and building improvements	8,075	-	-	-	8,075
Total cost	20,875	-	-	-	20,875
Accumulated depreciation					
Buildings and building improvements	742	404	-	-	1,146
Net	<u>20,133</u>				<u>19,729</u>

Depreciation for each of the years ended December 31, 2015 and 2014 amounted to approximately Baht 0.4 million.

The latest appraisal value of property for lease, appraised by The Valuation & Consultants Company Limited using comparative market price method (Market Approach) as per their reports in August 2012, amounted to approximately Baht 33.9 million.

Assets not used in operations consists of land and commercial buildings of the Company and a subsidiary which are temporarily not used in operations as at December 31, 2015, totalling approximately Baht 14.3 million (Baht 5.7 million for the Company only). The latest appraisal value of such assets, appraised by The Valuation & Consultants Company Limited using comparative market price method (Market Approach) as per their reports in December 2015, amounted to totalling approximately Baht 69.6 million (Baht 30.2 million for the Company only).

**16. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS
FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Bank overdrafts	14,439	24,415	14,421	22,445
Short-term loans from banks	50,574	656,193	50,574	656,193
Total	<u>65,013</u>	<u>680,608</u>	<u>64,995</u>	<u>678,638</u>

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As at December 31, 2015 and 2014, the Group had credit facilities with several financial institutions as follows:

	<u>2015</u>	<u>2014</u>
Bank overdrafts (million Baht)	192.00	192.00
Short-term loans (million Baht)	3,045.00	3,545.00
Short-term loan (million USD)	1.39	1.39

Such loans bear interest rates ranging between 0.52% - 4.60% p.a. in 2015 and 0.50% - 2.80% p.a. in 2014.

Partial overdraft lines mentioned above are secured by certain directors of the Group.

Overdraft lines of two subsidiaries are secured by the fixed deposits as discussed in Note 10.

17. LONG -TERM LOANS - NET

	In Thousand Baht			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Long-term loans - local	500,000	800,000	500,000	800,000
Long-term loan - foreign	18,974	-	-	-
Total	518,974	800,000	500,000	800,000
Less Current portion	(510,842)	(300,000)	(500,000)	(300,000)
Net	<u>8,132</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>

As at December 31, 2015 and 2014, the Company had the unsecured long-term loans from a local financial institution totalling Baht 500 million and Baht 800 million, respectively. These loans bear interest at 4.2% p.a. in 2015 and 3.98% - 4.2% p.a. in 2014. Interest is payable monthly whereas loan principals are repayable during the years 2014 to 2016.

As at December 31, 2015, the subsidiary in Cambodia had long-term loan with a foreign bank amounting to U.S. Dollar 0.525 million (drawdown amount before partial repayment was U.S. Dollar 0.6 million), which is guaranteed in full amount by the Company. This loan bears interest at LIBOR plus 4% p.a. and interest is payable quarterly whereas loan principal is repayable during the years 2015 to 2017.

Under the terms of the loan agreements with a local bank, the Company has to comply with specific conditions as follows:

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; and
3. To maintain ratio of hire-purchase contract receivables overdue longer than 3 months not exceeding 5% of total hire-purchase contract receivables.

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18. DEBENTURES

Consolidated and The Company Only					
Date of Issuance / Year of Redemption	Interest Payment	Interest Rate Per Annum (%)	Number of Unit (Baht 1,000 Each)	In Thousand Baht	
				2015	2014
August 27, 2010 / 2015	Semi-annually	3.90	300,000	-	300,000
January 28, 2011 / 2016	Semi-annually	4.04	250,000	250,000	250,000
May 27, 2011 / 2016	Quarterly	5.00	300,000	300,000	300,000
November 6, 2012 / 2016	Semi-annually	4.20	300,000	300,000	300,000
July 19, 2013 / 2016	Semi-annually	3.98	570,000	570,000	570,000
March 26, 2014 / 2017	Semi-annually	4.00	900,000	900,000	900,000
April 30, 2014 / 2017	Semi-annually	4.00	100,000	100,000	100,000
May 9, 2014 / 2016	Quarterly	3.63	200,000	200,000	200,000
February 25, 2015 / 2017	Semi-annually	3.15	120,000	120,000	-
September 3, 2015 / 2018	Semi-annually	2.59	200,000	200,000	-
Total				2,940,000	2,920,000
Less Current portion				(1,620,000)	(300,000)
Net				<u>1,320,000</u>	<u>2,620,000</u>

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.

As at December 31, 2015 and 2014, such debentures had fair values totalling approximately Baht 2,976.8 million and Baht 2,973.9 million, respectively.

19. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Liability for post-employment benefits as at January 1	34,543	28,566	28,620	22,722
Current service cost	1,603	2,358	1,353	2,068
Interest cost	1,301	1,559	1,079	1,288
Past service cost	-	-	-	-
Actuarial loss on measurement	-	3,107	-	3,325
Expense recognized in statement of comprehensive income	2,904	7,024	2,432	6,681
Employee benefits paid during the year	(6,408)	(1,047)	(5,888)	(783)
Liability for post-employment benefits as at December 31	<u>31,039</u>	<u>34,543</u>	<u>25,164</u>	<u>28,620</u>

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

- Discount rate 4.58% p.a.
- Salary escalation rate 4.89% p.a.
- Employee turnover rate 0% - 67% p.a.
- Mortality rate 100% of Thai Mortality Table (2008)
- Disability rate 10% of Thai Mortality Table (2008)

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20. PREMIUM ON SHARES AND LEGAL RESERVE

Premium on shares

Section 51 of the Public Companies Act B.E. 2535 requires the public company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“premium on shares”). Premium on shares is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires the company to allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

21. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Bad debt recovery	384,927	422,995	382,849	420,795
Service income	170,615	185,154	166,753	181,440
Engagement fee income	65,863	59,469	65,859	59,455
Delay payment fee income	54,895	51,005	51,450	47,301
Collection fee income	49,643	54,249	47,559	51,917
Service charge income	29,373	31,487	28,831	30,763
Interest income	7,164	9,686	37,209	54,839
Dividend income (see Notes 5 and 11)	-	-	116,244	403,951
Gain on decrease in share capital for returns of subsidiary (see Notes 5 and 11)	-	-	33,449	-
Others	34,104	19,584	31,195	16,597
Total	796,584	833,629	961,398	1,267,058

22. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Bad debt and provision for doubtful accounts	891,776	1,279,854	877,988	1,266,869
Employee expenses	619,984	564,721	528,074	477,311
Finance costs	153,760	211,618	168,897	224,836
Loss on impairment of goodwill	83,640	-	-	-
Depreciation and amortization	65,980	50,364	60,504	47,386
Cost of sales (merchandises)	31,787	21,052	31,787	21,052

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23. INCOME TAX AND DEFERRED TAX ASSETS / LIABILITIES

The Royal Decree Issued Under the Revenue Code Regarding Reduction and Exemption in Tax Rate No. 530 B.E. 2554 (2011) dated December 21, 2011 has provided the temporary reduction in income tax rate applied to juristic company or partnership for a three consecutive accounting periods from 30% to 23% for the first accounting period and from 30% to 20% for the following two accounting periods. Such reduction in tax rate is effective from the accounting period starting on or after January 1, 2012. Accordingly, the Group used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2015 and 2014, respectively. In addition, the Royal Decree Issued Under the Revenue Code Regarding Reduction and Exemption in Tax Rate No. 577 B.E. 2557 (2014) dated November 10, 2014 has provided the reduction in income tax and maintained at the rate 20% applied to juristic company or partnership for an accounting period starting on or after January 1, 2015 but not later than December 31, 2015. Management of the Company believes that the income tax rate to be announced after the year 2015 will be maintained at 20%.

Corporate income tax rate announced in Cambodia and Lao PDR is the same rate to Thailand i.e. 20%.

As at December 31, 2015, the Group had tax loss carryforward amounting to approximately Baht 56.2 million (Baht 43.6 million for the Company only) whereby such loss carryforward is able to be used as tax credit until 2019.

Corporate income tax recorded as (income) expense for the years ended December 31, 2015 and 2014 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Income tax computed from accounting profit	86,459	45,995	102,443	35,444
Effects from non-deductible expenses	13,372	18,709	10,436	13,409
Effects from additional deductible expenses or non-taxable income	(85,036)	(50,928)	(112,879)	(48,188)
Income tax on taxable profit	14,795	13,776	-	665
Adjustment to tax payable in respect of previous periods	209	3,141	-	-
Decrease in deferred tax assets	9,650	15,349	12,004	12,479
Income tax presented in statement of comprehensive income	<u>24,654</u>	<u>32,266</u>	<u>12,004</u>	<u>13,144</u>

Deferred tax assets and liabilities presented in statements of financial positions as at December 31, 2015 and 2014 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2015	2014	2015	2014
<i>Deferred tax assets</i>				
Effects from non-deductible items from				
- Allowance for doubtful accounts	103,596	106,958	93,823	99,546
- Allowance for diminution in value of asset foreclosed	15,471	21,058	15,458	21,049
- Liability for post-employment benefits	6,208	6,909	5,033	5,724
Total	<u>125,275</u>	<u>134,925</u>	<u>114,314</u>	<u>126,319</u>
<i>Deferred tax liabilities</i>				
Net	<u>125,175</u>	<u>134,925</u>	<u>114,314</u>	<u>126,319</u>

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24. DIVIDENDS

At the general shareholders' meeting held on April 21, 2015, the shareholders unanimously approved the Company to pay dividends for the 2014 operations at Baht 0.18 per share totalling Baht 90 million. The Company paid such dividends to the shareholders on May 12, 2015.

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.

25. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

Statement of financial position and statement of income are significant financial and core information of the Group 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 Group has a single core operating segment (being internal reporting segment) by product which is hire-purchase on automobile and motorcycle for general retail customers whereby the business activities with respect of loans to general retail customers have just been started with the insignificant portion as compared to the entire volumes and size of business activities. Accordingly, the accompanying financial statements do not include the operational information relating to information on products and key customers.

