

Phatra Leasing Public Company Limited

Financial statements for the year ended
31 December 2016
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Phatra Leasing Public Company Limited

Opinion

I have audited the financial statements of Phatra Leasing Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| | |
|--|--|
| Adequacy of allowance for doubtful accounts | |
| Refer to Notes 3, 6 and 7 | |
| The key audit matter | How the matter was addressed in my audit |
| The Company has a risk of valuation of receivables under operating lease contracts and receivables under finance lease contracts due to the default on payment of receivables, thereby having a material impact on the financial statements. The assessment of adequate allowance for doubtful account requires high judgment from the Company to assess the ability of repayment of receivables and of the sale/ lease of the returned assets which are dependent on the uncertainty of the estimated recovery amount of leased assets. | <p>My audit procedures consisted of</p> <ul style="list-style-type: none"> - understanding the assessment of the Company's assumption and the appropriateness of the Company's accounting policy for allowance for doubtful account; - considering the ability of repayments from receivables under operating lease contracts and receivables under finance lease contracts by assessing the ability of previous repayment and the current status of existing receivables; - considering the possibility of repossession and assessing the estimated recovery amount of leased assets by using the external prices derived from market and/or the valuation report from independent valuers which are adjusted by the Company's plan to manage the assets which are returned from the default contracts for receivables under finance lease contracts; and - considering the adequacy of the Company's disclosures in relation to receivables under operating lease contracts and receivables under finance lease contracts in accordance with Thai Financial Reporting Standards. |

| | |
|--|--|
| Valuation of inventory | |
| Refer to Notes 3 and 9 | |
| The key audit matter | How the matter was addressed in my audit |
| The Company has a risk of valuation of inventory due to a fluctuation in the used car market, thereby having a direct impact on the net realisable value of inventory. This is a significant estimated areas which I have determined to be important due to the fact that inventory provision estimates are dependent on concerning future selling prices. | <p>My audit procedures consisted of</p> <ul style="list-style-type: none"> - assessing the net realisable value of inventory by evaluating the appropriateness of the Company's plan to arrange and the estimation of selling price of the car sales for which contract are expired and comparing to selling price subsequent to year-end for sold cars and external prices derived from market for unsold cars to test whether selling price exceeded the book value of inventory at year end; and - considering the adequacy of the Company's disclosures in accordance with Thai Financial Reporting Standards. |

| | |
|---|---|
| Recognition of deferred tax assets | |
| Refer to Note 3 and 14 | |
| The key audit matter | How the matter was addressed in my audit |
| <p>The Company has recognized deferred tax assets for deductible temporary differences and unused tax losses that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is in part dependent on the Company's ability to generate future taxable profits sufficient to utilise deductible temporary differences and tax losses (before the latter expire).</p> <p>I have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p> | <p>My audit procedures consisted of</p> <ul style="list-style-type: none"> - inquiring the management who is responsible for preparing the Company's forecast future taxable profits; - assessing and challenging the management's judgements, assumptions used in the projection of future taxable profits by evaluating the reasonableness of historical forecasting and comparing with the actual operating results and the operation's plan. This included using my understanding of the Company, the Company's industry and the sensitivity of the changes in the forecast of the Company's future taxable profits to evaluate the reasonability of the management's process for forecasting the future taxable profits - performing the recalculation of the forecast; and - considering the adequacy of the Company's disclosures in accordance with Thai Financial Reporting Standards. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my 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 my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2017

Phatra Leasing Public Company Limited

Statement of financial position

| Assets | Note | 31 December | |
|--|-------|-----------------------|-----------------------|
| | | 2016 | 2015 |
| | | <i>(in Baht)</i> | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 77,622,641 | 80,134,163 |
| Receivables under operating lease contracts | 6 | 205,722,102 | 256,348,215 |
| Current portion of receivables under finance lease contracts | 7 | 800,400,037 | 745,338,059 |
| Other receivables | 4, 8 | 310,763,705 | 198,475,532 |
| Inventory | 9 | 86,199,315 | 183,557,158 |
| Assets held for sale | 10 | 24,892,664 | 14,710,631 |
| Other current assets | | 28,983,084 | 8,597,084 |
| Total current assets | | 1,534,583,548 | 1,487,160,842 |
| Non-current assets | | | |
| Receivables under finance lease contracts | 7 | 1,195,790,678 | 958,326,615 |
| Other long-term investments | 4 | - | - |
| Property and equipment | 4, 11 | 10,225,574,524 | 10,290,473,714 |
| Property foreclosed | 12 | 23,992,453 | 23,992,453 |
| Intangible assets | 13 | 3,290,715 | 5,059,026 |
| Deferred tax assets | 14 | 238,065,316 | 137,379,526 |
| Other non-current assets | | 8,392,180 | 9,795,020 |
| Total non-current assets | | 11,695,105,866 | 11,425,026,354 |
| Total assets | | 13,229,689,414 | 12,912,187,196 |

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

Phatra Leasing Public Company Limited

Statement of financial position

| Liabilities and equity | Note | 31 December | |
|--|-------|-----------------------|-----------------------|
| | | 2016 | 2015 |
| | | <i>(in Baht)</i> | |
| Current liabilities | | | |
| Short-term loans from financial institutions | 15.1 | 1,752,743,043 | 498,222,821 |
| Trade accounts payable | 4, 16 | 107,766,163 | 259,860,404 |
| Other payables | 17 | 182,553,750 | 150,292,510 |
| Current portion of debentures | 15.2 | 1,899,672,945 | 2,199,631,263 |
| Current portion of long-term loans from financial institutions | 15.3 | 577,700,000 | 998,180,000 |
| Income tax payable | | - | 2,141,545 |
| Total current liabilities | | 4,520,435,901 | 4,108,328,543 |
| Non-current liabilities | | | |
| Debentures | 15.2 | 4,946,319,517 | 4,646,412,846 |
| Long-term loans from financial institutions | 15.3 | 717,910,000 | 1,295,610,000 |
| Advances received from lessees for exercising purchase option and guarantee deposits | | 141,307,852 | 121,456,933 |
| Rental income received in advance | | 101,779,079 | 62,904,901 |
| Employee benefit obligations | 18 | 49,723,467 | 37,921,053 |
| Total non-current liabilities | | 5,957,039,915 | 6,164,305,733 |
| Total liabilities | | 10,477,475,816 | 10,272,634,276 |
| Equity | | | |
| Share capital | 19 | | |
| Authorised share capital | | 646,200,489 | 646,200,489 |
| Issued and paid-up share capital | | 596,492,753 | 596,492,753 |
| Premium on ordinary shares | 19 | 645,118,058 | 645,118,058 |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | 21 | 64,558,515 | 53,549,949 |
| Unappropriated | | 1,446,044,272 | 1,344,392,160 |
| Total equity | | 2,752,213,598 | 2,639,552,920 |
| Total liabilities and equity | | 13,229,689,414 | 12,912,187,196 |

