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***EASY BUY PUBLIC COMPANY LIMITED***

***Financial statements***

***Year ended December 31, 2017***

## 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, 2017, 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, 2017, 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’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with 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 TSAs, 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 15, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

**Unit : Thousand Baht**

	Notes	2017	2016
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	677,233	750,906
Loan receivables due within one year	7	48,100,449	43,316,700
Other receivables	8	333,584	262,800
Total Current Assets		<u>49,111,266</u>	<u>44,330,406</u>
<b>NON-CURRENT ASSETS</b>			
Loan receivables	7	34,555	46,348
Leasehold improvements and equipment	9	260,000	335,511
Intangible assets	10	144,323	151,583
Deferred tax assets	11	882,243	603,522
Other non-current assets		78,659	73,123
Total Non-current Assets		<u>1,399,780</u>	<u>1,210,087</u>
<b>TOTAL ASSETS</b>		<u><u>50,511,046</u></u>	<u><u>45,540,493</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, 2017**

**Unit : Thousand Baht**

	Notes	2017	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings from financial institutions	5 and 12	3,152,128	3,588,616
Trade accounts payable		3,009	3,519
Other payables	13	685,182	640,546
Current portion of long-term borrowings from financial institutions	5 and 12	2,803,289	5,628,356
Current portion of debentures	12	2,998,951	-
Current income tax payable		673,953	468,101
Total Current Liabilities		<u>10,316,512</u>	<u>10,329,138</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings from financial institutions	5 and 12	8,891,309	7,900,510
Debentures	12	13,066,064	12,552,143
Provision for employee benefit	14	96,988	84,244
Decommissioning obligations for leasehold improvement	15	68,867	66,964
Other non-current liabilities		-	654
Total Non-current Liabilities		<u>22,123,228</u>	<u>20,604,515</u>
<b>TOTAL LIABILITIES</b>		<u>32,439,740</u>	<u>30,933,653</u>

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2017**

**Unit : Thousand Baht**

	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
<b>SHARE CAPITAL</b>	16 and 24		
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		<u>6,000,000</u>	
450,000,000 ordinary shares of Baht 10 each			<u>4,500,000</u>
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	
450,000,000 ordinary shares of Baht 10 each, fully paid			4,500,000
<b>RETAINED EARNINGS</b>			
Appropriated			
Legal reserve	17	600,000	450,000
Unappropriated		<u>11,471,306</u>	<u>9,656,840</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>18,071,306</u>	<u>14,606,840</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>50,511,046</u>	<u>45,540,493</u>

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, 2017**

Unit : Thousand Baht

	Notes	2017	2016
<b>INCOME</b>			
Income from personal loans		12,433,577	11,465,862
Income from installment loans		22,653	21,629
Other income	19	1,074,911	869,427
Total Income		<u>13,531,141</u>	<u>12,356,918</u>
<b>EXPENSES</b>			
Operating expenses	20	842,672	734,841
Administrative expenses	20	2,830,542	2,628,193
Bad debts and doubtful accounts expenses	7, 8 and 20	3,930,139	3,717,853
Finance costs	5 and 22	955,525	1,031,556
Total Expenses		<u>8,558,878</u>	<u>8,112,443</u>
PROFIT BEFORE TAX EXPENSE		4,972,263	4,244,475
TAX EXPENSE	23	992,949	851,788
<b>PROFIT FOR THE YEARS</b>		<u>3,979,314</u>	<u>3,392,687</u>
<b>OTHER COMPREHENSIVE LOSS</b>			
Components of other comprehensive income that will not be reclassified to profit or loss			
Loss on remeasurements of defined benefit plans		(2,310)	(13,215)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss		462	2,643
Other comprehensive expense for the year, net of tax		<u>(1,848)</u>	<u>(10,572)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEARS</b>		<u>3,977,466</u>	<u>3,382,115</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	7.31	7.54
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (Note 24)</b>			
	<b>SHARES</b>	544,109,589	450,000,000

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, 2017**

**Unit : Thousand Baht**

	Notes	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	
<b>Balance as at January 1, 2016</b>		4,500,000	450,000	6,648,225	11,598,225
Dividends paid	25.1	-	-	(373,500)	(373,500)
Total comprehensive income for the year		-	-	3,382,115	3,382,115
<b>Balance as at December 31, 2016</b>		<u>4,500,000</u>	<u>450,000</u>	<u>9,656,840</u>	<u>14,606,840</u>
<b>Balance as at January 1, 2017</b>		4,500,000	450,000	9,656,840	14,606,840
Stock dividend	25.2	1,500,000	-	(1,500,000)	-
Dividends paid	25.2	-	-	(513,000)	(513,000)
Legal reserve	17	-	150,000	(150,000)	-
Total comprehensive income for the year		-	-	3,977,466	3,977,466
<b>Balance as at December 31, 2017</b>		<u>6,000,000</u>	<u>600,000</u>	<u>11,471,306</u>	<u>18,071,306</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, 2017**