Information on Geographic Areas

The Company's subsidiaries in Cambodia and Lao PDR started their business activities near the end of 2014. Accordingly, their operations have been insignificant portion as compared to the entire volumes and size of the Group's business activities, therefore, the accompanying financial statements do not include the operational information relating to information on geographic areas.

The Company and its subsidiaries incorporated in Thailand have no any non-current asset located in the countries other than Thailand. However, as at December 31, 2015, the subsidiaries, incorporated in Cambodia and Lao PDR, had fixed assets i.e. leasehold improvements, furniture, fixtures and office equipment and vehicles and intangible assets of which the carrying amounts totalling approximately Baht 3.4 million and Baht 3.2 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2015.

26. FINANCIAL INSTRUMENTS

The Group is exposed to the normal business risks relating to credit risk, interest rate risk, and foreign currency risk. The Group does not use derivative financial instruments for hedging or trading purposes.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. To control the risk, the Group has a prudent credit control policy, constant follow up of account receivables, various numbers of customer base, as well as deposits, advances, and hire-purchased vehicles as collateral. Therefore, the management of the Group does not anticipate losses from debt collection in excess of the allowance for doubtful accounts which is already accounted for in the accompanying financial statements.

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Interest rate risk

Interest rate risk arises from the potential change in interest rates. However, the Group expects that the interest rate risk is not significant since partial deposits at banks are current accounts while saving deposits and short-term investments as well as loans receivables / payables and debentures carry interest at the rates approximate the current market rates. Significant information regarding interest rates and due dates were disclosed in the accompanying financial statements.

Foreign currency risk

The Group has certain foreign currency transactions that give rise to exposure to risk from fluctuations in foreign exchange rates. However, the management believes that the foreign exchange rate risk is not significant because of small volumes and insignificance of foreign currency transactions of the Group. Hence, no derivative financial instruments are used to mitigate this risk.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1 inputs”), secondary priority to other observable inputs (“Level 2 inputs”), and the lowest priority to unobservable inputs (“Level 3 inputs”).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

As at December 31, 2015, the Group had no any asset or liability that is measured at fair value (both on a recurring or non-recurring basis) in the statements of financial position, accordingly, there was no disclosure relating to the valuation techniques and inputs used to develop measurements.

However, the Group has liabilities not measured at fair value in the statement of financial position as at December 31, 2015 but for which related quantitative information of fair value is disclosed in the financial statements as follows:

<u>Item in the Financial Statements</u>	<u>Fair Value as at December 31, 2015</u>		<u>Fair Value Hierarchy</u>
	<u>(In Million Baht)</u>		
	<u>Consolidated</u>	<u>The Company Only</u>	
Debentures	2,976.8	2,976.8	Level 1 inputs

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Other than the abovementioned matters, the following assumptions were used by the Group in estimating the fair values of financial assets and financial liabilities:

Cash and cash equivalents, bank overdrafts, trade receivables and payables, other receivables and payables, current portions of loan receivables and payables, and restricted deposits at financial institutions have carrying values that did not materially differ from their fair values because these financial assets and liabilities will mature in a short-term period or bear interest at the rates approximate market rates.

Long-term hire-purchase contract and loan receivables as well as long-term loan receivables and payables are not practicable to estimate the proper fair values without incurring excessive expenses and costs.

27. COMMITMENTS

As at December 31, 2015, the Group had commitments on lease and service agreements for office premises and branches whereby the related lease and service fees are committed to pay as follows:

• Within 1 year	31.3	Million Baht
• Between 2-5 year	<u>41.1</u>	
• Total	<u>72.4</u>	Million Baht

28. CAPITAL MANAGEMENT

Significant objectives of the Group's capital management are to ensure that it has appropriate financial and capital structures as well as maintaining the financial liquidity and ability to continue its businesses as a going concern.

As at December 31, 2015 and 2014, the Group's Debt-to-Equity ratio was 0.92:1.00 and 1.19:1.00, respectively (1.13:1.00 and 1.56:1.00 for the Company only, respectively).

29. REGISTERED EMPLOYEES' PROVIDENT FUND

The Company and a subsidiary have contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company, subsidiary, and employees contribute an amount equivalent to 3% to the fund. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Group's contributions, which were charged to operations for each of the years ended December 31, 2015 and 2014, amounted to approximately Baht 0.6 million (approximately Baht 0.5 million for the Company only).

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30. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 18, 2016, the Board of Directors approved the following matters which will be proposed to shareholders for approval in the upcoming shareholders' meeting to be held in April 2016:

- 1) Declaration of dividends for the 2015 operations at Baht 0.40 per share totalling Baht 200 million with planned date for dividend payment on May 18, 2016.
- 2) Increase in amount for issuance and sales of debentures by Baht 2,200 million (from Baht 1,800 million to Baht 4,000 million).

31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved to be issued by the Company's Board of Directors' meeting on February 18, 2016.