

EASY BUY PUBLIC COMPANY LIMITED

Financial statements

Year ended December 31, 2014

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

EASY BUY PUBLIC COMPANY LIMITED

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of EASY BUY Public Company Limited as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statements for the year ended December 31, 2013, presented herein as comparative information, were audited by other auditors, whose report thereon dated February 26, 2014 expressed an unmodified opinion on these statements.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
February 26, 2015

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	2014	2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	419,067	567,552
Loan receivables due within one year	7	34,176,588	30,794,649
Other receivables	8	272,290	436,667
Total Current Assets		<u>34,867,945</u>	<u>31,798,868</u>
NON-CURRENT ASSETS			
Loan receivables	7	43,700	118,685
Leasehold improvements and equipment	9	411,840	431,822
Intangible assets	10	124,404	65,199
Deferred tax assets	11	566,163	537,229
Other non-current assets		62,759	61,497
Total Non-current Assets		<u>1,208,866</u>	<u>1,214,432</u>
TOTAL ASSETS		<u><u>36,076,811</u></u>	<u><u>33,013,300</u></u>

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5, 12	4,863,841	2,061,000
Trade accounts payable		5,164	6,343
Other payables	13	540,033	662,516
Current portion of long-term borrowings from financial institutions	5, 12	3,163,668	7,894,492
Current portion of debentures	12	2,837,990	498,983
Income tax payable		346,617	271,594
Total Current Liabilities		<u>11,757,313</u>	<u>11,394,928</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5, 12	8,731,515	6,128,757
Debentures	12	5,929,835	7,819,229
Employee benefit obligations	14	50,357	29,152
Provision for restoration cost of leasehold improvements	15	63,011	61,470
Other non-current liabilities		759	6,586
Total Non-current Liabilities		<u>14,775,477</u>	<u>14,045,194</u>
TOTAL LIABILITIES		<u>26,532,790</u>	<u>25,440,122</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
390,000,000 ordinary shares of Baht 10 each	16	<u>3,900,000</u>	<u>3,900,000</u>
Issued and paid-up share capital			
390,000,000 ordinary shares of Baht 10 each, fully paid		3,900,000	3,900,000
RETAINED EARNINGS			
Appropriated			
Legal reserve	17	353,300	237,983
Unappropriated		<u>5,290,721</u>	<u>3,435,195</u>
TOTAL SHAREHOLDERS' EQUITY		<u>9,544,021</u>	<u>7,573,178</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>36,076,811</u>	<u>33,013,300</u>

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	2014	2013
INCOME			
Income from personal loans		9,158,903	8,484,144
Income from installment loans		32,023	34,384
Other income	19	949,939	961,534
Total Income		<u>10,140,865</u>	<u>9,480,062</u>
EXPENSES			
Selling expenses	20	615,969	639,904
Administrative expenses	20	2,189,953	2,063,883
Bad debts and doubtful accounts expenses	7, 20	3,210,468	2,756,514
Finance costs	5, 22	1,220,107	1,240,927
Total Expenses		<u>7,236,497</u>	<u>6,701,228</u>
PROFIT BEFORE INCOME TAX EXPENSE		2,904,368	2,778,834
INCOME TAX EXPENSE	23	598,026	566,764
NET PROFIT FOR THE YEARS		<u>2,306,342</u>	<u>2,212,070</u>
OTHER COMPREHENSIVE LOSS			
Actuarial losses on defined employee benefit plans		(3,999)	-
Other comprehensive loss for the years, net of tax		(3,999)	-
NET PROFIT AND TOTAL COMPREHENSIVE			
INCOME FOR THE YEARS		<u>2,302,343</u>	<u>2,212,070</u>
BASIC EARNINGS PER SHARE	BAHT	5.91	5.67
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	390,000,000	390,000,000

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2013		3,900,000	127,380	1,626,228	5,653,608
Dividends paid	24	-	-	(292,500)	(292,500)
Legal reserve	17	-	110,603	(110,603)	-
Profit and total comprehensive income for the year		-	-	2,212,070	2,212,070
Balance as at December 31, 2013		<u>3,900,000</u>	<u>237,983</u>	<u>3,435,195</u>	<u>7,573,178</u>
 Balance as at January 1, 2014		 3,900,000	 237,983	 3,435,195	 7,573,178
Dividends paid	24	-	-	(331,500)	(331,500)
Legal reserve	17	-	115,317	(115,317)	-
Profit and total comprehensive income for the year		-	-	2,302,343	2,302,343
Balance as at December 31, 2014		<u>3,900,000</u>	<u>353,300</u>	<u>5,290,721</u>	<u>9,544,021</u>

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		2,904,368	2,778,834
Adjustments for			
Depreciation and amortization expenses		150,088	118,966
Discount of restoration cost		1,618	-
Interest income		(9,190,926)	(8,518,528)
Interest expense		1,156,015	1,240,927
Bad debt and doubtful accounts expenses		3,210,468	2,756,514
Employee benefit expense		17,206	7,000
(Gain) Loss on disposal of equipment and intangible assets		(699)	1,947
		<u>(1,751,862)</u>	<u>(1,614,340)</u>
Changes in operating assets and liabilities			
Loan receivables		(6,386,372)	(4,989,561)
Other receivables		156,219	(54,285)
Other non-current assets		(1,261)	(2,140)
Trade accounts payable		(1,179)	(7,107)
Other payables		(60,714)	91,896
Other non-current liabilities		(1,968)	(2,532)
Cash paid from operating activities		<u>(8,047,137)</u>	<u>(6,578,069)</u>
Cash received from interest income		9,059,875	8,377,940
Interest paid		(1,183,378)	(1,218,348)
Income tax paid		<u>(551,937)</u>	<u>(718,164)</u>
Net cash used in operating activities		<u>(722,577)</u>	<u>(136,641)</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