**Unit : Thousand Baht**

	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax expense		4,972,263	4,244,475
Adjustments for :			
Depreciation and amortization expenses		178,225	169,608
Discount on restoration cost		1,399	1,592
Interest income		(12,456,230)	(11,487,491)
Finance costs		955,525	1,031,556
Bad debts and doubtful accounts expenses		3,930,139	3,717,853
Employee benefit expenses		2,310	9,375
(Gain) loss on disposal of equipment and intangible assets		(286)	7,465
		<u>(2,416,655)</u>	<u>(2,305,567)</u>
Changes in operating assets and liabilities			
Loan receivables		(8,561,095)	(8,002,282)
Other receivables		(66,219)	66,401
Other non-current assets		(1,495)	(8,783)
Trade accounts payable		(510)	(1,439)
Other payables		115,682	81,975
Provision for employee benefit		8,124	(509)
Other non-current liabilities		-	(60)
Cash paid for operating activities		(10,922,168)	(10,170,264)
Cash received from interest income		12,310,665	11,325,367
Interest paid		(1,013,084)	(1,034,360)
Income tax paid		(1,065,357)	(754,853)
Net cash used in operating activities		<u>(689,944)</u>	<u>(634,110)</u>

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Unit : Thousand Baht**

	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for purchasing of leasehold improvements and equipment		(59,516)	(158,323)
Proceeds from sales of equipment		1,635	121
Cash paid for purchasing of intangible assets		(39,482)	(75,180)
Net cash used in investing activities		<u>(97,363)</u>	<u>(233,382)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term loans from financial institutions		29,844,864	45,120,000
Repayment of short-term loans from financial institutions		(30,282,048)	(47,010,000)
Proceeds from long-term loans from financial institutions		3,793,740	5,226,659
Repayment of long-term loans from financial institutions		(5,629,922)	(2,938,998)
Proceeds from issuing of debentures		3,500,000	6,000,000
Repayment of debentures		-	(5,000,000)
Dividends paid to owners of the Company		(513,000)	(373,500)
Net cash provided by financing activities		<u>713,634</u>	<u>1,024,161</u>
Net (decrease) increase in cash and cash equivalents		(73,673)	156,669
Cash and cash equivalents as at January 1,		<u>750,906</u>	<u>594,237</u>
<b>Cash and cash equivalents as at December 31,</b>	<b>6</b>	<u><u>677,233</u></u>	<u><u>750,906</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, 2017**

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**EASY BUY PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**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 of the Company is ACOM CO., LTD. which was incorporated in Japan.

The principal business of the Company is 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 2016) “Presentation of Financial Statements”, which was effective for the accounting period beginning on or after January 1, 2017 onward, applicable rules and regulations of the Securities and Exchange Commission, and the Notification of the Department of Business Development dated October 11, 2016 regarding “The Brief Particulars in the Financial Statement (No.2) B.E. 2559”.

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

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for the accounting period beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards that will be effective for the financial statements for the accounting period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Company's management will adopt such Thai Financial Reporting Standards in the preparation of the Company's financial statements when it becomes effective. The Company's management has assessed the impact of these Thai Financial Reporting Standards and considered that the adoption of these financial reporting standards does not have any significant 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 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 Income

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, 2017 and 2016 are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Leasehold improvements and equipment</b>		
Liabilities recorded at beginning of the year	1,506	3,249
Purchase of leasehold improvements and equipment	58,588	156,580
	<u>60,094</u>	<u>159,829</u>
<u>Less</u> Cash paid for purchasing of leasehold improvements and equipment	<u>(59,516)</u>	<u>(158,323)</u>
<b>Liabilities recorded at ending of the year</b>	<b><u>578</u></b>	<b><u>1,506</u></b>

For the years ended December 31, 2017 and 2016, the Company recorded decommissioning obligations for leasehold improvements of Baht 2.83 million and Baht 3.36 million, respectively.

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Intangible assets</b>		
Liabilities recorded at beginning of the year	655	10,613
Purchase of intangible assets	39,424	65,222
	<u>40,079</u>	<u>75,835</u>
<u>Less</u> Cash paid for purchasing of intangible assets	<u>(39,482)</u>	<u>(75,180)</u>
<b>Liabilities recorded at ending of the year</b>	<b><u>597</u></b>	<b><u>655</u></b>

For the year ended December 31, 2017 the Company had non-cash items related to increase in authorized share capital for stock dividend payment of Baht 1,500.00 million (see Notes 24 and 25).

