
EASY BUY PUBLIC COMPANY LIMITED

Financial statements

Year ended December 31, 2016



บริษัท ดีลอยท์ ทูเช่ ไทมาตสึ ไทยแลนด์
สอบบัญชี จำกัด
เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
EASY BUY PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of EASY BUY Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2016, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EASY BUY Public Company Limited as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (TSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

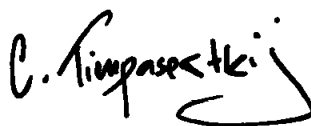
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

BANGKOK
February 23, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

Unit : Thousand Baht

	Notes	2016	2015
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	750,906	594,237
Loan receivables due within one year	7	43,316,700	38,870,011
Other receivables	8	262,800	334,402
Total Current Assets		<u>44,330,406</u>	<u>39,798,650</u>
NON-CURRENT ASSETS			
Loan receivables	7	46,348	41,283
Leasehold improvements and equipment	9	335,511	317,444
Intangible assets	10	151,583	121,682
Deferred tax assets	11	603,522	541,976
Other non-current assets		73,123	64,340
Total Non-current Assets		<u>1,210,087</u>	<u>1,086,725</u>
TOTAL ASSETS		<u><u>45,540,493</u></u>	<u><u>40,885,375</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, 2016

Unit : Thousand Baht

	Notes	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 12	3,588,616	5,474,926
Trade accounts payable		3,519	4,958
Other payables	13	640,546	581,033
Current portion of long-term borrowings from financial institutions	5 and 12	5,628,356	2,938,199
Current portion of debentures	12	-	4,998,146
Current income tax payable		468,101	312,264
Total Current Liabilities		<u>10,329,138</u>	<u>14,309,526</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 12	7,900,510	8,301,880
Debentures	12	12,552,143	6,547,252
Employee benefit obligations	14	84,244	62,160
Provision for restoration cost of leasehold improvements	15	66,964	64,953
Other non-current liabilities		654	1,379
Total Non-current Liabilities		<u>20,604,515</u>	<u>14,977,624</u>
TOTAL LIABILITIES		<u>30,933,653</u>	<u>29,287,150</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2016

Unit : Thousand Baht

	Notes	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	16 and 24		
Authorized share capital			
450,000,000 ordinary shares of Baht 10 each		4,500,000	4,500,000
Issued and paid-up share capital			
450,000,000 ordinary shares of Baht 10 each, fully paid		4,500,000	4,500,000
RETAINED EARNINGS			
Appropriated			
Legal reserve	17	450,000	450,000
Unappropriated		9,656,840	6,648,225
TOTAL SHAREHOLDERS' EQUITY		14,606,840	11,598,225
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		45,540,493	40,885,375

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Thousand Baht

	Notes	2016	2015
INCOME			
Income from personal loans		11,465,862	10,022,959
Income from installment loans		21,629	24,765
Other income	19	869,427	983,103
Total Income		<u>12,356,918</u>	<u>11,030,827</u>
EXPENSES			
Selling expenses	20	734,841	669,635
Administrative expenses	20	2,628,193	2,430,074
Bad debts and doubtful accounts expenses	7, 8 and 20	3,717,853	3,705,245
Finance costs	5 and 22	1,031,556	1,125,157
Total Expenses		<u>8,112,443</u>	<u>7,930,111</u>
PROFIT BEFORE INCOME TAX EXPENSE		4,244,475	3,100,716
INCOME TAX EXPENSE	23	851,788	625,712
NET PROFIT FOR THE YEARS		<u>3,392,687</u>	<u>2,475,004</u>
OTHER COMPREHENSIVE LOSS, NET OF INCOME TAX			
Item that with not reclassified subsequently to profit or loss			
Actuarial losses on defined employee benefit plans	23	10,572	3,500
Other comprehensive loss for the years, net of income tax		10,572	3,500
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		<u>3,382,115</u>	<u>2,471,504</u>
BASIC EARNINGS PER SHARE	BAHT	7.54	6.09
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES (Note 24)	SHARES	450,000,000	406,273,973

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, 2016

Unit : Thousand Baht

	Notes	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
			Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2015		3,900,000	353,300	5,290,721	9,544,021
Stock dividend	24	600,000	-	(600,000)	-
Dividends paid	25.1	-	-	(417,300)	(417,300)
Legal reserve	17	-	96,700	(96,700)	-
Total comprehensive income for the year		-	-	2,471,504	2,471,504
Balance as at December 31, 2015		<u>4,500,000</u>	<u>450,000</u>	<u>6,648,225</u>	<u>11,598,225</u>
Balance as at January 1, 2016		4,500,000	450,000	6,648,225	11,598,225
Dividends paid	25.2	-	-	(373,500)	(373,500)
Total comprehensive income for the year		-	-	3,382,115	3,382,115
Balance as at December 31, 2016		<u>4,500,000</u>	<u>450,000</u>	<u>9,656,840</u>	<u>14,606,840</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, 2016