Unit : Thousand Baht

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of leasehold improvements and equipment		(156,754)	(130,464)
Proceeds from sales of equipment		3,429	2,201
Cash paid for purchase of intangible assets		(88,177)	(18,374)
Net cash used in investing activities		<u>(241,502)</u>	<u>(146,637)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans from financial institutions		27,682,000	25,694,000
Repayment of short-term loans from financial institutions		(24,871,000)	(26,054,000)
Proceeds from long-term loans from financial institutions		5,923,826	2,616,310
Repayment of long-term loans from financial institutions		(8,052,532)	(2,167,270)
Proceeds from issuing of debentures		964,800	2,000,000
Repayment of debentures		(500,000)	(1,500,000)
Dividends paid to owners of the Company		(331,500)	(292,500)
Net cash provided by financing activities		<u>815,594</u>	<u>296,540</u>
Net increase (decrease) in cash and cash equivalents		(148,485)	13,262
Cash and cash equivalents as at January 1,		<u>567,552</u>	<u>554,290</u>
Cash and cash equivalents as at December 31,	6	<u><u>419,067</u></u>	<u><u>567,552</u></u>

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Notes	Contents
1.	General information
2.	Basis for preparation and presentation of the financial statements
3.	Significant accounting policies
4.	Additional cash flow information
5.	Related parties
6.	Cash and cash equivalents
7.	Loan receivables
8.	Other receivables
9.	Leasehold improvements and equipment
10.	Intangible assets
11.	Deferred tax
12.	Interest-bearing liabilities
13.	Other payables
14.	Employee benefit obligations
15.	Provision for restoration cost of leasehold improvements
16.	Capital management
17.	Legal reserve
18.	Segment information
19.	Other income
20.	Expense by nature
21.	Provident fund
22.	Finance costs
23.	Income tax expense
24.	Dividends paid
25.	Financial instruments
26.	Commitments with non-related parties
27.	Subsequent events after the reporting period
28.	Approval of financial statements

EASY BUY PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

EASY BUY Public Company Limited, the (“Company”), was incorporated in Thailand. Its registered office is at 5th Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, Bangkok.

The immediate parent company during the financial period was ACOM Co., Ltd. which was incorporated in Japan.

The principal businesses of the Company are consumer finance business representing personal loans and installment loans.

The Company has conducted business under the Foreign Business Act B.E. 2542 since September 27, 2012.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) and accounting practices generally accepted in Thailand.

The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2012) “Presentation of Financial Statements”, applicable rules and regulations of the Thai Securities and Exchange Commission, and the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statement B.E. 2554”.

The financial statements have been prepared on the historical cost basis except for those described in the significant accounting policies (Note 3).

Currently, the Company’s operations relate to a single business segment which is the consumer finance business, and are carried out in a single geographic area which is Thailand.

2.2 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2014 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible assets

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2012)	Share - Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standards Interpretations ("TSIC")

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

Thai Financial Reporting Standard Interpretations ("TFRIC")

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

Above TFRSs have no material impact on these financial statements.

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2014), which was announced in the Royal Gazette and effective from October 15, 2014 onwards to replace the Accounting Framework (Revised 2009). Such Conceptual Framework for Financial Reporting has no material impact on these financial statements.

2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting period beginning on or after January 1, 2015 onwards as follows:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible Assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standard Interpretations (“TSIC”)

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard (TFRS), which is effective for the accounting period beginning on or after January 1, 2016 onwards as follow:

Thai Financial Reporting Standards (“TFRS”)

TFRS 4 (Revised 2014) Insurance Contracts

The Company’s management anticipates that the Company will adopt the above TFRSs relevant to the Company in the preparation of the Company’s financial statements when they become effective. The Company’s management anticipates that the adoption of the other TFRSs as above will have no material impact on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

3.1 Foreign currency transactions

Transactions denominated in currencies other than Thai Baht are translated into Thai Baht at the rates of exchange prevailing on the transaction dates.

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

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

3.2 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate arising from financing activities.

Foreign currency liabilities hedged by cross currency swap contracts are translated to Thai Baht at such contracted exchange rates.

Interest differentials under swap arrangements are accrued and recorded as adjustments to the hedged loans.

3.3 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flow comprise cash balances, call deposits and highly liquid short-term investments.

3.4 Loan receivables

Personal loan receivables are stated at cost including accrued interest income and accrued credit usage fee net of allowance for doubtful accounts.

Installment loan receivables are stated at cost net of unearned interest income, output tax for undue installments and allowance for doubtful accounts.

3.5 Allowance for doubtful accounts

Allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. The Company provides allowance for doubtful accounts based on certain percentages of outstanding accounts receivable balances including accrued interest income and accrued credit usage net of unearned interest income. Allowance for doubtful accounts is made in full for receivables that are overdue more than three months.

Receivables that are overdue for more than six-months are written off. Any recovery is recognized as other income in the statement of comprehensive income.