## 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), 40.21% shareholding in parent company
The Bank of Tokyo - Mitsubishi UFJ, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% 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), 40.21% 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), 40.21% 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
<b>Finance costs</b>	
Interest expense	as agreed in contract
Guarantee fee	as agreed in contract

Significant transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
<b>Parent</b>		
Guarantee fee	2,364	10,070
<b>Other related parties</b>		
Interest expense	186,224	232,266
Guarantee fee	1,144	1,174
Debenture arrangement fee	12,065	12,030
Upfront fee	3,272	4,859
<b>Key management personnel</b>		
Key management compensation	90,758	95,447

Balances as at December 31, 2017 and 2016 with related parties are as follows:

	Unit : Thousand Baht	
	2017	2016
<b>Short-term borrowings from financial institutions</b>		
<b>Other related parties</b>		
Bank of Ayudhya Public Company Limited	50,000	450,000
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 16.00 million (December 31, 2016 : Nil)	532,816	-
<b>Total</b>	<b>582,816</b>	<b>450,000</b>

As at December 31, 2017 and 2016, short-term borrowings from financial institutions related to the Company bear interest at rate 2.06% - 2.40% per annum and 2.06% - 2.11% per annum, respectively.

	Unit : Thousand Baht	
	2017	2016
<b>Current portion of long-term borrowings from financial institutions</b>		
<b>Other related parties</b>		
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 8.00 million (December 31, 2016 : USD 42.30 million)	284,960	1,376,886
Bank of Ayudhya Public Company Limited	500,000	-
Bangkok Mitsubishi UFJ Lease Co., Ltd.	300,000	-
<b>Long-term borrowings from financial institutions</b>		
<b>Other related parties</b>		
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 41.00 million (December 31, 2016 : USD 33.00 million)	1,424,545	1,156,305
Bank of Ayudhya Public Company Limited	1,600,000	1,300,000
Bank of Ayudhya Public Company Limited		
- USD 30.80 million (December 31, 2016 : USD 30.80 million)	1,084,094	1,084,094
Bangkok Mitsubishi UFJ Lease Co., Ltd	-	300,000
<b>Total</b>	<b>5,193,599</b>	<b>5,217,285</b>



As at December 31, 2017 and 2016, long-term borrowings from financial institutions from related to the Company bear interest at rates ranging from 2.87% - 5.33% per annum and 2.93% - 5.33% per annum, respectively.

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Other payables</b>		
<b>Accrued interest expense</b>		
<b>Other related parties</b>		
Bank of Ayudhya Public Company Limited	25,554	23,578
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	4,552	18,247
Bangkok Mitsubishi UFJ Lease Co., Ltd	2,665	2,637
<b>Total</b>	<b>32,771</b>	<b>44,462</b>
<b>Accrued guarantee fee</b>		
<b>Parent company</b>		
ACOM Co., Ltd.	34	602
<b>Total</b>	<b>34</b>	<b>602</b>
<b>Deferred issuance cost (presented net of long-term borrowings and debentures)</b>		
<b>Other related parties</b>		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	23,963	35,977
Bank of Ayudhya Public Company Limited	63	-
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	5,151	6,079
<b>Total</b>	<b>29,177</b>	<b>42,056</b>

## **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 swap agreements**

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in foreign currencies with volatility of interest rate by swapping the foreign currency and interest rate as specified in the agreement (see Note 12).

### Interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in Thai Baht currency with floating interest rate by paying interest fixed rate as specified in the agreement (see Note 12).

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Cash on hand	308,099	233,162
Cash at banks - current accounts	267,010	466,783
Cash at banks - savings accounts	102,124	50,961
<b>Total</b>	<b>677,233</b>	<b>750,906</b>

In 2017 and 2016, above cash at banks bears interest at the rates of ranging from 0.10% - 0.60% per annum and 0.10% - 0.85% per annum, respectively.

# 7. LOAN RECEIVABLES

	As at December 31, 2017			As at December 31, 2016			Unit : Thousand Baht
	Personal	Installment	Total	Personal	Installment	Total	
	Loan Receivables	Loan Receivables		Loan Receivables	Loan Receivables		
<b>Due within one year</b>							
Loan receivables	51,272,454	132,870	51,405,324	46,247,723	113,753	46,361,476	
Less Unearned interest income	-	(13,166)	(13,166)	-	(15,453)	(15,453)	
Allowance for doubtful accounts	(3,288,936)	(2,773)	(3,291,709)	(3,026,451)	(2,872)	(3,029,323)	
<b>Net</b>	<b>47,983,518</b>	<b>116,931</b>	<b>48,100,449</b>	<b>43,221,272</b>	<b>95,428</b>	<b>43,316,700</b>	
<b>Due over one year</b>							
Loan receivables	-	37,659	37,659	-	52,511	52,511	
Less Unearned interest income	-	(2,415)	(2,415)	-	(5,009)	(5,009)	
Allowance for doubtful accounts	-	(689)	(689)	-	(1,154)	(1,154)	
<b>Net</b>	<b>-</b>	<b>34,555</b>	<b>34,555</b>	<b>-</b>	<b>46,348</b>	<b>46,348</b>	
<b>Total</b>	<b>47,983,518</b>	<b>151,486</b>	<b>48,135,004</b>	<b>43,221,272</b>	<b>141,776</b>	<b>43,363,048</b>	
							Unit : Thousand Baht
<b>Bad debts and doubtful accounts expenses for the years ended December 31,</b>	<b>2017</b>			<b>2016</b>			
Bad debts	3,667,421	5,362	3,672,783	3,508,944	6,595	3,515,539	
Doubtful accounts	262,485	(564)	261,921	196,685	428	197,113	
<b>Total</b>	<b>3,929,906</b>	<b>4,798</b>	<b>3,934,704</b>	<b>3,705,629</b>	<b>7,023</b>	<b>3,712,652</b>	