Unit : Thousand Baht

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		4,244,475	3,100,716
Adjustments for			
Depreciation and amortization expenses		169,608	172,559
Discount of restoration cost		1,592	1,437
Interest income		(11,487,491)	(10,047,724)
Finance costs		1,031,556	1,125,157
Bad debt and doubtful accounts expenses		3,717,853	3,705,245
Employee benefit expenses		9,375	7,534
Loss (gain) on disposal of equipment and intangible assets		7,465	(1,413)
		<u>(2,305,567)</u>	<u>(1,936,489)</u>
Changes in operating assets and liabilities			
Loan receivables		(8,002,282)	(8,216,275)
Other receivables		66,401	(62,113)
Other non-current assets		(8,783)	(1,581)
Trade accounts payable		(1,439)	(206)
Other payables		81,975	54,683
Employee benefit obligations		(509)	(1,106)
Other non-current liabilities		(60)	620
Cash paid from operating activities		<u>(10,170,264)</u>	<u>(10,162,467)</u>
Cash received from interest income		11,325,367	9,867,748
Interest paid		(1,034,360)	(1,150,022)
Income tax paid		<u>(754,853)</u>	<u>(633,998)</u>
Net cash used in operating activities		<u>(634,110)</u>	<u>(2,078,739)</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Thousand Baht

	Notes	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of leasehold improvements and equipment		(158,323)	(52,688)
Proceeds from sales of equipment		121	1,561
Cash paid for purchase of intangible assets		(75,180)	(25,801)
Net cash used in investing activities		<u>(233,382)</u>	<u>(76,928)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans from financial institutions		45,120,000	32,415,000
Repayment of short-term loans from financial institutions		(47,010,000)	(31,807,000)
Proceeds from long-term loans from financial institutions		5,226,659	2,504,740
Repayment of long-term loans from financial institutions		(2,938,998)	(3,164,203)
Proceeds from issuing of debentures		6,000,000	5,639,600
Repayment of debentures		(5,000,000)	(2,840,000)
Dividends paid to owners of the Company		(373,500)	(417,300)
Net cash provided by financing activities		<u>1,024,161</u>	<u>2,330,837</u>
Net increase in cash and cash equivalents		156,669	175,170
Cash and cash equivalents as at January 1,		<u>594,237</u>	<u>419,067</u>
Cash and cash equivalents as at December 31,	6	<u><u>750,906</u></u>	<u><u>594,237</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, 2016

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EASY BUY PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 2015) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2016 onward, applicable rules and regulations of The 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, 2016 onwards, as follow:

Thai Accounting Standards (“TAS”)

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
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 Rate
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

Thai Financial Reporting Standards (“TFRS”)

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 Assets
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

Thai Accounting Standards Interpretations (“TSIC”)

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 - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

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 (Revised 2015) 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 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
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

Above TFRSs have 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 issued the Notifications regarding the Thai Financial Reporting Standards (TFRSs), which are announced in the Royal Gazette and effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2016)	Presentation of Financial Statements
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TAS 12 (Revised 2016)	Income Taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases

Thai Accounting Standards (“TAS”) (Continued)

TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rate
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TAS 41 (Revised 2016)	Agriculture

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TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	Levies

The Company’s management has assessed the impact of these TFRSs and believes that they will not have material impact on the financial statements for the period in which they are initially applied.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits at banks and financial institutions and current investments with original maturities of 3 months or less.

3.2 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.

3.3 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 and allowance for doubtful accounts.

3.4 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 fee 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 profit or loss or other comprehensive income.

3.5 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 profit or loss and other comprehensive income.

Losses from debt restructuring arising from reductions of principal and interest are recognized as expense included in the statement of profit or loss and other comprehensive income in the statement of profit or loss and other comprehensive income.

3.6 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 profit or loss and other 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 profit or loss and other 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 profit or loss and other 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.

3.7 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 profit or loss and other 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

3.8 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 or 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.

3.9 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 profit or loss and other comprehensive income over the period of the borrowing on an effective interest basis.

3.10 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.

3.11 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 profit or loss and other 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.

The actuarial gains (losses) are recognized as other 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.

3.12 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.

3.13 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 profit or loss and other 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.

3.14 Earnings per share

For the purpose of calculating basic earnings per share, the number of ordinary shares shall be the weighted average number of ordinary share outstanding during the period.

Using the weighted average number of ordinary shares outstanding during the period reflects the possibility that the amount of shareholders' capital varied during the period as a result of a larger or smaller number of shares being outstanding at any time. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

3.15 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.

3.16 Bad debt recovery

Bad debt recovery is recognized as income in the statement of profit or loss and other comprehensive income in the period which it is collected.

3.17 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 profit or loss and other comprehensive income on a straight line basis over the term of the lease.