3.6 Debt restructuring

For the debt restructuring by the modification of term of repayment to the debtor, the Company determines the loss arising from the revaluation of the book value of the debtor on the basis of the present value of the future cash flows to be received under the new conditions, using the compromised interest rate in discounting. Amount by which the newly determined book value is lower than the previous book value, including interest receivable, is recorded as a loss from restructuring in the statement of comprehensive income.

Losses from debt restructuring arising from reductions of principal and interest are included in the statement of comprehensive income.

3.7 Leasehold improvement and equipment

Recognition and measurement

Owned assets

Leasehold improvement and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling the removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvement and equipment.

Gains and losses on disposal of an item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment, and are recognized net within other income in the statement of comprehensive income.

Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvements and equipment. The estimated useful lives are as follows:

Leasehold improvements	5 years
Furniture, fixture and office equipment	5 years
Vehicles	5 years

No depreciation is provided on assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.8 Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software program licenses	5, 10 years
Trademarks	10 years

3.9 Impairment

The carrying amounts of the Company'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 are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an assets exceeds its recoverable amount. The impairment loss is recognized in profit of loss.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of the asset's value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount loss not exceed the carrying amount has would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of comprehensive income over the period of the borrowing on an effective interest basis.

3.11 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

3.12 Employee benefits

Defined contribution plans

A defined contribution plans is a post-employment benefit plan under which an entity pay fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Thai Government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of comprehensive income.

The Company has adopted the corridor approach to the recognition of actuarial gains and losses prior to 2014. The amount of gains and losses recognized as income or expense in a particular year equals the excess of the unrecognized gain/loss at the start of the year over 10% of the defined benefit obligation at the start of the year, divided by the expected average remaining working life of the membership.

The actuarial gains (losses) assessed in 2014 are recognized as other comprehensive income (loss) in the statements of comprehensive income.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Provision for demolished costs of leasehold improvements

Provision for demolished costs of leasehold improvements is based on discounting the expected future cash flows of provision for demolished costs of leasehold improvements. These costs are included as part of leasehold improvements.

3.14 Revenue

Interest income and credit usage fee on personal loans are recognized as income on an accrual basis using the effective rate method, except in cases where customers' principal and interest are in arrears for more than six-months, in which case income is recognized on a cash basis.

Interest income on installment loans is recognized as income on an accrual basis over the installment period using the effective rate method, except in cases where customers' principal and interest are in arrears for more than six-months, in which case income is recognized on a cash basis.

Late charge and collection fees income are recognized as income on an accrual basis.

3.15 Finance cost

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

3.16 Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the term of the lease.

3.17 Income tax

Income tax expense for the year comprised current and deferred tax. Current and deferred taxes are recognized in the statement of comprehensive income except to the extent that they relate to an items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used or taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable the future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.18 Functional and presentation currency

The financial statements are presented in Baht currency, which is the Company's functional currency. All financial information presented in Baht has been rounded in the financial statements to the nearest Thousand Baht unless otherwise stated.

3.19 Use of estimates and judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

(1) Allowance for doubtful accounts and bad debts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgments by the management, which includes the estimated collection losses on receivables, based on the Company's collection experience. The management reviews these estimates and assumptions on a regular basis.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the financial statements for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Leasehold improvements and equipment		
Liabilities recorded at beginning of the year	48,500	1,581
Purchase of leasehold improvements and equipment	116,343	177,383
	<u>164,843</u>	<u>178,964</u>
<u>Less</u> Cash paid for purchasing of		
leasehold improvements and equipment	<u>(156,754)</u>	<u>(130,464)</u>
Liabilities recorded at ending of the year	<u>8,089</u>	<u>48,500</u>

For the years ended December 31, 2014 and 2013, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.92 million and Baht 18.84 million, respectively.

	Unit : Thousand Baht	
	2014	2013
Intangible assets		
Liabilities recorded at beginning of the year	22,893	-
Purchase of intangible assets	74,816	41,267
	97,709	41,267
<u>Less</u> Cash paid for purchasing of intangible assets	<u>(88,177)</u>	<u>(18,374)</u>
Liabilities recorded at ending of the year	<u>9,532</u>	<u>22,893</u>

5. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties are as follows:

Related Parties	Type of Business	Country of incorporation/ nationality	Nature of relationships
ACOM Co., Ltd.	Consumer Finance Business	Japan	Parent company, 71% shareholding
ACOM (U.S.A.) Inc.	Currently suspending its operation	The United States of America	Related party, wholly owned by the parent Company
The Bank of Tokyo - Mitsubishi UFJ, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
The Bank of Tokyo -Mitsubishi UFJ, Ltd., Bangkok branch	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
Mitsubishi UFJ Trust and Banking Corporation.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25% shareholding
Key management personnel	-	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policy
Finance costs	
Interest expense	as agreed in contract
Guarantee fee	as agreed in contract

Significant transactions with related parties for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Parent		
Guarantee fee	34,408	39,241
Other related parties		
Interest expense	325,933	369,534
Guarantee fee	130	-
Debenture arrangement fee	1,462	-
Syndicate arrangement fee	4,479	4,993
Upfront fee	3,165	272
Key management personnel		
Key management compensation	84,310	83,421

Balances as at December 31, 2014 and 2013 with related parties are as follows:

	Unit : Thousand Baht	
	2014	2013
Short-term borrowings from financial institutions		
Other related party		
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok branch	1,120,000	350,000

As at December 31, 2014 and 2013, short-term borrowings from financial institutions from related party bear interest at rate 2.91% per annum and 3.1% - 3.2% per annum, respectively.