Aging analysis for loan receivables is as follows:

	As at December 31, 2017			As at December 31, 2016			Unit : Thousand Baht
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total	
Current	48,399,002	167,432	48,566,434	43,638,797	162,236	43,801,033	
Overdue payment							
Less than and equal to 3 months	1,750,828	2,181	1,753,009	1,588,431	2,286	1,590,717	
More than 3 months	1,122,624	916	1,123,540	1,020,495	1,742	1,022,237	
	51,272,454	170,529	51,442,983	46,247,723	166,264	46,413,987	
Less Unearned interest income	-	(15,581)	(15,581)	-	(20,462)	(20,462)	
<b>Total</b>	51,272,454	154,948	51,427,402	46,247,723	145,802	46,393,525	
Less Allowance for doubtful accounts	(3,288,936)	(3,462)	(3,292,398)	(3,026,451)	(4,026)	(3,030,477)	
<b>Net</b>	<b>47,983,518</b>	<b>151,486</b>	<b>48,135,004</b>	<b>43,221,272</b>	<b>141,776</b>	<b>43,363,048</b>	

Personal loan receivables as at December 31, 2017 and 2016, comprise the following:

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
Revolving loan receivables	49,404,675	44,572,535
Minimum payment loan receivables	1,867,779	1,675,188
<b>Total</b>	<b><u>51,272,454</u></b>	<b><u>46,247,723</u></b>

Revolving loan receivables 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.

As at December 31, 2017 and 2016, the Company had loan receivables which were overdue for over three payment periods of Baht 1,123.54 million and Baht 1,022.24 million, respectively, on which the Company has continued to recognize the interest income. The Company recognized interest income on such loan receivables for the years ended December 31, 2017 and 2016, amounting to Baht 201.59 million and Baht 192.28 million, respectively, against which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at December 31, 2017 and 2016 were denominated entirely in Baht Currency.

In 2017 and 2016, the interest rates for the above loan receivables were within defined law set at 15.00% per annum and not more than 28.00% per annum (Effective rate) when inclusive of interest and credit usage fee.

### Debt restructuring

For the years ended December 31, 2017 and 2016, the Company had recognized interest income on restructured loan receivables totaling Baht 174.98 million and Baht 142.70 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2017 and 2016 as follows:

	As at December 31, 2017		Unit : Thousand Baht As at December 31, 2016	
	Number of contracts	Amount	Number of Contracts	Amount
Restructured loan receivables	39,792	1,689,346	36,616	1,528,864
Non-restructured loan receivables	1,738,489	48,252,445	1,606,372	43,358,428
<b>Total</b>	<b>1,778,281</b>	<b>49,941,791</b>	<b>1,642,988</b>	<b>44,887,292</b>

As at December 31, 2017 and 2016, 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, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Receivables from collection agencies	284,814	211,876
Prepaid expenses	41,559	49,585
Others	7,847	6,540
<u>Less Allowance for doubtful accounts</u>	<u>(636)</u>	<u>(5,201)</u>
<b>Total</b>	<b>333,584</b>	<b>262,800</b>
	<b>2017</b>	<b>2016</b>
Doubtful accounts expenses (reversal) for the year ended December 31,	<u>(4,565)</u>	<u>5,201</u>

## 9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2017 and 2016 are as follows:

Unit : Thousand Baht

As at December 31, 2017

	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2017
<b>Costs:</b>					
Leasehold improvements	398,672	21,915	(21,158)	1,188	400,617
Furniture, fixtures and office equipment	913,506	38,314	(267,918)	-	683,902
Total	<u>1,312,178</u>	<u>60,229</u>	<u>(289,076)</u>	<u>1,188</u>	<u>1,084,519</u>
<b>Accumulated depreciation :</b>					
Leasehold improvements	293,723	55,122	(20,883)	-	327,962
Furniture, fixtures and office equipment	682,944	80,457	(266,844)	-	496,557
Total	<u>976,667</u>	<u>135,579</u>	<u>(287,727)</u>	<u>-</u>	<u>824,519</u>
Assets under installation	-	1,188	-	(1,188)	-
<b>Leasehold improvements and equipment</b>	<u><b>335,511</b></u>				<u><b>260,000</b></u>