3.18 Finance cost

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

3.19 Income tax

Income tax expense for the year comprised current and deferred tax. Current and deferred taxes are recognized in the statement of profit or loss and other 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.

3.20 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows;

- 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, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.21 Use of estimates and judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

The significant judgement in applying accounting policies is as follows:

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, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Leasehold improvements and equipment		
Liabilities recorded at beginning of the year	3,249	8,089
Purchase of leasehold improvements and equipment	156,580	47,848
	<u>159,829</u>	<u>55,937</u>
<u>Less</u> Cash paid for purchasing of		
leasehold improvements and equipment	(158,323)	(52,688)
Liabilities recorded at ending of the year	<u>1,506</u>	<u>3,249</u>

For the years ended December 31, 2016 and 2015, the Company recorded leasehold improvements related to provision for restoration cost of Baht 3.36 million and Baht 1.28 million, respectively.

	Unit : Thousand Baht	
	2016	2015
Intangible assets		
Liabilities recorded at beginning of the year	10,613	9,532
Purchase of intangible assets	65,222	26,882
	<u>75,835</u>	<u>36,414</u>
<u>Less</u> Cash paid for purchasing of intangible assets	(75,180)	(25,801)
Liabilities recorded at ending of the year	<u>655</u>	<u>10,613</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, 71.00% shareholding
Bank of Ayudhya Public Company Limited	Banking Business	Thailand	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.18% shareholding in parent company
The Bank of Tokyo - Mitsubishi UFJ, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.18% shareholding in parent company
Mitsubishi UFJ Trust and Banking Corporation, Singapore Branch	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.18% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Leasing Business	Thailand	Related party in group of Mitsubishi UFJ Financial Group (MUFG), 40.18% shareholding in parent company
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, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Parent		
Guarantee fee	10,070	20,619
Other related parties		
Interest expense	232,266	225,040
Guarantee fee	1,174	998
Debenture arrangement fee	12,030	11,037
Upfront fee	4,859	4,048
Key management personnel		
Key management compensation	95,447	80,004

Balances as at December 31, 2016 and 2015 with related parties are as follows:

	Unit : Thousand Baht	
	2016	2015
Short-term borrowings from financial institutions		
Other related parties		
Bank of Ayudhya Public Company Limited	450,000	880,000

As at December 31, 2016 and 2015, short-term borrowings from financial institutions related to the Company bear interest at rate 2.06 - 2.11% per annum and 2.31% per annum, respectively.

	Unit : Thousand Baht	
	2016	2015
Current portion of long-term borrowings from financial institutions		
Other related parties		
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 42.30 million		
(December 31, 2015 : USD 17.0 million)	1,376,886	530,910
Bank of Ayudhya Public Company Limited	-	1,000,000
Long-term borrowings from financial institutions		
Other related parties		
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 33.0 million		
(December 31, 2015 : USD 50.30 million)	1,156,305	1,661,846
Bank of Ayudhya Public Company Limited	1,300,000	800,000
Bank of Ayudhya Public Company Limited		
- USD 30.80 million	1,084,094	-
Bangkok Mitsubishi UFJ Lease Co., Ltd.	300,000	300,000
Total	<u>5,217,285</u>	<u>4,292,756</u>

As at December 31, 2016 and 2015, long-term borrowings from financial institutions from related to the Company bear interest at rates ranging from 2.93% - 5.33% per annum and 3.45% - 5.33% per annum, respectively.

	Unit : Thousand Baht	
	2016	2015
Other payables		
Accrued interest expense		
Other related parties		
Bank of Ayudhya Public Company Limited	23,578	15,858
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	18,247	24,476
Bangkok Mitsubishi UFJ Lease Co., Ltd	2,637	2,637
Total	<u>44,462</u>	<u>42,971</u>
Accrued guarantee fee		
Parent company		
ACOM CO., LTD.	602	1,474
Total	<u>602</u>	<u>1,474</u>
Deferred issuance cost (presented net of long-term borrowings and debentures)		
Other related parties		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	35,977	48,017
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	6,079	5,702
Total	<u>42,056</u>	<u>53,719</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 the 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.

The Company entered into agreements with The Bank of Tokyo-Mitsubishi UFJ, Ltd., a financial institution in the group of Mitsubishi UFJ Financial Group, which has guaranteed the debentures due performance of obligations by the Company under conditions of debentures. In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of debentures as stipulated in the agreement.

Cross currency and interest rate swap agreements

The Company entered into the agreement with Bank of Ayudhya Public Company Limited, 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	
	2016	2015
Cash on hand	233,162	205,135
Cash at banks - current accounts	466,783	330,159
Cash at banks - savings accounts	50,961	58,943
Total	750,906	594,237

In 2016 and 2015, above cash at banks bear interest at the rates of ranging from 0.10% - 0.85% and 0.25% - 0.60% per annum, respectively.