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

Phatra Leasing Public Company Limited

Statement of comprehensive income

| | | For the year ended 31 December | |
|--|-----------|--------------------------------|----------------------|
| | Note | 2016 | 2015 |
| | | (in Baht) | |
| Income | | | |
| Rental income from operating lease contracts | 4 | 2,868,188,092 | 2,894,272,412 |
| Income from finance lease contracts | | 107,846,903 | 108,415,363 |
| Revenue from sale of assets under operating lease contracts | | 1,150,297,793 | 656,401,514 |
| Gain on disposal of equipment, assets held for sale and property foreclosed | | 1,545,603 | 4,427,693 |
| Other income | 4, 23 | 46,547,667 | 41,082,253 |
| Total income | | 4,174,426,058 | 3,704,599,235 |
| Expenses | | | |
| Direct rental costs | 4, 26 | 2,236,390,154 | 2,206,605,042 |
| Cost of sale of assets under operating lease contracts | 26 | 1,088,555,894 | 676,496,145 |
| Administrative expenses | 4, 24, 26 | 263,002,809 | 234,116,236 |
| Doubtful accounts expense | 6, 7 | 157,320,087 | 829,406 |
| Finance costs | | 320,791,868 | 368,446,241 |
| Total expenses | | 4,066,060,812 | 3,486,493,070 |
| Profit before income tax | | 108,365,246 | 218,106,165 |
| Income tax expense (benefit) | 27 | (111,806,081) | 47,107,177 |
| Profit for the year | | 220,171,327 | 170,998,988 |
| Other comprehensive income | | | |
| <i>Items that will never be reclassified to profit or loss</i> | | | |
| Defined benefit plan actuarial gains (losses) | 18 | (7,633,602) | 4,007,447 |
| Income tax on other comprehensive income | | 1,526,721 | (801,489) |
| Other comprehensive income for the year, net of income tax | | (6,106,881) | 3,205,958 |
| Total comprehensive income for the year | | 214,064,446 | 174,204,946 |
| Earnings per share | | | |
| | 28 | | |
| Basic earnings per share | | 0.37 | 0.32 |
| Diluted earnings per share | | 0.37 | 0.32 |

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

Phatra Leasing Public Company Limited

Statement of changes in equity

| | | Issued and paid-up share capital | Share premium | Retained earnings | | Total equity |
|--|------|--|--------------------|----------------------------|----------------------|----------------------|
| | Note | | | Legal reserve (in Baht) | Unappropriated | |
| Year ended 31 December 2015 | | | | | | |
| Balance at 1 January 2015 | | 447,369,569 | 346,871,689 | 45,000,000 | 1,254,789,990 | 2,094,031,248 |
| Transactions with shareholders, recorded directly in equity | | | | | | |
| <i>Contributions by and distributions to shareholders of the Company</i> | | | | | | |
| Issue of ordinary shares | 19 | 149,123,184 | 298,246,369 | - | - | 447,369,553 |
| Dividends to shareholders of the Company | 29 | - | - | - | (76,052,827) | (76,052,827) |
| Total contributions by and distributions to shareholders of the Company | | 149,123,184 | 298,246,369 | - | (76,052,827) | 371,316,726 |
| Total transactions with shareholders, recorded directly in equity | | 149,123,184 | 298,246,369 | - | (76,052,827) | 371,316,726 |
| Comprehensive income for the year | | | | | | |
| Profit | | - | - | - | 170,998,988 | 170,998,988 |
| Other comprehensive income | | - | - | - | 3,205,958 | 3,205,958 |
| Total comprehensive income for the year | | - | - | - | 174,204,946 | 174,204,946 |
| Transfer to legal reserve | | - | - | 8,549,949 | (8,549,949) | - |
| Balance at 31 December 2015 | | 596,492,753 | 645,118,058 | 53,549,949 | 1,344,392,160 | 2,639,552,920 |

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

Phatra Leasing Public Company Limited

Statement of changes in equity

| | | | Retained earnings | | |
|---|--|--------------------|-----------------------------------|----------------------|----------------------|
| | Issued and paid-up share capital | Share premium | Legal reserve <i>(in Baht)</i> | Unappropriated | Total equity |
| <i>Note</i> | | | | | |
| Year ended 31 December 2016 | 596,492,753 | 645,118,058 | 53,549,949 | 1,344,392,160 | 2,639,552,920 |
| Balance at 1 January 2016 | | | | | |
| Transactions with shareholders, recorded directly in equity | | | | | |
| <i>Distributions to shareholders of the Company</i> | | | | | |
| Dividends to shareholders of the Company | 29 | - | - | (101,403,768) | (101,403,768) |
| <i>Total distributions to shareholders of the Company shareholders of the Company</i> | | - | - | (101,403,768) | (101,403,768) |
| Total transactions with shareholders, recorded directly in equity | | - | - | (101,403,768) | (101,403,768) |
| Comprehensive income for the year | | | | | |
| Profit | | - | - | 220,171,327 | 220,171,327 |
| Other comprehensive income | | - | - | (6,106,881) | (6,106,881) |
| Total comprehensive income for the year | | - | - | 214,064,446 | 214,064,446 |
| Transfer to legal reserve | | - | 11,008,566 | (11,008,566) | - |
| Balance at 31 December 2016 | 596,492,753 | 645,118,058 | 64,558,515 | 1,446,044,272 | 2,752,213,598 |

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

Phatra Leasing Public Company Limited

Statement of cash flows

| | For the year ended 31 December | |
|---|--------------------------------|---------------------------|
| | 2016 | 2015 |
| | <i>(in Baht)</i> | |
| <i>Cash flows from operating activities</i> | | |
| Profit for the year | 220,171,327 | 170,998,988 |
| <i>Adjustments for</i> | | |
| Depreciation and amortisation | 1,823,153,280 | 1,810,826,504 |
| Financial costs | 320,791,868 | 368,446,241 |
| Doubtful accounts expense | 157,320,087 | 829,406 |
| (Reversal) Loss on decline in value of inventory | (486,660) | 6,508,731 |
| (Gain) Loss on disposal of equipment, assets held for sale and property foreclosed | (912,803) | 266,820 |
| Employee benefit obligations | 4,168,812 | 4,377,684 |
| Income tax expense (benefit) | (111,806,081) | 47,107,177 |
| | <u>2,412,399,830</u> | <u>2,409,361,551</u> |
| <i>Change in operating assets and liabilities</i> | | |
| Receivables under operating lease contracts | (18,426,785) | 7,383,961 |
| Receivables under finance lease contracts | (288,399,989) | (32,727,581) |
| Other receivables | (22,084,568) | (8,970,479) |
| Inventory | 1,088,555,894 | 676,496,145 |
| Assets held for sale | (10,182,033) | 11,689,559 |
| Other current assets | (20,386,000) | 2,440,716 |
| Property foreclosed | - | 3,520,000 |
| Other non-current assets | (1,845,877) | (7,463,677) |
| Trade accounts payable | (152,094,241) | 158,115,450 |
| Other payables | 45,570,648 | 19,024,706 |
| Advances received from lessees for exercising purchase option and guarantee deposits | 19,850,920 | (14,611,744) |
| Rental income received in advance | 38,874,178 | 14,771,967 |
| Cash generated from operating activities | <u>3,091,831,977</u> | <u>3,239,030,574</u> |
| Cash paid for purchase operating lease assets | (2,799,060,337) | (2,726,248,268) |
| Income tax paid | (116,949,455) | (58,799,762) |
| Net cash from operating activities | <u>175,822,185</u> | <u>453,982,544</u> |

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

Phatra Leasing Public Company Limited

Statement of cash flows

| | For the year ended 31 December | |
|--|--------------------------------|----------------------|
| | 2016 | 2015 |
| | <i>(in Baht)</i> | |
| <i>Cash flows from investing activities</i> | | |
| Purchases of equipment | (3,899,276) | (4,456,246) |
| Purchases of intangible assets | (164,000) | - |
| Sale of equipment, asset held for sale and property foreclosed | 4,894,392 | 3,037,383 |
| Net cash from (used in) investing activities | 831,116 | (1,418,863) |
| <i>Cash flows from financing activities</i> | | |
| Financial costs paid | (339,581,055) | (345,966,634) |
| Dividends paid to shareholders of the Company | (101,403,768) | (76,052,827) |
| Proceeds from short-term loans from financial institutions | 7,805,000,000 | 4,946,000,000 |
| Repayment of short-term loans from financial institutions | (6,545,000,000) | (6,390,000,000) |
| Proceeds from issuance of debentures | 2,200,000,000 | 1,950,000,000 |
| Repayment of debentures | (2,200,000,000) | (1,000,000,000) |
| Proceeds from long-term loans | - | 850,000,000 |
| Repayment of long-term loans | (998,180,000) | (777,110,000) |
| Proceeds from issue of ordinary shares | - | 447,369,553 |
| Net cash used in financing activities | (179,164,823) | (395,759,908) |
| Net (decrease) increase in cash and cash equivalents | (2,511,522) | 56,803,773 |
| Cash and cash equivalents at 1 January | 80,134,163 | 23,330,390 |
| Cash and cash equivalents at 31 December | 77,622,641 | 80,134,163 |

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

Phatra Leasing Public Company Limited
Notes to the financial statements
For the year ended 31 December 2016

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Phatra Leasing Public Company Limited
Notes to the financial statements
For the year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2017.