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
<b>Costs:</b>					
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
Total	<u>1,197,942</u>	<u>142,694</u>	<u>(45,704)</u>	<u>17,246</u>	<u>1,312,178</u>
<b>Accumulated depreciation :</b>					
Leasehold improvements	259,328	65,449	(31,054)	-	293,723
Furniture, fixtures and office equipment	621,170	68,838	(7,064)	-	682,944
Total	<u>880,498</u>	<u>134,287</u>	<u>(38,118)</u>	<u>-</u>	<u>976,667</u>
Assets under installation	-	17,246	-	(17,246)	-
<b>Leasehold improvements and equipment</b>	<u><b>317,444</b></u>				<u><b>335,511</b></u>

Depreciation for the years ended December 31,

2017	<u>135,579</u>
2016	<u>134,287</u>

As at December 31, 2017 and 2016, the cost of the Company's fully depreciated leasehold improvement and equipment still in use amounted to Baht 412.81 million and Baht 578.70 million, respectively.

## 10. INTANGIBLE ASSETS

Intangible assets as at December 31, 2017 and 2016 are as follows:

Unit : Thousand Baht					
As at December 31, 2017					
	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2017
<b>Costs:</b>					
Computer software	310,274	37,960	-	626	348,860
Trademark	1,350	-	-	-	1,350
Total	311,624	37,960	-	626	350,210
<b>Accumulated amortization:</b>					
Computer software	162,730	42,646	-	-	205,376
Trademark	1,349	-	-	-	1,349
Total	164,079	42,646	-	-	206,725
Computer software under installation	4,038	1,464	(4,038)	(626)	838
<b>Total intangible assets</b>	<b>151,583</b>				<b>144,323</b>
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
<b>Costs:</b>					
Computer software	245,908	61,584	-	2,782	310,274
Trademark	1,350	-	-	-	1,350
Total	247,258	61,584	-	2,782	311,624
<b>Accumulated amortization:</b>					
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
<b>Total intangible assets</b>	<b>121,682</b>				<b>151,583</b>
<b>Amortization for the years ended December 31,</b>					
2017					42,646
2016					35,321

As at December 31, 2017 and 2016, the cost of the Company's fully amortized intangible assets still in use amounted to Baht 104.26 million and Baht 76.72 million, respectively.



## 11. DEFERRED TAX

Deferred tax assets as at December 31, 2017 and 2016 consist of tax effects from the following items:

	Unit : Thousand Baht	
	2017	2016
<b>Deferred tax assets</b>		
Loan receivables		
(allowance for doubtful accounts)	658,607	607,136
Loan receivables (bad debt written-off)	130,897	94,322
Provision for employee benefit	19,397	16,849
Decommissioning obligations for leasehold improvements	12,403	10,881
Others	2,431	2,818
<b>Total</b>	<b>823,735</b>	<b>732,006</b>
<b>Deferred tax liabilities</b>		
Debenture and long-term loan issuance cost	(8,813)	(11,767)
Long-term borrowings from financial institutions		
(including cross currency swap)	67,321	(116,717)
<b>Total</b>	<b>58,508</b>	<b>(128,484)</b>
<b>Net</b>	<b>882,243</b>	<b>603,522</b>

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

	Unit : Thousand Baht			
	Balance as at January 1, 2017	Item as recognized into profit (loss)	Item as recognized into other comprehensive income	Balance as at December 31, 2017
<b>Deferred tax assets</b>				
Loan receivables				
(allowance for doubtful accounts)	607,136	51,471	-	658,607
Loan receivables (bad debt written-off)	94,322	36,575	-	130,897
Provision for employee benefit	16,849	2,086	462	19,397
Decommissioning obligations for leasehold improvements	10,881	1,522	-	12,403
Others	2,818	(387)	-	2,431
	<u>732,006</u>	<u>91,267</u>	<u>462</u>	<u>823,735</u>
<b>Deferred tax liabilities</b>				
Debenture and long-term loan issuance cost	(11,767)	2,954	-	(8,813)
Long-term borrowings from financial institutions (including cross currency swap)	(116,717)	184,038	-	67,321
	<u>(128,484)</u>	<u>186,992</u>	<u>-</u>	<u>58,508</u>
<b>Deferred tax assets</b>	<b>603,522</b>	<b>278,259</b>	<b>462</b>	<b>882,243</b>

	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
<b>Deferred tax assets</b>				
Loan receivables				
(allowance for doubtful accounts)	566,673	40,463	-	607,136
Loan receivables (bad debt written-off)	98,902	(4,580)	-	94,322
Provision for employee benefit	12,432	1,774	2,643	16,849
Decommissioning obligations for 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>
<b>Deferred tax liabilities</b>				
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>
<b>Deferred tax assets</b>	<u>541,976</u>	<u>58,903</u>	<u>2,643</u>	<u>603,522</u>