7. LOAN RECEIVABLES

	As at December 31, 2016			As at December 31, 2015		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year						
Loan receivables	46,247,723	113,753	46,361,476	41,602,810	114,055	41,716,865
<u>Less</u> Unearned interest income	-	(15,453)	(15,453)	(26)	(14,408)	(14,434)
Allowance for doubtful accounts	(3,026,451)	(2,872)	(3,029,323)	(2,829,766)	(2,654)	(2,832,420)
Net	43,221,272	95,428	43,316,700	38,773,018	96,993	38,870,011
Due over one year						
Loan receivables	-	52,511	52,511	-	47,195	47,195
<u>Less</u> Unearned interest income	-	(5,009)	(5,009)	-	(4,968)	(4,968)
Allowance for doubtful accounts	-	(1,154)	(1,154)	-	(944)	(944)
Net	-	46,348	46,348	-	41,283	41,283
Total	43,221,272	141,776	43,363,048	38,773,018	138,276	38,911,294

	2016			2015		
Bad debts	3,508,944	6,595	3,515,539	3,313,899	6,183	3,320,082
Doubtful accounts	196,685	428	197,113	386,374	(1,211)	385,163
Total	3,705,629	7,023	3,712,652	3,700,273	4,972	3,705,245

Aging analyzes for loan receivables are as follows:

		Unit : Thousand Baht					
		As at December 31, 2016			As at December 31, 2015		
		Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Current		43,638,797	162,236	43,801,033	39,102,048	156,881	39,258,929
Overdue payment periods							
Less than and equal to 3 months		1,588,431	2,286	1,590,717	1,511,599	2,706	1,514,305
More than 3 months		1,020,495	1,742	1,022,237	989,163	1,663	990,826
		46,247,723	166,264	46,413,987	41,602,810	161,250	41,764,060
Less Unearned interest income		-	(20,462)	(20,462)	(26)	(19,376)	(19,402)
Total		46,247,723	145,802	46,393,525	41,602,784	141,874	41,744,658
Less Allowance for doubtful accounts		(3,026,451)	(4,026)	(3,030,477)	(2,829,766)	(3,598)	(2,833,364)
Net		43,221,272	141,776	43,363,048	38,773,018	138,276	38,911,294

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

	Unit : Thousand Baht	
	2016	2015
Revolving loan receivables	44,572,535	39,982,994
Minimum payment loan receivables	1,675,188	1,616,720
Term loan receivables	-	3,096
Total	<u>46,247,723</u>	<u>41,602,810</u>

Revolving loans are repayable at any time subject to a minimum monthly payment of 3% 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 loan receivables 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% to 8% 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, 2016, the Company had no monthly repayment amount repayable within one year (December 31, 2015 : Baht 3.04 million).

As at December 31, 2016 and 2015, the Company had loan receivables which were overdue for over three payment periods of Baht 1,022.24 million and Baht 990.83 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, 2016 and 2015, amounting to Baht 192.28 million and Baht 184.46 million, respectively, against which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at December 31, 2016 and 2015 were denominated entirely in Baht Currency.

In 2016 and 2015, 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 and credit usage fee.

Debt restructuring

For the years ended December 31, 2016 and 2015, the Company had recognized interest income on restructured debts totaling Baht 142.70 million and Baht 212.08 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2016 and 2015, as follows:

	As at December 31, 2016		Unit : Thousand Baht As at December 31, 2015	
	Number of debtors	Amount	Number of debtors	Amount
Restructured accounts receivable	36,616	1,528,864	36,729	1,616,720
Non-restructured accounts receivable	1,606,372	43,358,428	1,517,270	40,127,938
Total loan receivables	<u>1,642,988</u>	<u>44,887,292</u>	<u>1,553,999</u>	<u>41,744,658</u>

As at December 31, 2016 and 2015, 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, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Receivables from collection agencies	211,876	252,531
Prepaid expenses	49,585	47,410
Others	6,540	34,461
<u>Less</u> Allowance for doubtful accounts	<u>(5,201)</u>	<u>-</u>
Total	<u>262,800</u>	<u>334,402</u>
	2016	2015
Doubtful accounts expenses for the year ended December 31	<u>5,201</u>	<u>-</u>

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2016 and 2015 are as follows:

Unit : Thousand Baht					
As at December 31, 2016					
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2016
Costs:					
Leasehold improvements	390,719	41,866	(38,254)	4,341	398,672
Furniture, fixtures and office equipment	807,223	100,828	(7,450)	12,905	913,506
Vehicles	-	-	-	-	-
Total	1,197,942	142,694	(45,704)	17,246	1,312,178
Accumulated depreciation					
Leasehold improvements	259,328	65,449	(31,054)	-	293,723
Furniture, fixtures and office equipment	621,170	68,838	(7,064)	-	682,944
Vehicles	-	-	-	-	-
Total	880,498	134,287	(38,118)	-	976,667
Assets under installation	-	17,246	-	(17,246)	-
Leasehold improvements and equipment	317,444				335,511
Unit : Thousand Baht					
As at December 31, 2015					
	Balance as at January 1, 2015	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2015
Costs:					
Leasehold improvements	384,238	12,064	(6,494)	911	390,719
Furniture, fixtures and office equipment	805,665	36,105	(28,216)	(6,331)	807,223
Vehicles	5,212	-	(5,212)	-	-
Total	1,195,115	48,169	(39,922)	(5,420)	1,197,942
Accumulated depreciation					
Leasehold improvements	200,211	65,229	(6,068)	(44)	259,328
Furniture, fixtures and office equipment	595,312	76,924	(28,076)	(22,990)	621,170
Vehicles	5,212	-	(5,212)	-	-
Total	800,735	142,153	(39,356)	(23,034)	880,498
Assets under installation	17,460	956	-	(18,416)	-
Leasehold improvements and equipment	411,840				317,444
Depreciation for the years ended December 31,					
2016					134,287
2015					142,153

The gross amount of the Company's fully depreciated equipment that was still in use as at December 31, 2016 and 2015, amounted to Baht 578.70 million and Baht 516.48 million, respectively.

10. INTANGIBLE ASSETS

Intangible assets as at December 31, 2016 and 2015 are as follows:

Unit : Thousand Baht					
As at December 31, 2016					
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2016
Costs:					
Computer software	245,908	61,584	-	2,782	310,274
Trademark	1,350	-	-	-	1,350
Total	247,258	61,584	-	2,782	311,624
Accumulated amortization:					
Computer software	127,489	35,241	-	-	162,730
Trademark	1,269	80	-	-	1,349
Total	128,758	35,321	-	-	164,079
Computer software under installation	3,182	3,638	-	(2,782)	4,038
Total intangible assets	121,682				151,583
Unit : Thousand Baht					
As at December 31, 2015					
	Balance as at January 1, 2015	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2015
Costs:					
Computer software	158,521	20,026	-	67,361	245,908
Trademark	1,350	-	-	-	1,350
Total	159,871	20,026	-	67,361	247,258
Accumulated amortization:					
Computer software	74,184	30,271	-	23,034	127,489
Trademark	1,134	135	-	-	1,269
Total	75,318	30,406	-	23,034	128,758
Computer software under installation	39,851	6,856	-	(43,525)	3,182
Total intangible assets	124,404				121,682
Amortization for the years ended December 31,					
2016					35,321
2015					30,406

The gross amount of the Company's fully amortized software that was still in use as at December 31, 2016 and 2015, amounted to Baht 76.72 million and Baht 47.99 million, respectively.

11. DEFERRED TAX

Deferred tax assets as at December 31, 2016 and 2015 consist of tax effects from the following items:

	Unit : Thousand Baht	
	2016	2015
Deferred tax assets		
Loan receivables		
(allowance for doubtful accounts)	607,136	566,673
Loan receivables (bad debt written-off)	94,322	98,902
Employee benefit obligations	16,849	12,432
Provision for restoration costs of leasehold improvements	10,881	9,164
Others	2,818	9,290
Total	<u>732,006</u>	<u>696,461</u>
Deferred tax liabilities		
Debenture and long-term loan issuance cost	(11,767)	(13,339)
Long-term borrowings from financial institutions (including cross currency swap)	(116,717)	(141,146)
Total	<u>(128,484)</u>	<u>(154,485)</u>
Net	<u>603,522</u>	<u>541,976</u>

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

	Unit : Thousand Baht			
	Balance as at January 1, 2016	Item as recognized into profit (loss)	Item as recognized into other comprehensive income	Balance as at December 31, 2016
Deferred tax assets				
Loan receivables				
(allowance for doubtful accounts)	566,673	40,463	-	607,136
Loan receivables (bad debt written-off)	98,902	(4,580)	-	94,322
Employee benefit obligations	12,432	1,774	2,643	16,849
Provision for restoration costs of leasehold improvements	9,164	1,717	-	10,881
Others	9,290	(6,472)		2,818
	<u>696,461</u>	<u>32,902</u>	<u>2,643</u>	<u>732,006</u>
Deferred tax liabilities				
Debenture and long-term loan issuance cost	(13,339)	1,572	-	(11,767)
Long-term borrowings from financial institutions (including cross currency swap)	(141,146)	24,429	-	(116,717)
	<u>(154,485)</u>	<u>26,001</u>	<u>-</u>	<u>(128,484)</u>
Deferred tax assets	<u>541,976</u>	<u>58,903</u>	<u>2,643</u>	<u>603,522</u>