	Unit : Thousand Baht	
	2014	2013
Long-term borrowings from financial institutions		
Other related parties		
Mitsubishi UFJ Trust and Banking Corporation		
USD 59.30 million		
(December 31, 2013 : USD 17 million)	1,907,796	530,910
JPY - million		
(December 31, 2013 : JPY 4,350 million)	-	1,626,399
	<u>1,907,796</u>	<u>2,157,309</u>
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok branch	<u>1,800,000</u>	<u>3,900,000</u>
ACOM (U.S.A.) Inc.		
USD 52 million		
(December 31, 2013 : USD 52 million)	1,614,730	1,614,730
	<u>5,322,526</u>	<u>7,672,039</u>
<u>Less</u> Long-term borrowing issuance cost	<u>(8,027)</u>	<u>(7,414)</u>
	<u>5,314,499</u>	<u>7,664,625</u>
<u>Less</u> Current portion	<u>(1,614,730)</u>	<u>(4,026,399)</u>
	<u>3,699,769</u>	<u>3,638,226</u>

As at December 31, 2014 and 2013, long-term borrowings from financial institutions from related parties bear interest at rates ranging from 2.29% - 5.33% per annum and 2.29% - 6.67% per annum, respectively.

	Unit : Thousand Baht	
	2014	2013
Other payables		
Accrued interest expense		
Other related parties		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	16,370	30,469
Mitsubishi UFJ Trust and Banking Corporation	23,843	34,444
ACOM (U.S.A.) Inc.	9,432	9,328
Total	<u>49,645</u>	<u>74,241</u>
Accrued guarantee fee		
Parent		
ACOM Co., Ltd.	2,412	3,110
Total	<u>52,057</u>	<u>77,351</u>

Significant agreements with related parties

Guarantee fee agreements

The Company entered into agreements with ACOM Co., Ltd., the parent company, which has guaranteed the financial institutions due performance of obligations by the Company under loan agreements and derivatives with those financial institutions. In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of loans and derivatives as stipulated in the agreements unless the Company gives prior notice in writing for termination of the agreements.

Cross currency and interest rate swap agreements

The Company entered into the agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok branch, to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by swapping the foreign currency and interest rate as specified in the agreement (see Note 12).

6. CASH AND CASH EQUIVALENTS

	Unit : Thousand Baht	
	2014	2013
Cash on hand	179,068	279,538
Cash at banks - current accounts	208,079	225,229
Cash at banks - savings accounts	31,920	62,785
Total	419,067	567,552

In 2014 and 2013, above cash at banks bear interest at the rates of ranging from 0.25% - 0.60% per annum and 0.25% - 0.90% per annum, respectively.

7. LOAN RECEIVABLES

	Unit : Thousand Baht			
	As at December 31, 2014		As at December 31, 2013	
	Personal Loan Receivables	Installment Loan Receivables	Personal Loan Receivables	Installment Loan Receivables
Due within one year				
Loan receivables	36,501,793	143,822	32,813,141	201,255
Less: Unearned interest income	(5,603)	(17,527)	(21,398)	(21,732)
Allowance for doubtful accounts	(2,442,160)	(3,737)	(2,170,811)	(5,806)
Net	34,054,030	122,558	30,620,932	173,717
				30,794,649
Due over one year				
Loan receivables	5,295	46,927	96,799	58,066
Less: Unearned interest income	(65)	(6,154)	(7,525)	(7,468)
Allowance for doubtful accounts	(1,232)	(1,071)	(19,621)	(1,566)
Net	3,998	39,702	69,653	49,032
Total	34,058,028	162,260	30,690,585	222,749
				30,913,334
Bad debts and doubtful accounts expenses for the years ended December 31,				
	2014		2013	
Bad debts	2,951,316	8,754	2,655,630	9,025
Doubtful accounts	252,961	(2,563)	96,323	(4,464)
Total	3,204,277	6,191	2,751,953	4,561
				2,756,514

Aging analyzes for loan receivables are as follows:

	Unit : Thousand Baht				
	As at December 31, 2014		As at December 31, 2013		Total
	Personal Loan Receivables	Installment Loan Receivables	Personal Loan Receivables	Installment Loan Receivables	
Current	34,053,098	185,535	30,671,891	253,054	30,924,945
Overdue payment periods					
Less than 3 months	1,582,047	2,910	1,505,966	3,566	1,509,532
Over 3 months	871,943	2,304	732,083	2,701	734,784
	36,507,088	190,749	32,909,940	259,321	33,169,261
	(5,668)	(23,681)	(28,923)	(29,200)	(58,123)
Less Unearned interest income					
Total	36,501,420	167,068	32,881,017	230,121	33,111,138
Less Allowance for doubtful accounts	(2,443,392)	(4,808)	(2,190,432)	(7,372)	(2,197,804)
Net	34,058,028	162,260	30,690,585	222,749	30,913,334

As at December 31, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	2014	2013
Revolving loan receivables	35,031,459	31,782,028
Minimum payment loan receivables	1,402,795	902,886
Term loan receivables	72,834	225,026
Total	36,507,088	32,909,940

Revolving loans are repayable at any time subject to a minimum monthly payment of 3.0% of the outstanding balances, as specified in the loan agreements. The Company classifies the total balance of revolving loan receivables within current assets.