1 General information

Phatra Leasing Public Company Limited “the Company” is incorporated in Thailand and has its registered office at 252/6, 29th Floor, Muang Thai Phatra Complex, Rachadaphisek Road, Huaykwang, Bangkok 10320.

The Company was listed on the Stock Exchange of Thailand on 15 August 1996.

The Company’s major shareholder during the financial year was Muang Thai Life Assurance Plc. (10.00% shareholding) which was incorporated in Thailand.

The principal activities of the Company are to provide leasing services to principally the corporate enterprises.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 33.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

| <i>Items</i> | <i>Measurement bases</i> |
|---------------------------|--|
| Defined benefit liability | Present value of the defined benefit obligation as explained in Note 3 (n) |

(c) Functional and presentation currency

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

Phatra Leasing Public Company Limited
Notes to the financial statements
For the year ended 31 December 2016

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

| | |
|----------------|--|
| Note 14 and 27 | Deferred tax assets and income tax expense (benefit) |
| Note 18 | Measurement of defined benefit obligations |
| Note 30 | Valuation of financial instruments |

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

| | |
|---------|------------------------------------|
| Note 30 | Valuation of financial instruments |
|---------|------------------------------------|

Phatra Leasing Public Company Limited
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies

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

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

(b) Hedging

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

(c) Cash and cash equivalents

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

(d) Receivable under operating lease contracts, receivable under finance lease contracts, and other receivable

Receivable under operating lease contracts and other receivables are stated at their invoice value less allowance for doubtful accounts.

Receivable under finance lease contracts are carried at outstanding amount, net of unearned interest income less allowance for doubtful accounts.

The Company provides an allowance for doubtful accounts equal to the estimated losses that may be incurred in the collection of all receivables. The estimated losses are based on the receivables classification and a review of the current status of existing receivables.

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Notes to the financial statements
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Receivables under operating lease contracts

The basis of allowance for doubtful accounts of receivables under operating lease contracts computed as a percentage of outstanding receivable are as follows:

| | |
|--|------|
| Receivables outstanding over 0 month to 1 month | 1% |
| Receivables outstanding over 1 month to 3 months | 2% |
| Receivables outstanding over 3 months | 100% |

The Company provides an allowance for doubtful accounts based on the above percentages to the outstanding balances net of received deposit for each receivable and considers the ability to repayment of each receivable which overdue over 3 months.

In addition, the Company provides an additional allowance for doubtful accounts as a general reserve at 5% of outstanding leasing receivables under operating lease contracts net of received deposit. If the allowance has been considered fully provided, the Company will not set up an additional allowance for doubtful accounts as a general reserve.

Receivables under finance lease contracts

The basis of allowance for doubtful accounts of receivables under finance lease contracts computed as a percentage of outstanding receivable are as follows:

| | |
|--|------|
| Receivables outstanding over 0 month to 1 month | 1% |
| Receivables outstanding over 1 month to 3 months | 2% |
| Receivables outstanding over 3 months | 100% |

The Company provides an allowance for doubtful accounts based on the above percentages to the outstanding balances net of received deposit and the estimated recovery amount of leased asset for each receivable.

In addition, the Company provides an additional allowance for doubtful accounts as a general reserve at 5% of outstanding leasing receivables under finance lease contracts net of received deposit and the estimated recoverable amount of leased asset. If the allowance has been considered fully provided, the Company will not set up an additional allowance for doubtful accounts as a general reserve.

(e) Inventory

Operating lease assets are transferred to inventory on the date that they cease to be rented and are held for sale. These are measured at the lower of the book value at that date and net realisable value.

Cost of inventory is calculated using the specific method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

(f) Assets held for sale

Assets held for sale consisted of movable assets held for sale under the finance lease contracts which the Company plans to sell within one year, and are measured at the lower of carrying value and fair value less cost to sell. Impairment losses on initial classification and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Phatra Leasing Public Company Limited
Notes to the financial statements
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(g) Investments

Investment in other equity securities

Investment in equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Property and equipment

Recognition and measurement

Owned assets

Property 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 labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss 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.

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Notes to the financial statements
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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. The estimated useful lives are as follows:

| | |
|--|-----------------------|
| Office condominium and utilities system | 40 years |
| Furniture, fixtures and office equipment | 5, 7 and 10 years |
| Transportation equipment | 5 years |
| Assets held for operating lease | Over the lease period |

Assets held for future lease are depreciated upon commencement of the lease.

No depreciation is provided on assets under construction.

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

(i) Property foreclosed

Property foreclosed consisted of immovable property foreclosed which the Company plans to sell in more than one year were measured at the lower of carrying value and appraisal value for sale less cost to sell and was classified to non-current assets. Impairment losses on initial classification and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Intangible assets

Software licenses

Software licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives 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 licenses | 3-10 years |
|-------------------|------------|

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

(k) 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' 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

Any impairment losses recognised in prior periods in respect of other non-financial assets 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 does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade accounts payable and other payables

Trade accounts payable and other payables are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(o) Provisions

A provision is recognised 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 recognised as finance cost.

(p) Revenue

Revenues excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

Rental income from operating lease contracts

Rental income from operating lease contracts is recognised in profit or loss on a straight-line basis over the term of the lease.

Income from finance lease contracts

The Company has recognised the income by using the effective interest rate method.

The Company has ceased to recognise rental income from operating lease contracts and income from finance lease contracts in profit or loss when lessees have not paid rentals for more than three months.

Revenue from sale of assets under operating lease contracts

Revenue from sale of assets under operating lease contracts (inventory) is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the assets or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of assets.

Revenue from sale of equipment and assets held for sale

Revenue from sales of equipment and assets held for sale are recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyers.

Other income

Other operating income and interest income is recognised in profit or loss as it accrues.

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Notes to the financial statements
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(q) Finance costs

Finance costs comprise interest expense on borrowings that are recognised in profit or loss.

(r) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised 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 recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for 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 by 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 judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense 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 relate 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 realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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 realised.

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(t) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes.

(u) Segment reporting

Segment results that are reported to Board of Directors (the Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly revenue from sale of assets under operating lease contracts, cost of sale of assets under operating lease contracts, administrative expenses, finance costs and deferred tax assets.