## 12. INTEREST-BEARING LIABILITIES

	As at December 31, 2017				As at December 31, 2016			Unit : Thousand Baht
	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
<b>Current Principal</b>	3,152,816	2,803,669	3,000,000	8,956,485	3,590,000	5,629,921	-	9,219,921
<b>Less Discount, debenture and long-term loan issuance cost</b>	(688)	(380)	(1,049)	(2,117)	(1,384)	(1,565)	-	(2,949)
<b>Net</b>	<u>3,152,128</u>	<u>2,803,289</u>	<u>2,998,951</u>	<u>8,954,368</u>	<u>3,588,616</u>	<u>5,628,356</u>	<u>-</u>	<u>9,216,972</u>
<b>Non-current Principal</b>	-	8,896,079	13,104,400	22,000,479	-	7,906,009	12,604,400	20,510,409
<b>Less Discount, debenture and long-term loan issuance cost</b>	-	(4,770)	(38,336)	(43,106)	-	(5,499)	(52,257)	(57,756)
<b>Net</b>	<u>-</u>	<u>8,891,309</u>	<u>13,066,064</u>	<u>21,957,373</u>	<u>-</u>	<u>7,900,510</u>	<u>12,552,143</u>	<u>20,452,653</u>
<b>Total</b>	<u>3,152,128</u>	<u>11,694,598</u>	<u>16,065,015</u>	<u>30,911,741</u>	<u>3,588,616</u>	<u>13,528,866</u>	<u>12,552,143</u>	<u>29,669,625</u>
<b>- Secured*</b>	-	-	2,080,132	2,080,132	-	2,610,567	2,067,957	4,678,524
<b>- Unsecured</b>	3,152,128	11,694,598	13,984,883	28,831,609	3,588,616	10,918,299	10,484,186	24,991,101
<b>Total</b>	<u>3,152,128</u>	<u>11,694,598</u>	<u>16,065,015</u>	<u>30,911,741</u>	<u>3,588,616</u>	<u>13,528,866</u>	<u>12,552,143</u>	<u>29,669,625</u>

\* The Company has letter of guarantees issued by a related foreign financial institution for guarantee payment of the Company under the conditions of debenture.

Interest-bearing liabilities as at December 31, 2017 and 2016 classified by currencies are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
Baht Currency	22,403,887	20,171,817
United States Dollars Currency	7,910,654	8,549,608
Yen Currency	597,200	948,200
<b>Total</b>	<b><u>30,911,741</u></b>	<b><u>29,669,625</u></b>

In 2017 and 2016, above liabilities bear interest at the rates ranging from 1.53% - 5.33% per annum and 1.65% - 5.33% per annum, respectively.

#### **Cross currency and interest rate swap, interest rate swap and forward foreign exchange agreements**

##### *Baht Currency*

As at December 31, 2017 and 2016, the Company had interest rate swap agreements with a related local bank and a local bank totaling Baht 1,900.00 million (as at December 31, 2016 : totaling 1,500.00 million) to hedge the volatility of interest rate by paying interest in fixed rates as specified in the agreement.

##### *United States Dollars Currency*

As at December 31, 2017 and 2016, the Company had cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying the interest in Baht in fixed rate as specified in the agreement in exchange for interest payable in USD monthly, quarterly and semi-annually. The cross currency and interest rate agreements were as follows:

- With a related local bank and local banks totaling USD 144.80 million by swapping to Baht 4,898.00 million (as at December 31, 2016 : totaling USD 183.10 million by swapping to Baht 6,104.61 million).
- With a local branch of a foreign bank totaling USD 71.83 million by swapping to Baht 2,508.95 million (as at December 31, 2016 : totaling USD 71.50 million by swapping to Baht 2,487.52 million).

As at December 31, 2017, the Company had a forward foreign exchange agreement with a local bank totaling USD 16.00 million or equivalent to Baht 532.82 million to hedge financial liabilities denominated in foreign currencies.

##### *Yen Currency*

As at December 31, 2017 and 2016, the Company had cross currency and interest rate swap agreements with the local banks totaling JPY 2,000.00 million by swapping to Baht 597.20 million (as at December 31, 2016 : totaling JPY 3,200.00 million by swapping to Baht 948.20 million) to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying interest in Baht in fixed rates as specified in the agreement in exchange for interest payable in JPY quarterly and semi-annually.