Minimum payment loans are loans which the borrowers have the option to repay in full at any time or by monthly installments of not less than the minimum payment of from 3.0% to 8.0% of the total loan amount, as specified in the loan agreements. The Company classifies the total balance of minimum payment loan receivables within current assets.

Term loan receivables are repayable by monthly installments, as specified in the loan agreements. The Company classifies the balance of term loan receivables within current and non-current assets. As at December 31, 2014 and 2013 this monthly repayment amount repayable within one year was Baht 67.38 million and Baht 128 million, respectively.

As at December 31, 2014 and 2013, the Company had loan receivables which were overdue for over three payment periods of Baht 874.25 million and Baht 734.7 million, respectively, on which the Company has continued to recognize the interest income. The Company recognized income on such loan receivables for the years ended December 31, 2014 and 2013, amounting to Baht 166.6 million and Baht 170.6 million, respectively, against which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at December 31, 2014 and 2013 were denominated entirely in Baht Currency.

In 2014 and 2013, the interest rates for the above loan receivables were within defined law set at 15% per annum and not more than 28% per annum (effective rate) when inclusive of interest, fines, service charges and other fees.

Debt restructuring

For the years ended December 31, 2014 and 2013, the Company had recognized interest income on restructured debts totaling Baht 178.68 million and Baht 107.41 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2014 and 2013, as follows:

	As at December 31, 2014		Unit : Thousand Baht As at December 31, 2013	
	Number of debtors	Amount	Number of debtors	Amount
Restructured accounts receivable	34,305	1,402,795	22,668	902,886
Non-restructured accounts receivable	1,436,373	35,265,693	1,322,176	32,208,252
Total loan receivables	<u>1,470,678</u>	<u>36,668,488</u>	<u>1,344,844</u>	<u>33,111,138</u>

As at December 31, 2014 and 2013, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

8. OTHER RECEIVABLES

Other receivables as at December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Receivables from collection agencies	223,087	398,706
Prepaid expenses	26,765	30,334
Others	22,438	7,627
Total	<u>272,290</u>	<u>436,667</u>

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2014 and 2013 are as follows:

Unit : Thousand Baht

As at December 31, 2014

	Balance as at January 1, 2014	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2014
Costs:					
Leasehold improvements	459,852	13,263	(90,876)	1,999	384,238
Furniture, fixtures and office equipment	741,572	83,736	(56,164)	36,521	805,665
Vehicles	5,309	-	(97)	-	5,212
Total	1,206,733	96,999	(147,137)	38,520	1,195,115
Accumulated depreciation					
Leasehold improvements	224,798	65,362	(89,949)	-	200,211
Furniture, fixtures and office equipment	580,525	69,115	(54,328)	-	595,312
Vehicles	5,309	-	(97)	-	5,212
Total	810,632	134,477	(144,374)	-	800,735
Assets under installation	35,721	20,259	-	(38,520)	17,460
Leasehold improvements and equipment	431,822				411,840

Unit : Thousand Baht

As at December 31, 2013

	Balance as at January 1, 2013	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2013
Costs:					
Leasehold improvements	334,665	42,616	(40,470)	123,041	459,852
Furniture, fixtures and office equipment	670,863	61,570	(7,688)	16,827	741,572
Vehicles	6,961	-	(1,652)	-	5,309
Total	1,012,489	104,186	(49,810)	139,868	1,206,733
Accumulated depreciation					
Leasehold improvements	206,800	56,263	(38,265)	-	224,798
Furniture, fixtures and office equipment	535,222	51,295	(5,992)	-	580,525
Vehicles	5,816	897	(1,404)	-	5,309
Total	747,838	108,455	(45,661)	-	810,632
Assets under installation	83,555	92,034	-	(139,868)	35,721
Leasehold improvements and equipment	348,206				431,822

Depreciation for the years ended December 31,

2014	134,477
2013	108,455

The gross amount of the Company's fully depreciated equipment that was still in use as at December 31, 2014 and 2013, amounted to Baht 458.59 million and Baht 580.82 million, respectively.

10. INTANGIBLE ASSETS

Intangible assets as at December 31, 2014 and 2013 are as follows:

Unit : Thousand Baht					
As at December 31, 2014					
	Balance as at January 1, 2014	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2014
Costs:					
Computer software	98,143	37,414	(40)	23,004	158,521
Trademark	1,350	-	-	-	1,350
Total	99,493	37,414	(40)	23,004	159,871
Accumulated amortization:					
Computer software	58,748	15,476	(40)	-	74,184
Trademark	999	135	-	-	1,134
Total	59,747	15,611	(40)	-	75,318
Computer software under installation	25,453	37,402	-	(23,004)	39,851
Total intangible assets	65,199				124,404
Unit : Thousand Baht					
As at December 31, 2013					
	Balance as at January 1, 2013	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2013
Costs:					
Computer software	78,161	17,695	-	2,287	98,143
Trademark	1,350	-	-	-	1,350
Total	79,511	17,695	-	2,287	99,493
Accumulated amortization:					
Computer software	48,372	10,376	-	-	58,748
Trademark	864	135	-	-	999
Total	49,236	10,511	-	-	59,747
Computer software under installation	4,168	23,572	-	(2,287)	25,453
Total intangible assets	34,443				65,199
Amortization for the years ended December 31,					
2014					15,611
2013					10,511

The gross amount of the Company's fully amortized software that was still in use as at December 31, 2014 and 2013, amounted to Baht 25.73 million and Baht 12.24 million, respectively.