4 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 decisions, 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 key management and related parties were as follows:

| Name of entities/Person | Country of Incorporation/ Nationality | Nature of relationships |
|--------------------------------|--|--|
| Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director, a managing director, the first 4 executive levels in the organisation chart and all the forth executive including other equivalent positions of the forth executive downward from the managing director (whether executive or otherwise) of the Company. |
| Muang Thai Life Assurance Plc. | Thailand | 10.00% shareholding and some common directors |
| Muang Thai Insurance Plc. | Thailand | 8.89% shareholding and some common directors |
| Muang Thai Real Estate Plc. | Thailand | Holding share 0.39% and some common directors |

The pricing policies for transaction with related parties are explained further below:

| Transactions | Pricing policies |
|--|------------------------------|
| Rental income from operating lease contracts | At contractually agreed rate |
| Discount on insurance premium | At contractually agreed rate |
| Insurance premium expenses | At contractually agreed rate |

Phatra Leasing Public Company Limited
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Significant transactions with key management and related parties for the years ended 31 December were as follows:

| | 2016 | 2015 |
|--|---------------------------|--------|
| | <i>(in thousand Baht)</i> | |
| Other related parties | | |
| Rental income from operating lease contracts | 40,941 | 35,434 |
| Discount on insurance premium | 9,321 | 10,425 |
| Insurance premium expenses | 93,177 | 94,016 |

Key management personnel compensation

Key management personnel compensation are benefits paid to directors and executives of the Company. They comprise of management compensation such as salaries, related benefit, included post-employment benefits and directors' remuneration.

| | 2016 | 2015 |
|--------------------------------|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| Short-term management benefits | 43,126 | 30,161 |
| Post-employment benefits | 2,612 | 3,099 |
| Total | <u>45,738</u> | <u>33,260</u> |

Significant balances as at 31 December with related parties were as follows:

| | 2016 | 2015 |
|--|---------------------------|---------|
| | <i>(in thousand Baht)</i> | |
| <i>Other receivables - prepaid insurance expenses</i> | | |
| Muang Thai Insurance Plc. | 42,317 | 49,949 |
| <i>Other long-term investment</i> | | |
| Muang Thai Real Estate Plc. (Net of allowance for impairment amounted Baht 4.1 million) | - | - |
| <i>Property and equipment - assets held for lease under operating lease contracts</i> | | |
| Muang Thai Life Assurance Plc. | 119,999 | 110,944 |
| Muang Thai Insurance Plc. | 53,185 | 46,457 |
| <i>Trade accounts payable - accrued insurance premium</i> | | |
| Muang Thai Insurance Plc. | 4,324 | 4,791 |

5 Cash and cash equivalents

| | 2016 | 2015 |
|----------------------------------|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| Cash on hand | 134 | 105 |
| Cash at banks - current accounts | 14,855 | 40,831 |
| Cash at banks - savings accounts | 62,634 | 39,198 |
| Total | <u>77,623</u> | <u>80,134</u> |

Cash and cash equivalents of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Phatra Leasing Public Company Limited
Notes to the financial statements
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6 Receivables under operating lease contracts

| | 2016 | 2015 |
|---|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Receivables under operating lease contracts | 208,196 | 208,519 |
| Defaulted receivables | 73,732 | 54,982 |
| Less allowance for doubtful accounts | <u>(76,206)</u> | <u>(7,153)</u> |
| Net | <u>205,722</u> | <u>256,348</u> |
| | | |
| Doubtful accounts expense for the year | <u>69,053</u> | <u>902</u> |

Aging analyses for receivables under operating lease contracts were as follows:

| | 2016 | 2015 |
|--|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Normal receivables | | |
| Within credit terms | 148,225 | 132,806 |
| Overdue: | | |
| Less than 3 months | 48,026 | 38,940 |
| 3 – 6 months | 1,268 | 36,773 |
| 6 – 12 months | 4,757 | - |
| More than 12 months | <u>5,920</u> | <u>-</u> |
| Total normal receivables | <u>208,196</u> | <u>208,519</u> |
| Defaulted receivables | <u>73,732</u> | <u>54,982</u> |
| Total receivables under operating lease contracts | <u>281,928</u> | <u>263,501</u> |
| Less allowance for doubtful accounts | <u>(76,206)</u> | <u>(7,153)</u> |
| Net | <u>205,722</u> | <u>256,348</u> |

The normal credit term granted by the Company is 30 days.

Receivables under operating lease contracts of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

7 Receivables under finance lease contracts

| | Portion due within one year | | Portion due after one year but within five year | | Total | |
|--|-----------------------------|-----------------------|--|-----------------------|-------------------------|-------------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | | | |
| Normal receivables | | | | | | |
| Receivables under finance lease contracts | 843,906 | 794,400 | 1,297,881 | 1,040,556 | 2,141,787 | 1,834,956 |
| Less unearned interest income | <u>(102,987)</u> | <u>(87,607)</u> | <u>(98,043)</u> | <u>(81,151)</u> | <u>(201,030)</u> | <u>(168,758)</u> |
| Total normal receivables | <u>740,919</u> | <u>706,793</u> | <u>1,199,838</u> | <u>959,405</u> | <u>1,940,757</u> | <u>1,666,198</u> |
| Defaulted receivables | <u>108,476</u> | <u>39,493</u> | <u>-</u> | <u>-</u> | <u>108,476</u> | <u>39,493</u> |
| Total receivables under finance lease contracts | <u>849,395</u> | <u>746,286</u> | <u>1,199,838</u> | <u>959,405</u> | <u>2,049,233</u> | <u>1,705,691</u> |
| Less allowance for doubtful accounts | <u>(48,995)</u> | <u>(948)</u> | <u>(4,047)</u> | <u>(1,078)</u> | <u>(53,042)</u> | <u>(2,026)</u> |
| Net receivables under finance lease contracts | <u>800,400</u> | <u>745,338</u> | <u>1,195,791</u> | <u>958,327</u> | <u>1,996,191</u> | <u>1,703,665</u> |

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| | | |
|---|---------------------------|-------------|
| | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | |
| Doubtful accounts expense for the year (reversal) | <u>51,016</u> | <u>(72)</u> |

Aging analyses for receivables under finance lease contracts were as follows:

| | | |
|--|---------------------------|-------------------------|
| | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | |
| Normal receivables | | |
| Not yet due | 2,103,067 | 1,795,449 |
| Overdue: | | |
| Less than 3 months | 18,817 | 24,204 |
| 3 - 6 months | 4,352 | 15,303 |
| 6 - 12 months | 4,856 | - |
| More than 12 months | 10,695 | - |
| Total normal receivable | <u>2,141,787</u> | <u>1,834,956</u> |
| Defaulted receivables | <u>108,476</u> | <u>39,493</u> |
| Total receivables under finance lease contracts | <u>2,250,263</u> | <u>1,874,449</u> |
| <i>Less</i> unearned interest income | (201,030) | (168,758) |
| <i>Less</i> allowance for doubtful accounts | <u>(53,042)</u> | <u>(2,026)</u> |
| Net | <u>1,996,191</u> | <u>1,703,665</u> |

The normal credit term granted by the Company is 30 days.

Receivables under finance lease contracts of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

As at 31 December, the gross investment under the finance lease contracts and present value of minimum lease payments receivable were as follows:

| | | | | |
|---|---|--|---|--|
| | 2016 | | 2015 | |
| | Gross investment under finance lease Contracts | Present value of minimum lease payments under finance lease contracts | Gross investment under finance lease contracts | Present value of minimum lease payments under finance lease contracts |
| | | <i>(in thousand Baht)</i> | | |
| Portion due within one year | 952,382 | 849,395 | 833,893 | 746,286 |
| Portion due after one year but within five years | <u>1,297,881</u> | <u>1,199,838</u> | <u>1,040,556</u> | <u>959,405</u> |
| Total | 2,250,263 | <u>2,049,233</u> | 1,874,449 | <u>1,705,691</u> |
| <i>Less</i> unearned interest | <u>(201,030)</u> | | <u>(168,758)</u> | |
| Net investment under finance lease contracts | <u>2,049,233</u> | | <u>1,705,691</u> | |

Phatra Leasing Public Company Limited
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8 Other receivables

| | <i>Note</i> | 2016 <i>(in thousand Baht)</i> | 2015 |
|--|-------------|-----------------------------------|-----------------------|
| Prepaid insurance expenses | | | |
| - related party | 4 | 42,317 | 49,949 |
| - other parties | | 54,348 | 49,419 |
| Withholding tax deduct at source | | 116,949 | - |
| Prepaid expenses | | 41,275 | 43,534 |
| Refundable Value Added Tax | | 11,466 | 7,486 |
| Receivable from Revenue Department | | 10,505 | 11,678 |
| Other receivables – net allowance for doubtful account of Baht 89.2 million and Baht 51.9 million in 2016 and 2015, respectively | | 33,904 | 36,410 |
| Total | | <u>310,764</u> | <u>198,476</u> |