## Debentures

Debentures as at December 31, 2017 and 2016 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	2017 (Thousand Baht)	2016 (Thousand Baht)
1	September 26, 2014	September 26, 2019	1 <sup>st</sup>	Secured	30	USD 1,000,000	964,800	964,800
2	February 24, 2015	February 24, 2020	1 <sup>st</sup>	Secured	35	USD 1,000,000	1,139,600	1,139,600
3	March 12, 2015	March 12, 2018	1 <sup>st</sup>	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
		March 12, 2020	2 <sup>nd</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
4	September 30, 2015	September 30, 2018	1 <sup>st</sup>	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
		September 30, 2020	2 <sup>nd</sup>	Unsecured	500,000	Baht 1,000	500,000	500,000
5	February 25, 2016	February 25, 2019	1 <sup>st</sup>	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
		February 25, 2021	2 <sup>nd</sup>	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
6	September 15, 2016	September 15, 2019	1 <sup>st</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
		September 15, 2023	2 <sup>nd</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
7	March 30, 2017	March 30, 2022	1 <sup>st</sup>	Unsecured	1,500,000	Baht 1,000	1,500,000	-
8	June 7, 2017	June 7, 2024	1 <sup>st</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	-
9	November 24, 2017	June 24, 2021	1 <sup>st</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	-
<b>Less Debenture issuance cost</b>							16,104,400	12,604,400
							(39,385)	(52,257)
<b>Less Current portion of debenture</b>							16,065,015	12,552,143
<b>Debentures - net</b>							(2,998,951)	-
							<b>13,066,064</b>	<b>12,552,143</b>

As at December 31, 2017 and 2016, debentures bear interest at rates ranging from 2.07% - 4.10% per annum and 2.07% - 4.10% per annum, respectively.

### 13. OTHER PAYABLES

Other payables as at December 31, 2017 and 2016 are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Interest and guarantee fees payables</b>		
- Related parties	32,805	45,064
- Other financial institutions	177,502	196,732
Other payables	76,936	71,359
Withholding tax payable	19,950	24,823
Accrued expenses and others	377,989	302,568
<b>Total</b>	<b>685,182</b>	<b>640,546</b>

### 14. PROVISION FOR EMPLOYEE BENEFIT

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

Expense recognized in the statement of profit or loss and comprehensive income for the years ended December 31, 2017 and 2016 are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
Current service cost	8,241	6,815
Interest on obligation	2,193	2,053
<b>Total</b>	<b>10,434</b>	<b>8,868</b>

Movements in the present value of the obligation under defined benefit plan for the years ended December 31, 2017 and 2016 are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
Defined benefit obligation brought forward	84,244	62,160
Current service cost	8,241	6,815
Interest on obligation	2,193	2,053
(Gain) loss on remeasurements of defined benefit plan		
- from changes in demographic assumption	1,188	-
- from change in financial assumption	(3,408)	8,401
- from experience adjustment	4,530	4,815
Paid to employee	-	-
<b>Defined benefit obligation carried forward</b>	<b>96,988</b>	<b>84,244</b>

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefit obligation as at December 31, 2017 and 2016 are as follows:

	2017	2016
Personnel turnover rate	0% - 22.90%, p.a. Subject to the range of age of employees	0% - 22.90%, p.a. Subject to the range of age of employees
Discount rate	3.00%, p.a.	2.75%, p.a.
Increase in expected rate of salary	4.00%, p.a.	4.00%, p.a.

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, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Salary incremental rates - 1% increase	10,982	9,769
Salary incremental rates - 1% decrease	(7,937)	(6,976)
Discount rate - 1% increase	(8,014)	(7,032)
Discount rate - 1% decrease	10,896	9,709

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. DECOMMISSIONING OBLIGATIONS FOR LEASEHOLD IMPROVEMENTS

Decommissioning obligations for leasehold improvements as at December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Beginning balance	66,964	64,953
Provision made	4,228	4,953
Paid for restoration cost of leasehold improvements	(1,430)	(2,795)
Provision reversed	(895)	(147)
<b>Ending balance</b>	<b>68,867</b>	<b>66,964</b>

As at December 31, 2017 and 2016, the Company had current portion of decommissioning obligations for leasehold improvements of Baht 1.41 million and Baht 0.22 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.

The Company has been granted the license to operate as a non-financial institution that provides personal loans from the Minister of Finance, of which the Company must have authorized share capital of at least Baht 50 million.

## 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, 2016 and 2017, the Company's legal reserve have reached 10% of its registered share capital

## 18. SEGMENT INFORMATION

The Company's operations are consumer finance business representing personal loans and installment loans as integrated and complementary activities that constitute one line of business. Consequently, management considers that it has only one business segment. Moreover, the Company operates in the domestic market; consequently, management determines that it has only one geographical segment.

## 19. OTHER INCOME

Other income for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Recovery of bad debts	972,236	775,224
Others	102,675	94,203
<b>Total</b>	<b><u>1,074,911</u></b>	<b><u>869,427</u></b>



## 20. EXPENSES BY NATURE

Net profit for the years ended December 31, 2017 and 2016 have been derived after deducting the following significant expenses:

	Unit : Thousand Baht	
	2017	2016
Personnel expenses	1,576,965	1,453,515
Marketing expenses	308,234	282,261
Commission expenses	155,558	121,386
Depreciation and amortization expenses	178,225	169,608
Rental expenses	322,402	293,574
Special business tax and stamp duties	485,309	442,556
Bad debts and doubtful accounts expenses	3,930,139	3,717,853
Others	646,521	600,134
<b>Total</b>	<b>7,603,353</b>	<b>7,080,887</b>

## 21. PROVIDENT FUND

The Company has 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, 2017 and 2016 amounted to Baht 32.07 million and Baht 29.16 million, respectively.