11. DEFERRED TAX

Deferred tax assets as at December 31, 2014 and 2013 consist of tax effects from the following items:

	Unit : Thousand Baht	
	2014	2013
Deferred tax assets		
Loan receivables		
(allowance for doubtful accounts)	489,640	439,561
Loan receivables (bad debt written-off)	104,322	77,056
Employee benefit obligations	9,272	5,830
Provision for restoration costs of leasehold improvements	7,300	5,201
Long-term borrowings from financial institutions (including cross currency swap)	-	10,182
Others	7,892	6,394
Total	<u>618,426</u>	<u>544,224</u>
Deferred tax liabilities		
Debenture and long-term loan issuance cost	(9,832)	(6,995)
Long-term borrowings from financial institutions (including cross currency swap)	(42,431)	-
Total	<u>(52,263)</u>	<u>(6,995)</u>
Net	<u>566,163</u>	<u>537,229</u>

The movements of deferred tax assets and liabilities during the years are as follows:

	Unit : Thousand Baht		
	2013	Item as recognized into statement of comprehensive income	2014
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	439,561	50,079	489,640
Loan receivables (bad debt written-off)	77,056	27,266	104,322
Employee benefit obligations	5,830	3,442	9,272
Provision for restoration costs of leasehold improvements	5,201	2,099	7,300
Long-term borrowings from financial institutions (including cross currency swap)	10,182	(10,182)	-
Others	6,394	1,498	7,892
	<u>544,224</u>	<u>74,202</u>	<u>618,426</u>
Deferred tax liabilities			
Debenture and long-term loan issuance cost	(6,995)	(2,837)	(9,832)
Long-term borrowings from financial institutions (including cross currency swap)	-	(42,431)	(42,431)
	<u>(6,995)</u>	<u>(45,268)</u>	<u>(52,263)</u>
Deferred tax assets	<u>537,229</u>	<u>28,934</u>	<u>566,163</u>

	Unit : Thousand Baht		
	2012	Item as recognized into statement of comprehensive income	2013
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	421,189	18,372	439,561
Loan receivables (bad debt written-off)	82,016	(4,960)	77,056
Employee benefit obligations	4,430	1,400	5,830
Provision for restoration costs of leasehold improvements	4,388	813	5,201
Long-term borrowings from financial institutions (including cross currency swap)	18,462	(8,280)	10,182
Others	5,101	1,293	6,394
	<u>535,586</u>	<u>8,638</u>	<u>544,224</u>
Deferred tax liabilities			
Debenture and long-term loan issuance cost	(10,789)	3,794	(6,995)
	<u>(10,789)</u>	<u>3,794</u>	<u>(6,995)</u>
Deferred tax assets	<u>524,797</u>	<u>12,432</u>	<u>537,229</u>

12. INTEREST-BEARING LIABILITIES

	As at December 31, 2014				As at December 31, 2013			Unit : Thousand Baht
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debtentures	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debtentures	
Current								
Principal	4,872,000	3,164,203	2,840,000	10,876,203	2,061,000	7,902,532	500,000	10,463,532
Less Discount, debenture and long-term loan issuance cost	(8,159)	(535)	(2,010)	(10,704)	-	(8,040)	(1,017)	(9,057)
Net	<u>4,863,841</u>	<u>3,163,668</u>	<u>2,837,990</u>	<u>10,865,499</u>	<u>2,061,000</u>	<u>7,894,492</u>	<u>498,983</u>	<u>10,454,475</u>
Non-current								
Principal	-	8,743,529	5,964,800	14,708,329	-	6,133,907	7,840,000	13,973,907
Less Discount, debenture and long-term loan issuance cost	-	(12,014)	(34,965)	(46,979)	-	(5,150)	(20,771)	(25,921)
Net	<u>-</u>	<u>8,731,515</u>	<u>5,929,835</u>	<u>14,661,350</u>	<u>-</u>	<u>6,128,757</u>	<u>7,819,229</u>	<u>13,947,986</u>
Total	<u>4,863,841</u>	<u>11,895,183</u>	<u>8,767,825</u>	<u>25,526,849</u>	<u>2,061,000</u>	<u>14,023,249</u>	<u>8,318,212</u>	<u>24,402,461</u>
- Secured*	1,762,000	6,384,440	5,952,098	14,098,538	1,261,000	11,208,519	5,506,272	17,975,791
- Unsecured	3,101,841	5,510,743	2,815,727	11,428,311	800,000	2,814,730	2,811,940	6,426,670
Total	<u>4,863,841</u>	<u>11,895,183</u>	<u>8,767,825</u>	<u>25,526,849</u>	<u>2,061,000</u>	<u>14,023,249</u>	<u>8,318,212</u>	<u>24,402,461</u>

* The Company has letter of guarantees and letter of credits issued by a related party and a local bank for guarantee payment of the Company under loan agreements with the financial institutions.

The currency denomination of interest-bearing liabilities as at December 31, are as follows:

	Unit : Thousand Baht	
	2014	2013
Baht Currency	19,037,240	20,047,958
United States Dollars Currency	5,844,609	2,728,104
Yen Currency	645,000	1,626,399
Total	25,526,849	24,402,461

In 2014 and 2013, above liabilities bear interest at the rates ranging from 2.29% - 6.00% per annum and 2.29% - 6.67% per annum, respectively.