9 Inventory

| | 2016 <i>(in thousand Baht)</i> | 2015 |
|--|-----------------------------------|-----------------------|
| Transportation equipment | 92,221 | 190,066 |
| Less allowance for decline in value of inventory adjusted to net realisable value | (6,022) | (6,509) |
| Net | <u>86,199</u> | <u>183,557</u> |

10 Assets held for sale

| | For the year ended 31 December 2016 | | | | | |
|-----------------------------|-------------------------------------|----------------|--------------|----------------|-----------------|-------------------|
| | At beginning of year | Transfer in | Depreciation | Disposals | Transfer out | At end of year |
| | <i>(in thousand Baht)</i> | | | | | |
| Transportation equipment | <u>14,711</u> | <u>22,762</u> | <u>-</u> | <u>(4,990)</u> | <u>(7,590)</u> | <u>24,893</u> |
| | For the year ended 31 December 2015 | | | | | |
| | At beginning of year | Transfer in | Depreciation | Disposals | Transfer out | At end of year |
| | <i>(in thousand Baht)</i> | | | | | |
| Transportation equipment | <u>26,400</u> | <u>10,142</u> | <u>-</u> | <u>(6,019)</u> | <u>(15,812)</u> | <u>14,711</u> |

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11 Property and equipment

| | Assets held for lease under operating lease contracts | Office condominium and utilities system | Furniture, fixtures and office equipment | Transportation equipment (in thousand Baht) | Assets held for future lease | Assets under construction | Total |
|---|--|--|---|---|------------------------------------|------------------------------|-------------------|
| <i>Cost</i> | | | | | | | |
| At 1 January 2015 | 14,729,872 | 121,995 | 58,820 | 43,812 | - | - | 14,954,499 |
| Additions | 2,719,179 | - | 1,620 | 2,764 | 7,069 | 73 | 2,730,705 |
| Transfers | (2,229,848) | - | - | (5,021) | - | - | (2,234,869) |
| Disposals | - | - | (923) | (4,859) | - | - | (5,782) |
| At 31 December 2015 and 1 January 2016 | 15,219,203 | 121,995 | 59,517 | 36,696 | 7,069 | 73 | 15,444,553 |
| Additions | 2,788,445 | - | 3,899 | - | 10,616 | - | 2,802,960 |
| Transfers | (2,791,929) | - | 73 | (8,934) | - | (73) | (2,800,863) |
| Disposals | - | - | (221) | (12,512) | - | - | (12,733) |
| At 31 December 2016 | 15,215,719 | 121,995 | 63,268 | 15,250 | 17,685 | - | 15,433,917 |
| <i>Accumulated depreciation</i> | | | | | | | |
| At 1 January 2015 | 4,618,087 | 36,014 | 38,285 | 19,765 | - | - | 4,712,151 |
| Depreciation charge for the year | 1,795,645 | - | 5,383 | 3,425 | - | - | 1,804,453 |
| Transfers | (1,358,365) | - | - | (2,242) | - | - | (1,360,607) |
| Disposals | - | - | (901) | (1,577) | - | - | (2,478) |
| At 31 December 2015 and 1 January 2016 | 5,055,367 | 36,014 | 42,767 | 19,371 | - | - | 5,153,519 |
| Depreciation charge for the year | 1,810,404 | - | 5,507 | 2,113 | - | - | 1,818,024 |
| Transfers | (1,750,416) | - | - | (4,594) | - | - | (1,755,010) |
| Disposals | - | - | (170) | (8,581) | - | - | (8,751) |
| At 31 December 2016 | 5,115,355 | 36,014 | 48,104 | 8,309 | - | - | 5,207,782 |

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| | Assets held for lease under operating lease contracts | Office condominium and utilities system | Furniture, fixtures and office equipment | Transportation equipment <i>(in thousand Baht)</i> | Assets held for future lease | Assets under construction | Total |
|---|--|--|---|--|------------------------------------|------------------------------|-------------------|
| <i>Allowance for impairment loss</i> | | | | | | | |
| At 1 January 2015 | 560 | - | - | - | - | - | 560 |
| At 31 December 2015 and 1 January 2016 | 560 | - | - | - | - | - | 560 |
| At 31 December 2016 | 560 | - | - | - | - | - | 560 |
| <i>Net book value</i> | | | | | | | |
| At 1 January 2015 | 10,111,225 | 85,981 | 20,535 | 24,047 | - | - | 10,241,788 |
| At 31 December 2015 and 1 January 2016 | 10,163,276 | 85,981 | 16,750 | 17,325 | 7,069 | 73 | 10,290,474 |
| At 31 December 2016 | 10,099,804 | 85,981 | 15,164 | 6,941 | 17,685 | - | 10,225,575 |

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 31 December 2016 amounted to Baht 419 million (2015: Baht 329 million).

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12 Property foreclosed

| For the year ended 31 December 2016 | | | | | | |
|-------------------------------------|----------------------|-----------------|------------------------------------|-----------------|-----------------|----------------------|
| | At beginning of year | Transfer in | Depreciation (in thousand Baht) | Disposals | Transfer out | At end of year |
| Land and office condominium | 39,487 | - | - | - | - | 39,487 |
| Less allowance for impairment | (15,495) | - | - | - | - | (15,495) |
| Net | <u>23,992</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,992</u> |

| For the year ended 31 December 2015 | | | | | | |
|-------------------------------------|----------------------|-----------------|------------------------------------|-----------------------|-----------------|----------------------|
| | At beginning of year | Transfer in | Depreciation (in thousand Baht) | Disposals | Transfer out | At end of year |
| Land and office condominium | 43,007 | - | - | (3,520) | - | 39,487 |
| Less allowance for impairment | (15,495) | - | - | - | - | (15,495) |
| Net | <u>27,512</u> | <u>-</u> | <u>-</u> | <u>(3,520)</u> | <u>-</u> | <u>23,992</u> |

13 Intangible assets

| | Software licenses | Software licenses in progress (in thousand Baht) | Total |
|---|----------------------|---|----------------------|
| Cost | | | |
| At 1 January 2015 | 35,244 | 15 | 35,259 |
| Additions | 97 | - | 97 |
| Transfer | 15 | (15) | - |
| At 31 December 2015 and 1 January 2016 | <u>35,356</u> | <u>-</u> | <u>35,356</u> |
| Additions | 164 | - | 164 |
| Transfer | - | - | - |
| At 31 December 2016 | <u>35,520</u> | <u>-</u> | <u>35,520</u> |
| Accumulated amortisation | | | |
| At 1 January 2015 | 26,718 | - | 26,718 |
| Amortisation charge for the year | 3,579 | - | 3,579 |
| Transfer | - | - | - |
| At 31 December 2015 and 1 January 2016 | <u>30,297</u> | <u>-</u> | <u>30,297</u> |
| Amortisation charge for the year | 1,932 | - | 1,932 |
| Transfer | - | - | - |
| At 31 December 2016 | <u>32,229</u> | <u>-</u> | <u>32,229</u> |
| Net book value | | | |
| At 1 January 2015 | 8,526 | 15 | 8,541 |
| At 31 December 2015 and 1 January 2016 | 5,059 | - | 5,059 |
| At 31 December 2016 | 3,291 | - | 3,291 |

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14 Deferred tax assets

Deferred tax assets and liabilities as at 31 December were as follows:

| | 2016 | 2015 |
|--------------------------------|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Deferred tax assets | 248,554 | 147,830 |
| Deferred tax liabilities | <u>(10,488)</u> | <u>(10,450)</u> |
| Net deferred tax assets | <u>238,066</u> | <u>137,380</u> |