	Unit : Thousand Baht			
	Balance as at January 1, 2015	Item as recognized into profit (loss)	Item as recognized into other comprehensive income	Balance as at December 31, 2015
Deferred tax assets				
Loan receivables				
(allowance for doubtful accounts)	489,640	77,033	-	566,673
Loan receivables (bad debt written-off)	104,322	(5,420)	-	98,902
Employee benefit obligations	9,272	1,285	1,875	12,432
Provision for restoration costs of leasehold improvements	7,300	1,864	-	9,164
Others	7,892	1,398	-	9,290
	<u>618,426</u>	<u>76,160</u>	<u>1,875</u>	<u>696,461</u>
Deferred tax liabilities				
Debenture and long-term loan issuance cost	(9,832)	(3,507)	-	(13,339)
Long-term borrowings from financial institutions (including cross currency swap)	(42,431)	(98,715)	-	(141,146)
	<u>(52,263)</u>	<u>(102,222)</u>	<u>-</u>	<u>(154,485)</u>
Deferred tax assets	<u>566,163</u>	<u>(26,062)</u>	<u>1,875</u>	<u>541,976</u>

12. INTEREST-BEARING LIABILITIES

Unit : Thousand Baht

	As at December 31, 2016				As at December 31, 2015			
	Short-term borrowings from financial Institutions	Long-term borrowings from financial institutions	Debentures	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
Current								
Principal	3,590,000	5,629,921	-	9,219,921	5,480,000	2,938,998	5,000,000	13,418,998
<u>Less</u> Discount, debenture and long-term loan issuance cost	(1,384)	(1,565)	-	(2,949)	(5,074)	(799)	(1,854)	(7,727)
Net	<u>3,588,616</u>	<u>5,628,356</u>	<u>-</u>	<u>9,216,972</u>	<u>5,474,926</u>	<u>2,938,199</u>	<u>4,998,146</u>	<u>13,411,271</u>
Non-current								
Principal	-	7,906,009	12,604,400	20,510,409	-	8,309,271	6,604,400	14,913,671
<u>Less</u> Discount, debenture and long-term loan issuance cost	-	(5,499)	(52,257)	(57,756)	-	(7,391)	(57,148)	(64,539)
Net	<u>-</u>	<u>7,900,510</u>	<u>12,552,143</u>	<u>20,452,653</u>	<u>-</u>	<u>8,301,880</u>	<u>6,547,252</u>	<u>14,849,132</u>
Total	<u>3,588,616</u>	<u>13,528,866</u>	<u>12,552,143</u>	<u>29,669,625</u>	<u>5,474,926</u>	<u>11,240,079</u>	<u>11,545,398</u>	<u>28,260,403</u>
- Secured*	-	2,610,567	2,067,957	4,678,524	-	4,839,357	5,055,269	9,894,626
- Unsecured	<u>3,588,616</u>	<u>10,918,299</u>	<u>10,484,186</u>	<u>24,991,101</u>	<u>5,474,926</u>	<u>6,400,722</u>	<u>6,490,129</u>	<u>18,365,777</u>
Total	<u>3,588,616</u>	<u>13,528,866</u>	<u>12,552,143</u>	<u>29,669,625</u>	<u>5,474,926</u>	<u>11,240,079</u>	<u>11,545,398</u>	<u>28,260,403</u>

* The Company has letter of guarantees issued by a parent company and a related foreign financial institution for guarantee payment of the Company under loan agreements and conditions of debentures with the financial institutions.

The fair values of short-term loans are considered to approximate the amount disclosed in statement of financial position because their maturities on demand to one year.

The currency denomination of interest-bearing liabilities as at December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Baht Currency	20,171,817	21,762,082
United States Dollars Currency	8,549,608	5,853,321
Yen Currency	948,200	645,000
Total	29,669,625	28,260,403

In 2016 and 2015, above liabilities bear interest at the rates ranging from 1.65% - 5.33% per annum and 1.61% - 5.40% per annum, respectively.

Cross currency and interest rate swap agreements

Baht Currency

As at December 31, 2016 and 2015, the Company had an interest rate swap agreement with a related local bank and a local bank totaling Baht 1,500.00 million (as at December 31, 2015 totaling 1,000.00 million) 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, 2016 and 2015, 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 and quarterly. The cross currency agreements were as follows:

- With a related local bank and local banks totaling USD 183.10 million by swapping to Baht 6,104.61 million (as at December 31, 2015 : totaling USD 144.30 million by swapping to Baht 4,680.08 million).
- With a local branch of the foreign banks totaling USD 71.50 million by swapping to Baht 2,487.52 million (as at December 31, 2015 : totaling USD 38.33 million by swapping to Baht 1,227.59 million).