Cross currency and interest rate swap agreements

Baht Currency

As at December 31, 2014 and 2013, the Company had an interest rate swap agreement with a local bank totaling Baht 1,000 million and Baht 1,800 million, respectively to hedge the volatility of interest rate by paying interest fixed rates as specified in the agreement in exchange for floating rates.

United States Dollars Currency

As at December 31, 2014 and 2013, the Company had cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate and paying the interest in Baht in fixed rate as specified in the agreement in exchange for interest payable in USD semi-annually. The cross currency agreements were as follows:

- With various local branches of the foreign related bank and the local banks totaling USD 153.30 million by swapping to Baht 4,870.25 million and USD 69 million to Baht 2,146 million, respectively.
- With a local branch of the foreign banks totaling USD 32.33 million by swapping to Baht 1,009.29 million and USD 20 million to Baht 585.4 million, respectively.

Yen Currency

As at December 31, 2014 and 2013, the Company had cross currency and interest rate swap agreements with various branches of the local banks totaling JPY 2,200 million by swapping to Baht 645 million and JPY 4,350 million to Baht 1,626 million, respectively, to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying interest fixed rates as specified in the agreement in exchange for interest payable in JPY semi-annually.

Debentures

Debentures as at December 31, 2014 and 2013 are as follows:

		Unit : Thousand Baht				
	Issuance Date	Maturity Date	Tranche Number	Secured/Unsecured	Unit	Par value
1	December 23, 2011	December 23, 2014 December 23, 2015	2 nd 3 rd	Secured Secured	500,000 500,000	1,000 1,000
2	March 30, 2012	February 27, 2015 February 29, 2016 February 27, 2015	1 st 2 nd 3 rd	Secured Secured Unsecured	500,000 1,000,000 340,000	1,000 1,000 1,000
3	July 13, 2012	June 12, 2015 February 12, 2016 June 12, 2015	1 st 2 nd 3 rd	Secured Secured Unsecured	1,020,000 2,000,000 480,000	1,000 1,000 1,000
4	March 14, 2013	March 14, 2016	1 st	Unsecured	1,000,000	1,000
5	December 4, 2013	December 2, 2016	1 st	Unsecured	1,000,000	1,000
6	September 26, 2014	September 2, 2019	1 st	Secured	30	32,160
						8,804,800
						(36,975)
						8,767,825
						(2,837,990)
						5,929,835
						8,340,000
						(21,788)
						8,318,212
						(498,983)
						7,819,229

As at December 31, 2014 and 2013, debentures bear interest at rates ranging from 3.88% - 6.00% per annum and 4.80% - 6.00% per annum, respectively.

13. OTHER PAYABLES

Other payables for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Interest and guarantee fees payables	114,027	101,549
Interest and guarantee fees payables - related parties	52,057	77,351
Other payables	89,141	124,096
Withholding tax payable	22,494	21,561
Accrued expenses and others	262,314	337,959
Total	540,033	662,516

14. EMPLOYEE BENEFIT OBLIGATIONS

The Company has retirement benefits plan in accordance with Labour Protection Act., which is the unfunded defined benefit plan.

Amounts recognized in the statement of comprehensive income for the years ended December 31, are as follows:

	Unit : Thousand Baht	
	2014	2013
Current service cost	4,699	4,528
Interest on obligation	1,794	1,402
	6,493	5,930

Movements in the present value of the defined benefit obligation for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Defined benefit obligation brought forward	29,152	22,129
Current service cost	4,699	4,528
Interest on obligation	1,794	1,402
Actuarial loss recognized in profit or loss	10,713	1,093
Actuarial loss recognized in other comprehensive income	3,999	-
Defined benefit obligation carried forward	50,357	29,152

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefit obligation as at December 31, are as follows:

	2014	2013
Personnel turnover rate	0% - 22.9% Subject to the range of age of employees	0% - 22.9% Subject to the range of age of employees
Discount rate	4.0 %	4.5 %
Expected rate of salary increase	4.0 %	4.0 %

15. PROVISION FOR RESTORATION COST OF LEASEHOLD IMPROVEMENTS

Provision for restoration cost of leasehold improvements are as follows:

	Unit : Thousand Baht	
	2014	2013
Beginning balance	61,470	46,903
Provision made	2,500	20,200
Provision reversed	(959)	(5,633)
Ending balance	<u>63,011</u>	<u>61,470</u>

As at December 31, 2014, the Company had current portion of provision for restoration cost of leasehold improvement of Baht 0.40 million (2013 : Nil).

16. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Monitoring the capital level of the Company is conducted in accordance with the covenant on financial ratio stipulated in loan agreements.

17. LEGAL RESERVE

Section 116 of the Public Companies Act B.E.2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, 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.

18. SEGMENT INFORMATION

Management considers that the Company operates in a single line of business, namely, consumer finance business representing personal loans and installment loans as integrated and complementary activities and has, therefore, only one reportable segment.

The Company is managed and operates principally in Thailand. There are no material revenue derived from, or assets located in, foreign countries.