Movements in total deferred tax assets and liabilities during the year were as follows:

| | At 1 January 2016 | (Charged) / Credit to | | At 31 December 2016 |
|--|--------------------------------------|------------------------------|----------------------------------|--|
| | | Profit or loss | Other comprehensive income | |
| | | <i>(note 27)</i> | | |
| | | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | | |
| Depreciation of asset held for lease | 97,591 | 5,789 | - | 103,380 |
| Loss carry forward | - | 52,759 | - | 52,759 |
| Allowance for doubtful accounts | 12,218 | 31,464 | - | 43,682 |
| Allowance for decline in value of inventory | 1,302 | (97) | - | 1,205 |
| Accrued income on leases in arrears more than three months | 10,502 | 8,495 | - | 18,997 |
| Advance received from lessee for exercising purchase option | 14,604 | (46) | - | 14,558 |
| Allowance for loss on impairment of investment and immovable property foreclosed | 4,028 | - | - | 4,028 |
| Employee benefits obligations | 7,585 | 833 | 1,527 | 9,945 |
| Total | <u>147,830</u> | <u>99,197</u> | <u>1,527</u> | <u>248,554</u> |
| <i>Deferred tax liabilities</i> | | | | |
| Differences in income recognition of operating and finance lease contracts | (8,837) | 502 | - | (8,335) |
| Depreciation of office condominium | (1,613) | (540) | - | (2,153) |
| Total | <u>(10,450)</u> | <u>(38)</u> | <u>-</u> | <u>(10,488)</u> |
| Net | <u>137,380</u> | <u>99,159</u> | <u>1,527</u> | <u>238,066</u> |

In 2016, the Company has been granted privileges to be exempt from payment of income tax for capital expenditures to use for an additional deductible expense. As a result, the Company has tax losses of Baht 72.6 million. Management estimated of the future taxable profits and recognised the deferred tax assets of Baht 52.8 million on the loss carry forward because management considered it is probable that the main portion of the future taxable profits would be available against which such loss can be utilised. However, the Company has unrecognised deferred tax asset of Baht 19.8 million for loss carry forward in the financial statement as at 31 December 2016 (2558 :nil).

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| | At 1 January 2015 | (Charged) / Credit to | | At 31 December 2015 |
|--|----------------------------|-----------------------|----------------------------------|------------------------------|
| | | Profit or loss | Other comprehensive income | |
| | | (note 27) | | |
| | | (in thousand Baht) | | |
| Deferred tax assets | | | | |
| Depreciation of asset held for lease | 94,140 | 3,451 | - | 97,591 |
| Allowance for doubtful accounts | 12,052 | 166 | - | 12,218 |
| Allowance for decline in value of inventory | - | 1,302 | - | 1,302 |
| Accrued income on leases in arrears more than three months | 4,888 | 5,614 | - | 10,502 |
| Advance received from lessee for exercising purchase option | 16,965 | (2,361) | - | 14,604 |
| Allowance for loss on impairment of investment and immovable property foreclosed | 4,028 | - | - | 4,028 |
| Employee benefits obligations | 7,510 | 876 | (801) | 7,585 |
| Total | 139,583 | 9,048 | (801) | 147,830 |
| Deferred tax liabilities | | | | |
| Differences in income recognition of operating and finance lease contracts | (14,160) | 5,323 | - | (8,837) |
| Depreciation of office condominium | (1,076) | (537) | - | (1,613) |
| Total | (15,236) | 4,786 | - | (10,450) |
| Net | 124,347 | 13,834 | (801) | 137,380 |

15 Interest-bearing liabilities

15.1 Short-term loans from financial institutions

| | 2016 | 2015 |
|---|--------------------|----------------|
| | (in thousand Baht) | |
| Current - unsecured | | |
| Promissory notes | 360,000 | 100,000 |
| Bills of exchange | 1,400,000 | 400,000 |
| Less unamortised discount on bills of exchange | (7,257) | (1,777) |
| Short-term loans from financial institutions | 1,752,743 | 498,223 |

As at 31 December 2016, the Company had overdraft lines and other credit facilities, excluding bills of exchange, with various local banks totaling Baht 2,300 million (2015: Baht 2,300 million) which bear interest at the Money Market Rate (MMR) at the transaction date. As at 31 December 2016, the Company had unutilised credit facilities totaling Baht 1,806 million (2015: Baht 2,052 million).

Phatra Leasing Public Company Limited
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15.2 Debentures

| | 2016 | 2015 |
|---|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Unsecured debentures - at face value | 6,850,000 | 6,850,000 |
| <i>Less</i> unamortised deferred charges on debenture issuance | <u>(4,008)</u> | <u>(3,956)</u> |
| | 6,845,992 | 6,846,044 |
| <i>Less</i> current portion due within one year (net of unamortised deferred charges on debenture issuance) | <u>(1,899,673)</u> | <u>(2,199,631)</u> |
| Debentures, non-current portion | <u>4,946,319</u> | <u>4,646,413</u> |

As at 31 December 2016, the Company has outstanding balances of issued unsecured, name registered, unsubordinated and no-trustee debentures which were offered to the institutional investors specified in the Notification of Securities and Exchange Commission. The details of issuance of debentures were as below:

| | |
|--------------------------|--|
| Debenture issued on | 1 February 2012 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 5 years will mature on 1 February 2017 |
| Interest rate | Fixed rate of 4.65% per annum |
| Interest payment due | Every 1 February and 1 August of each year |
| Debenture issued on | 3 June 2013 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 4 years, will mature on 3 June 2017 |
| Interest rate | Fixed rate of 3.84% per annum |
| Interest payment due | Every 3 June and 3 December of each year |
| Debenture issued on | 28 March 2014 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 3 years 6 months, will mature on 28 September 2017 |
| Interest rate | Fixed rate of 3.94% per annum |
| Interest payment due | Every 28 September and 28 March of each year |
| Debenture issued on | 15 May 2014 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 4 years, will mature on 15 May 2018 |
| Interest rate | Fixed rate of 4.00% per annum |
| Interest payment due | Every 15 May and 15 November of each year |
| Debenture issued on | 4 August 2014 |
| Unit and value | 400,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 400 million |
| Period and maturity date | 3 years 4 days, will mature on 8 August 2017 |
| Interest rate | Fixed rate of 3.57% per annum |
| Interest payment due | Every 8 February and 8 August of each year |

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| | |
|--------------------------|--|
| Debenture issued on | 1 October 2014 |
| Unit and value | 300,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 300 million |
| Period and maturity date | 3 years 4 months, will mature on 1 February 2018 |
| Interest rate | Fixed rate of 3.75% per annum |
| Interest payment due | Every 1 February and 1 August of each year |
| Debenture issued on | 16 February 2015 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 3 years will mature on 16 February 2018 |
| Interest rate | Fixed interest rate of 3.12% per annum |
| Interest payment due | Every 16 February and 16 August of each year |
| Debenture issued on | 22 April 2015 |
| Unit and value | 450,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 450 million |
| Period and maturity date | 3 years 5 months 27 days, will mature on 19 October 2018 |
| Interest rate | Fixed interest rate of 3.00% per annum |
| Interest payment due | Every 19 April and 19 October of each year |
| Debenture issued on | 23 July 2015 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 3 years 6 months, will mature on 23 January 2019 |
| Interest rate | Fixed interest rate of 2.62% per annum |
| Interest payment due | Every 23 January and 23 July of each year |
| Debenture issued on | 24 September 2015 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 4 years, will mature on 24 September 2019 |
| Interest rate | Fixed interest rate of 2.86% per annum |
| Interest payment due | Every 24 March and 24 September of each year |
| Debenture issued on | 25 January 2016 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 4 years will mature on 25 January 2020 |
| Interest rate | Fixed interest rate of 2.49% per annum |
| Interest payment due | Every 25 January and 25 July of each year |
| Debenture issued on | 24 February 2016 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 5 years will mature on 24 February 2021 |
| Interest rate | Fixed interest rate of 2.63% per annum |
| Interest payment due | Every 24 February and 24 August of each year |

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| | |
|--------------------------|---|
| Debenture issued on | 24 February 2016 |
| Unit and value | 200,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 200 million |
| Period and maturity date | 7 years will mature on 24 February 2023 |
| Interest rate | Fixed interest rate of 3.05% per annum |
| Interest payment due | Every 24 February and 24 August of each year |

| | |
|--------------------------|---|
| Debenture issued on | 17 August 2016 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 3 years will mature on 17 August 2019 |
| Interest rate | Fixed interest rate of 2.24% per annum |
| Interest payment due | Every 17 February and 17 August of each year |

| | |
|--------------------------|---|
| Debenture issued on | 28 September 2016 |
| Unit and value | 500,000 units of par value of Baht 1,000 each |
| Total debenture value | Baht 500 million |
| Period and maturity date | 4 years will mature on 28 September 2020 |
| Interest rate | Fixed interest rate of 2.60% per annum |
| Interest payment due | Every 28 March and 28 September of each year |

In connection with the terms of the rights and responsibilities of the debentures issuer, the Company, as the issuer, has to comply with certain restrictions and conditions as stipulated therein, such as maintaining certain financial ratios etc.