Yen Currency

As at December 31, 2016 and 2015, the Company had cross currency and interest rate swap agreements with various branches of the local banks totaling JPY 3,200.00 million by swapping to Baht 948.20 million (as at December 31, 2015 : totaling JPY 2,200.00 million by swapping to Baht 645.00 million) 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, 2016 and 2015 are as follows:

	Issuance Date	Maturity Date	Tranch Number	Secured/ Unsecured	Unit	Par value	2016 (Thousand Baht)	2015 (Thousand Baht)
1	March 30, 2012	February 29, 2016	2 nd	Secured	1,000,000	Baht 1,000	-	1,000,000
2	July 13, 2012	February 12, 2016	2 nd	Secured	2,000,000	Baht 1,000	-	2,000,000
3	March 14, 2013	March 14, 2016	1 st	Unsecured	1,000,000	Baht 1,000	-	1,000,000
4	December 4, 2013	December 2, 2016	1 st	Unsecured	1,000,000	Baht 1,000	-	1,000,000
5	September 26, 2014	September 26, 2019	1 st	Secured	30	USD 1,000,000	964,800	964,800
6	February 24, 2015	February 24, 2020	1 st	Secured	35	USD 1,000,000	1,139,600	1,139,600
7	March 12, 2015	March 12, 2018	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
		March 12, 2020	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
8	September 30, 2015	September 30, 2018	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
		September 30, 2020	2 nd	Unsecured	500,000	Baht 1,000	500,000	500,000
9	February 25, 2016	February 25, 2019	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000	-
		February 25, 2021	2 nd	Unsecured	2,000,000	Baht 1,000	2,000,000	-
10	September 15, 2016	September 15, 2019	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	-
		September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	-
							12,604,400	11,604,400
<u>Less</u> Debenture issuance cost							(52,257)	(59,002)
							12,552,143	11,545,398
<u>Less</u> Current portion							-	(4,998,146)
Debentures – net							12,552,143	6,547,252

As at December 31, 2016 and 2015, debentures bear interest at rates ranging from 2.07% - 4.10% per annum and 2.45% - 5.40% per annum, respectively.

13. OTHER PAYABLES

Other payables for the years ended December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Interest and guarantee fees payables	196,732	165,315
Interest and guarantee fees payables - related parties	45,064	44,445
Other payables	71,359	76,728
Withholding tax payable	24,823	22,476
Accrued expenses and others	302,568	272,069
Total	640,546	581,033

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, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Current service cost	6,815	5,533
Interest on obligation	2,053	2,001
	8,868	7,534

Movements in the present value of the defined benefit obligation for the years ended December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Defined benefit obligation brought forward	62,160	50,357
Current service cost	6,815	5,533
Interest on obligation	2,053	2,001
Actuarial loss recognized in other comprehensive income		
- from change in financial assumption	8,401	4,005
- from experience adjustment	4,815	1,370
Paid to employee	-	(1,106)
Defined benefit obligation carried forward	84,244	62,160

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefit obligation as at December 31, 2016 and 2015 are as follows:

	2016	2015
Personnel turnover rate	0% - 22.90% Subject to the range of age of employees	0% - 22.90% Subject to the range of age of employees
Discount rate	2.75%	3.50%
Expected rate of salary increase	4.00%	4.00%

Significant actuarial assumptions for the determination of the defined benefit obligation are expected salary incremental rate and discount rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring, while holding all other assumptions constant which reflects increasing (decreasing) in the obligations if the assumptions change by 1% as at December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Salary incremental rates - 1% increase	9,769	9,696
Salary incremental rates - 1% decrease	(6,976)	(8,163)
Discount rate - 1% increase	(7,032)	(8,126)
Discount rate - 1% decrease	9,709	9,770

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

15. PROVISION FOR RESTORATION COST OF LEASEHOLD IMPROVEMENTS

Provision for restoration cost of leasehold improvements as at December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Beginning balance	64,953	63,011
Provision made	4,953	2,713
Paid for restoration cost of leasehold improvements	(2,795)	(353)
Provision reversed	(147)	(418)
Ending balance	<u>66,964</u>	<u>64,953</u>

As at December 31, 2016 and 2015, the Company had current portion of provision for restoration cost of leasehold improvement of Baht 0.22 million and Baht 0.72 million, respectively.

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.

As at December 31, 2015 and 2016, the Company's legal reserve reaches 10% of the registered share capital.

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, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Recovery of bad debts	775,224	894,033
Operating income and others	94,203	89,070
Total	869,427	983,103

20. EXPENSES BY NATURE

Net profit for the years ended December 31, 2016 and 2015 have been arrived at after deducting the following significant expenses:

	Unit : Thousand Baht	
	2016	2015
Personnel expenses	1,453,515	1,346,409
Marketing expenses	282,261	226,882
Commission expenses	121,386	137,935
Depreciation and amortization expenses	169,608	172,559
Rental and lease for equipment and vehicles expenses	293,574	261,864
Tax and stamp duties	442,556	390,304
Bad debts and doubtful accounts expenses	3,717,853	3,705,245
Others	600,134	563,756
Total	7,080,887	6,804,954

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 profit or loss and other comprehensive income for the years ended December 31, 2016 and 2015 amounting to Baht 29.16 million and Baht 25.30 million, respectively.