19. OTHER INCOME

Other income for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Recovery of bad debts	854,871	858,501
Operating income and others	95,068	103,033
Total	949,939	961,534

20. EXPENSES BY NATURE

Net profit for the years ended December 31, 2014 and 2013 have been arrived at after deducting the following significant expenses:

	Unit : Thousand Baht	
	2014	2013
Personal expenses	1,175,809	1,138,753
Marketing expenses	188,007	221,677
Commission expenses	145,373	146,171
Depreciation and amortization expenses	150,196	119,036
Rental, lease and equipment expenses	253,218	275,964
Tax and stamp duties	355,900	337,103
Bad debts and doubtful accounts expenses	3,210,468	2,756,514
Others	537,419	465,083
Total	6,016,390	5,460,301

21. PROVIDENT FUND

The Company set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. All employees are members of the Provident Fund, which is managed by Krungthai Asset Management Public Company Limited. Under the Fund's regulations, employees contribute to the fund at the rate of 2% to 7% of their basic salary and the Company contributes to the fund at the rate of 2% to 7%.

The Company's contributions which were charged to the statement of comprehensive income for the years ended December 31, 2014 and 2013 amounted to Baht 23.65 million and Baht 21.13 million, respectively.

22. FINANCE COSTS

Finance costs for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Interest expense		
- Related parties	325,933	369,534
- Financial institutions	830,082	799,738
Guarantee fee	38,001	48,880
Others	26,091	22,775
Total	<u>1,220,107</u>	<u>1,240,927</u>

23. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Current tax expense	626,961	579,195
Current year	<u>626,961</u>	<u>579,195</u>
Deferred tax expense		
Movements in temporary differences	(28,935)	(12,431)
	<u>(28,935)</u>	<u>(12,431)</u>
Total	<u>598,026</u>	<u>566,764</u>

Reconciliation of effective tax rate

		Unit : Thousand Baht	
		2014	2013
	Tax Rate (%)		Tax Rate (%)
Profit before income tax expense		<u>2,904,368</u>	<u>2,778,834</u>
Income tax - income (expense) at domestic tax rate	20.0	<u>580,874</u>	<u>555,767</u>
Tax effect of non-deductible expenses		<u>46,087</u>	<u>23,428</u>
Income tax expense per income tax return		626,961	579,195
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(28,935)</u>	<u>(12,431)</u>
Income tax expense	20.6	<u>598,026</u>	<u>566,764</u>

24. DIVIDENDS PAID

At the annual general meeting of the shareholders of the Company held on April 23, 2013, the shareholders approved the appropriation of dividend of Baht 0.75 per share, amounting to Baht 292.5 million. The dividend was paid to the shareholders on April 30, 2013.

At the annual general meeting of the shareholders meeting of the Company held on April 22, 2014, the shareholder approved the appropriation of dividends of Baht 0.85 per share, amounting to Baht 331.5 million. The dividends were paid to shareholders on April 30, 2014.

25. FINANCIAL INSTRUMENTS

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company is primarily exposed to interest rate risk from its borrowing. The Company mitigates this risk by using derivative financial instruments principally interest rate swap to manage exposure to fluctuations in interest rates (see Note 12).

Foreign currency risk

The Company is exposed to foreign currency risk relating to loans which are denominated in foreign currencies. The Company primarily utilizes cross currency swap contracts with the same maturities as the loan agreements to hedge such financial liabilities denominated in foreign currencies (see Note 12).

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due. Management has a credit policy in place and exposure to credit risk is monitored by setting up a credit approval procedure, which requires credit officers to verify information provided by applicants and vendors. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Company uses the following methods and assumptions in estimating the fair value of each class of financial instruments.

Cash and cash equivalents - the carrying values are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

Loan receivables bearing varying market interest rates - the carrying value of loan receivables is net of allowance for doubtful accounts and unearned interest income, which is approximate to fair value.

Short-term loans from financial institutions and debentures carry floating interest rate. Loans carrying fixed interest rate the fair values are estimated using discounted cash flows based on the current interest rate over the remaining years to maturities which do not materially differ from their carrying values.

Long-term loans from financial institutions and debentures carry floating interest rate. Loans carrying fixed interest rates-the fair values are estimated using discounted cash flows based on the current interest rate over the remaining years to maturities which do not materially differ from their carrying values.

The fair value of cross currency and interest rate swap agreements are based on counterparty's quotes at the reporting date.

Fair value of cross currency and interest rate swap agreements, together with the carrying values shown in the statement of financial positions as at December 31, are as follows:

	2014		Unit : Thousand Baht 2013	
	Fair value	Carrying value	Fair value	Carrying value
Cross currency and interest rate swap	7,541,327	7,524,533	5,880,075	6,157,439

26. COMMITMENTS WITH NON-RELATED PARTIES

Commitment with non-related parties as at December 31, 2014 and 2013 are as follows:

	Unit : Thousand Baht	
	2014	2013
Capital commitments		
Furniture, fixtures and office equipment	7,013	15,303
Software	10,616	3,786
Total	<u>17,629</u>	<u>19,089</u>
Non-cancellable operating lease commitments		
Within one year	206,668	160,704
After one year but within five years	212,097	174,336
After five years	3,897	3,439
Total	<u>422,662</u>	<u>338,479</u>

The Company entered into several lease agreements covering office premises, vehicles and computer equipment for periods from one to nine years. In consideration thereof, the Company is committed to pay rental fee at various annual rental rates as specified in the agreements.

27. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On February 24, 2015, the Company issued secured debentures valued at USD 35 million and interest is payable semi-annually until settlement date. The debentures are guaranteed by Bank of Tokyo-Mitsubishi UFJ. Ltd.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Company on February 26, 2015.