## 22. FINANCE COSTS

Finance costs for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Interest expense		
- Related parties	186,224	232,266
- Other financial institutions	741,272	760,150
Guarantee fee	3,509	11,244
Others	24,520	27,896
<b>Total</b>	<b>955,525</b>	<b>1,031,556</b>

## 23. TAX EXPENSE

Tax expense for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
<b>Current tax expense</b>	1,271,208	910,691
Current year	<u>1,271,208</u>	<u>910,691</u>
<b>Deferred tax expense</b>		
Movements in temporary differences	(278,259)	(58,903)
	<u>(278,259)</u>	<u>(58,903)</u>
<b>Total</b>	<u><b>992,949</b></u>	<u><b>851,788</b></u>

Reconciliation of effective tax rate

	Tax Rate (%)	2017	Tax Rate (%)	2016
				Unit : Thousand Baht
Accounting profit before tax expense		4,972,263		4,244,475
Income tax - income (expense) at domestic tax rate	20.0	<u>994,453</u>	20.0	<u>848,895</u>
Tax effect of non-deductible expenses		276,755		61,796
Income tax expense per income tax return		1,271,208		910,691
Adjustment for deferred tax relating to the origination and reversal of temporary differences		(278,259)		(58,903)
<b>Income tax expense</b>	20.0	<u><b>992,949</b></u>	20.1	<u><b>851,788</b></u>

## 24. SHARE CAPITAL

At the Annual General Meeting of Shareholders, the shareholders approved to increase Company's authorized share capital from the existing authorized share capital of Baht 4,500.00 million to the authorized share capital of Baht 6,000.00 million for the stock dividend payment of Baht 1,500.00 million to the Company's shareholders. The Company has registered such increase of its authorized share capital with the Ministry of Commerce on April 27, 2017 and the Company paid stock dividend to shareholders on May 17, 2017 (see note 25.2).

For the years ended December 31, 2017 and 2016 the Company calculated weighted average number of ordinary shares as follows:

	2017	Unit: Shares 2016
Beginning balance	450,000,000	450,000,000
Increase during the year	94,109,589	-
<b>Weighted average number of ordinary shares</b>	<b><u>544,109,589</u></b>	<b><u>450,000,000</u></b>

## 25. DIVIDENDS PAID

25.1 At the Annual General Meeting of the Shareholders of the Company held on April 21, 2016, the shareholder 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.

25.2 At the Annual General Meeting of the Shareholders of the Company held on April 20, 2017, the shareholders approved the appropriation of cash dividend payment of Baht 1.14 per share, amounting to Baht 513.00 million and approved stock dividend payment of 150 million shares, with par value of Baht 10.00 per share, to the shareholders of the Company at the ratio of 15 existing shares for 5 dividend stocks totaling Baht 1,500.00 million. The Company paid the cash dividend to shareholders on May 9, 2017 and paid stock dividend to shareholders on May 17, 2017 (see Note 24).

## 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.

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

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

	As at December 31, 2017		Fair value hierarchy	As at December 31, 2016		Fair value hierarchy	Unit : Thousand Baht Valuation Technique
	Carrying	Fair Value		Carrying Amount	Fair Value		
<u>Financial assets</u>							
Loan receivables	48,135,004	67,839,431	3	43,363,048	60,830,768	3	Discounting expected future cash flows of the potentially recoverable principal and interest by the risk-free rate.
Derivative assets	-	-	3	-	385,929	3	Over-the-counter quoted price
<u>Financial liabilities</u>							
Long-term borrowings from financial Institutions	11,694,598	11,364,966	3	13,528,867	13,814,242	3	Discounting expected future cash flows by over-the-counter interest rate as of the last working day of the reporting period
Debentures	16,065,015	16,309,152	3	12,552,143	12,811,213	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	-	628,279	3	-	67,962	3	Over-the-counter quoted price

## 27. COMMITMENTS WITH NON-RELATED PARTIES

Commitment with non-related parties as at December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
<b>Capital commitments</b>		
Software	1,956	243
<b>Total</b>	<b>1,956</b>	<b>243</b>
<b>Non-cancellable operating lease commitments</b>		
Within one year	233,792	231,107
After one year but within five years	179,334	118,982
<b>Total</b>	<b>413,126</b>	<b>350,089</b>

The Company has entered into several lease agreements covering office premises, vehicles and computer equipment for periods from one to four 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 15, 2018.