22. FINANCE COSTS

Finance costs for the years ended December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Interest expense		
- Related parties	232,266	225,040
- Financial institutions	760,150	848,307
Guarantee fee	11,244	22,152
Others	27,896	29,658
Total	1,031,556	1,125,157

23. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Current tax expense	910,691	599,650
Current year	<u>910,691</u>	<u>599,650</u>
Deferred tax expense		
Movements in temporary differences	(58,903)	26,062
	<u>(58,903)</u>	<u>26,062</u>
Total	<u>851,788</u>	<u>625,712</u>

Reconciliation of effective tax rate

		Unit : Thousand Baht	
		2016	2015
	Tax Rate (%)		Tax Rate (%)
Accounting profit before income tax expense		<u>4,244,475</u>	<u>3,100,716</u>
Income tax - income (expense) at domestic tax rate	20.0	<u>848,895</u>	<u>620,143</u>
Tax effect of non-deductible expenses		<u>61,796</u>	<u>(20,493)</u>
Income tax expense per income tax return		<u>910,691</u>	<u>599,650</u>
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(58,903)</u>	<u>26,062</u>
Income tax expense	20.1	<u>851,788</u>	<u>625,712</u>

Income tax expense recognized in the statements of profit or loss and other comprehensive income for the years ended December 31, 2016 are as follows:

	Unit : Thousand Baht		
	Tax		
	Before tax	(expense) benefit	Net of tax
Actuarial losses on employee benefit obligations	<u>(13,215)</u>	<u>2,643</u>	<u>(10,572)</u>
Total	<u>(13,215)</u>	<u>2,643</u>	<u>(10,572)</u>

24. SHARE CAPITAL

At the extraordinary meeting of shareholders of the Company No. 2/2015 held on September 10, 2015, the shareholders approved to increase the Company's authorized share capital from the existing authorized share capital of Baht 3,900.00 million to the authorized share capital of Baht 4,500.00 million for the stock dividend payment by the Company to shareholders. The Company has registered such increase of its authorized share capital with the Ministry of Commerce on September 17, 2015 and the Company paid stock dividend to the shareholders on September 24, 2015 (see note 25.1).

For the years ended December 31, 2016 and 2015 the Company calculated weighted average number of ordinary shares as follows:

	2016	Unit: Shares 2015
Beginning balance	450,000,000	390,000,000
Increase during the year	-	16,273,973
Weighted average number of ordinary shares	<u>450,000,000</u>	<u>406,273,973</u>

25. DIVIDENDS PAID

25.1 At the annual general meeting of the shareholders of the Company held on April 23, 2015, the shareholders approved the appropriation of dividends of Baht 0.89 per share, amounting to Baht 347.10 million. The dividends were paid to shareholders on April 30, 2015.

At the extraordinary meeting of the shareholders of the Company held on September 10, 2015, the shareholders approved the appropriation of dividend of Baht 0.18 per share, amounting to Baht 70.20 million and approved stock dividend payment of shares 60 million, with par value of Baht 10 per shares, to the shareholders of the Company at the ratio of 13 existing shares for 2 dividend stocks totally in amount of Baht 600.00 million. The Company paid the cash and stock dividends on September 24, 2015 (see Note 24).

25.2 At the annual general meeting of the shareholders of the Company held on April 21, 2016, the shareholders approved the appropriation of dividends of Baht 0.83 per share, amounting to Baht 373.50 million. The dividends were paid to shareholders on April 28, 2016.

26. 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.

26.1 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).

26.2 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).

26.3 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.

26.4 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.

26.5 Fair values

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

Fair value of assets and liabilities and their fair value hierarchy level classification are summarized as follows:

	As at December 31, 2016		Fair value hierarchy	As at December 31, 2015		Fair value hierarchy	Unit : Thousand Baht Valuation Technique
	Carrying	Fair Value		Carrying Amount	Fair Value		
Financial assets							
Loan receivables	43,363,048	60,830,768	3	38,911,294	53,951,176	3	Discounting expected future cash flows of the potentially recoverable principal and interest by the risk-free rate.
Derivative assets	-	385,929	3	-	333,476	3	Over-the-counter quoted price
Financial liabilities							
Long-term borrowings from financial Institutions	13,528,867	13,814,242	3	11,240,079	11,747,024	3	Discounting expected future cash flows by over-the-counter interest rate as of the last working day of the reporting period
Debentures	12,552,143	12,811,213	3	11,545,398	11,921,634	3	Discounting expected future cash flows by yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association or over the counter quoted price including transaction cost
Derivative liabilities	-	67,962	3	-	193,437	3	Over-the-counter quoted price

27. COMMITMENTS WITH NON-RELATED PARTIES

Commitment with non-related parties as at December 31, 2016 and 2015 are as follows:

	Unit : Thousand Baht	
	2016	2015
Capital commitments		
Furniture, fixtures and office equipment	-	-
Software	243	1,163
Total	243	1,163
Non-cancellable operating lease commitments		
Within one year	231,107	202,700
After one year but within five years	118,982	138,832
After five years	-	2,137
Total	350,089	343,669

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

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Company on February 23, 2017.