15.3 Long-term loans from financial institutions

| | 2016 | 2015 |
|---|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Long-term loans from financial institutions - unsecured | 1,295,610 | 2,293,790 |
| Less current portion due within one year | <u>(577,700)</u> | <u>(998,180)</u> |
| Long-term loans from financial institutions, non-current portion | <u>717,910</u> | <u>1,295,610</u> |

In February 2014, the Company entered into long-term loan agreements with two banks for credit lines of Baht 500 million and Baht 500 million, respectively. As at 30 September 2014, the Company has drawn down the loan in full. The loan has a fixed interest rate. The Company will repay principal installments on a quarterly basis and the maturity date of the final installment will be in February 2017.

In August 2014, the Company entered into long-term loan agreements with a bank for a credit line of Baht 500 million. As at 30 September 2014, the Company has drawn down the loan in full. The loan has a fixed interest rate. The Company will repay principal installments on a quarterly basis and the maturity date of the final installment will be in August 2018.

In October 2015, the Company entered into long-term loan agreements with a bank for a credit line of Baht 350 million. As at 15 October 2015, the Company has drawn down the loan in full. The loan has a fixed interest rate. The Company will repay principal installments on a quarterly basis and the maturity date of the final installment will be in October 2018.

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In December 2015, the Company entered into long-term loan agreements with a bank for a credit line of Baht 500 million. As at 16 December 2015, the Company has drawn down the loan in full. The loan has a fixed interest rate. The Company will repay principal installments on a quarterly basis and the maturity date of the final installment will be in December 2019.

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

| | 2016 | 2015 |
|--------------------------------------|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Within one year | 4,230,116 | 3,696,034 |
| After one year but within five years | <u>5,664,229</u> | <u>5,942,023</u> |
| Total | <u>9,894,345</u> | <u>9,638,057</u> |

Interest-bearing liabilities of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

16 Trade accounts payable

| | <i>Note</i> | 2016 | 2015 |
|-----------------|-------------|---------------------------|-----------------------|
| | | <i>(in thousand Baht)</i> | |
| Related parties | 4 | 4,324 | 4,791 |
| Other parties | | <u>103,442</u> | <u>255,069</u> |
| Total | | <u>107,766</u> | <u>259,860</u> |

Trade accounts payable of the Company as at 31 December 2016 and 2015 were denominated in Thai Baht.

17 Other payables

| | 2016 | 2015 |
|-----------------------------------|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Accrued finance costs | 69,301 | 82,611 |
| Rental income received in advance | 63,881 | 52,098 |
| Accrued expenses | 40,808 | 13,478 |
| Withholding tax payables | 7,193 | 1,230 |
| Others | <u>1,371</u> | <u>876</u> |
| Total | <u>182,554</u> | <u>150,293</u> |

18 Employee benefit obligations

Post-employment benefits

The Company operates a number of post-employment benefit plans including defined benefit plans. All defined benefit plans are unfunded.

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Post-employment benefit obligations presented in statement of financial position are as follows:

| | 2016 | 2015 |
|---|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Present value of unfunded obligations | 49,724 | 37,921 |
| Post-employment benefit obligations presented in statement of financial position | 49,724 | 37,921 |

Movement in the present value of the defined benefit obligations:

| | 2016 | 2015 |
|---|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Defined benefit obligations at 1 January | 37,921 | 37,551 |
| Include in profit or loss: | | |
| Current service cost and interest cost | 4,169 | 4,377 |
| Included in other comprehensive income | | |
| Actuarial (gain) loss | 7,634 | (4,007) |
| Other | | |
| Benefits paid | - | - |
| Defined benefit obligations at 31 December | 49,724 | 37,921 |

Actuarial gains and losses recognised in other comprehensive income arising from:

| | 2016 | 2015 |
|-------------------------|---------------------------|--------------|
| | <i>(in thousand Baht)</i> | |
| Demographic assumptions | 153 | 107 |
| Financial assumptions | (7,176) | 5,371 |
| Experience adjustment | (611) | (1,471) |
| Total | (7,634) | 4,007 |

Principal actuarial assumptions as at 31 December 2016 based on a discount rate 3.51% (2015: 3.43%); the future salary increased rate 5.5% - 7.5% (2015: 4.0% - 7.0%); the withdrawal rate 2.2% - 16.9% (2015: 2.5% - 19.2%); the retirement ages were 55 - 60 years (2015: 55 - 60 years), and the assumption regarding future mortality rate are based on statistics of an insurance company.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | <i>(in thousand Baht)</i> | |
|--|---------------------------|----------|
| | Increase | Decrease |
| Defined benefit obligation 31 December 2016 | | |
| Discount rate (1% movement) | (5,187) | 6,018 |
| Future salary growth (1% movement) | 5,231 | (4,649) |
| | | |
| | <i>(in thousand Baht)</i> | |
| | Increase | Decrease |
| Defined benefit obligation 31 December 2015 | | |
| Discount rate (1% movement) | (4,157) | 4,839 |
| Future salary growth (1% movement) | 4,292 | (3,799) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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19 Share capital

| | Par value per share (in Baht) | 2016 | | 2015 | |
|--|-------------------------------------|----------------|----------------|----------------|----------------|
| | | Number | Amount | Number | Amount |
| <i>(thousand shares / thousand Baht)</i> | | | | | |
| <i>Authorised</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | 646,200 | 646,200 | 450,000 | 450,000 |
| Reduction of shares | 1 | - | - | (2,631) | (2,631) |
| Increase in registered shares | 1 | - | - | 198,831 | 198,831 |
| At 31 December | | | | | |
| - ordinary shares | 1 | 646,200 | 646,200 | 646,200 | 646,200 |
| <i>Issued and paid-up</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | 596,493 | 596,493 | 447,370 | 447,370 |
| Issue of new shares | 1 | - | - | 149,123 | 149,123 |
| At 31 December | | | | | |
| - ordinary shares | 1 | 596,493 | 596,493 | 596,493 | 596,493 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the following resolutions;

- The decrease of the Company's registered capital in the amount of Baht 2.6 million from the existing registered capital of Baht 450 million to Baht 447.4 million, by cancelling the unissued registered ordinary shares in the amount of 2.6 million shares at a par value of Baht 1 per share. The company registered the decrease of authorised share capital with the Department of Business Development, Minister of Commerce on 29 April 2015.
- The increase of the Company's registered capital in the amount of Baht 198.8 million at a par value of Baht 1 per share from the existing registered capital of Baht 447.4 million to Baht 646.2 million and the Company issued ordinary shares in the number of 149.1 million shares at the selling price of Baht 3 per share, resulting in the premium on the ordinary shares of Baht 298.2 million. The company registered the increase of authorised share with the Department of Business Development, Minister of Commerce on 30 April 2015.

Share premium

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

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20 Warrants

The Company had warrants to purchase new ordinary shares of the Company. The details of warrants are as follows;

| | | |
|---------------------------|---|---|
| Name of warrants | : | Warrants to purchase the new ordinary shares of Phatra Leasing Public Company Limited No.1 (PL-W1) |
| Allocated to | : | Existing common shareholders at an offering ratio of 3 new ordinary shares per 1 unit of warrant |
| Number of warrants issued | : | Not exceeding 49,707,730 units |
| Offering price | : | Baht 0.00 per unit |
| Number of listed warrants | : | 49,707,319 units |
| Maturity | : | 3 years |
| Exercise price | : | Baht 3.966 per share |
| Exercise right per unit | : | Warrant 1 unit to 1.009 ordinary share |
| Exercise period | : | The holders of warrants are able to exercise the warrants on the last business day of March, June, September and December each year throughout the term of the warrants. The first exercise date shall be after the second anniversary of the warrants. |

21 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 section 116 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 authorised capital. The legal reserve is not available for dividend distribution.

As at 31 December 2016 , the Company’s legal reserve amounted to Baht 65 million (2015: Baht 54 million).

22 Segment information

The Company has two reportable segments, as described below, which are the Company’s strategic divisions. The strategic divisions offer different services, and are managed separately because they require different marketing strategies. For each of the strategic divisions, the Chief Operating Decision Maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company’s reportable segments.

- Segment 1 Land vehicles
- Segment 2 Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Company’s CODM. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments:

| | Land vehicles | | Others | | Total | |
|-----------------------|---------------------------|------------------|----------------|----------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | | | |
| External revenue | <u>2,666,054</u> | <u>2,714,732</u> | <u>309,981</u> | <u>287,955</u> | <u>2,976,035</u> | <u>3,002,688</u> |
| Total segment revenue | <u>2,666,054</u> | <u>2,714,732</u> | <u>309,981</u> | <u>287,955</u> | <u>2,976,035</u> | <u>3,002,688</u> |
| Direct rental costs | <u>2,019,133</u> | <u>2,011,840</u> | <u>217,257</u> | <u>194,765</u> | <u>2,236,390</u> | <u>2,206,605</u> |
| Segment gross profit | <u>646,921</u> | <u>702,892</u> | <u>92,724</u> | <u>93,190</u> | <u>739,645</u> | <u>796,083</u> |
| Segment assets | 10,543,068 | 10,801,342 | 1,887,424 | 1,527,284 | 12,430,492 | 12,328,626 |
| Capital expenditure | 2,443,295 | 2,461,088 | 355,765 | 265,160 | 2,799,060 | 2,726,248 |
| Segment liabilities | 224,053 | 192,483 | 82,914 | 43,977 | 306,967 | 236,460 |

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

| | 2016 | 2015 |
|--|---------------------------|--------------------------|
| | <i>(in thousand Baht)</i> | |
| Revenues | | |
| Total revenue from reportable segments | 2,976,035 | 3,002,688 |
| Other revenue | <u>1,198,391</u> | <u>701,911</u> |
| Total revenues | <u>4,174,426</u> | <u>3,704,599</u> |
| Profit or loss | | |
| Total gross profit for reportable segments | 739,645 | 796,083 |
| Unallocated amounts | <u>(631,280)</u> | <u>(577,977)</u> |
| Profit before income tax | <u>108,365</u> | <u>218,106</u> |
| Assets | | |
| Total assets for reportable segments | 12,430,492 | 12,328,626 |
| Unallocated amounts | <u>799,198</u> | <u>583,561</u> |
| Total assets | <u>13,229,690</u> | <u>12,912,187</u> |
| Liabilities | | |
| Total liabilities for reportable segments | 306,967 | 236,460 |
| Unallocated amounts | <u>10,170,509</u> | <u>10,036,174</u> |
| Total liabilities | <u>10,477,476</u> | <u>10,272,634</u> |

Geographical segments

The Company operates only in Thailand. There are no revenues derived from, or assets located in, foreign countries.

Major customer

The Company does not have any major customer which is significant to financial statement because the Company does not have any external revenue from one customer more than 10% of total revenues.

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23 Other income

| | 2016 | 2015 |
|-------------------------------|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| Discount on insurance premium | 18,569 | 18,719 |
| Penalty income | 12,651 | 14,322 |
| Interest income | 515 | 351 |
| Others | 14,813 | 7,690 |
| Total | <u>46,548</u> | <u>41,082</u> |

24 Administrative expenses

| | <i>Note</i> | 2016 | 2015 |
|--------------------------------------|-------------|---------------------------|-----------------------|
| | | <i>(in thousand Baht)</i> | |
| Employee benefit expenses | 25 | 173,059 | 140,874 |
| Rental and utilities service charges | | 17,985 | 15,829 |
| Depreciation | | 7,619 | 8,808 |
| Others | | 64,340 | 68,606 |
| Total | | <u>263,003</u> | <u>234,117</u> |

25 Employee benefit expenses

| | <i>Note</i> | 2016 | 2015 |
|-------------------------------------|-------------|---------------------------|-----------------------|
| | | <i>(in thousand Baht)</i> | |
| <i>Management</i> | | | |
| Salaries and bonuses | | 34,806 | 21,500 |
| Director's remuneration | | 8,320 | 8,661 |
| Post-employment benefits | | 2,612 | 3,099 |
| | 4 | <u>45,738</u> | <u>33,260</u> |
| <i>Other employees</i> | | | |
| Salaries and bonuses | | 110,351 | 91,479 |
| Post-employment benefits and others | | 16,970 | 16,135 |
| | | <u>127,321</u> | <u>107,614</u> |
| Total | | <u>173,059</u> | <u>140,874</u> |

Provident fund was established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Company at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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Notes to the financial statements
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26 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. The significant expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

| | 2016 | 2015 |
|---|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Change in inventories | 97,845 | (91,849) |
| Assets held for lease under operating lease contracts | 990,711 | 774,854 |
| Employee benefit expenses | 173,059 | 140,874 |
| Depreciation | 1,818,024 | 1,804,453 |
| Others | 665,630 | 489,715 |
| Total | <u>3,745,269</u> | <u>3,118,047</u> |

27 Income tax expense (benefit)

Income tax recognised in profit or loss

| | <i>Note</i> | 2016 | 2015 |
|------------------------------------|-------------|---------------------------|----------------------|
| | | <i>(in thousand Baht)</i> | |
| Current year tax expense | | | |
| Current year | | - | 57,649 |
| Adjustment for prior years | | (12,647) | 3,292 |
| | | <u>(12,647)</u> | <u>60,941</u> |
| Deferred tax expense | | | |
| Movements in temporary differences | 14 | (99,159) | (13,834) |
| Total income tax expense | | <u>(111,806)</u> | <u>47,107</u> |

Reconciliation of effective tax rate

| | 2016 | 2015 |
|--|-------------------------------|-------------------------------|
| | Tax rate (%) | Tax rate (%) |
| | <i>(in thousand Baht)</i> | <i>(in thousand Baht)</i> |
| Profit before income tax expense | <u>108,365</u> | <u>218,106</u> |
| Income tax using the Thai corporation tax rate | 20.0 21,673 | 20.0 43,621 |
| Expenses not deductible for tax purpose | 5,059 | 1,132 |
| Income not subject to tax | (291) | (938) |
| Adjustment for prior years | (12,647) | 3,292 |
| Addition deductible expense for tax purpose | (145,353) | - |
| Unrecognised loss carry forward to deferred tax asset | 19,753 | - |
| Total | <u>(103.2)</u> | <u>47,107</u> |

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

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28 Basic earnings

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

| | 2016 | 2015 |
|---|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Profit attributable to equity holders of the Company (basic) | 220,171 | 170,999 |
| Number of ordinary share outstanding at 1 January | 596,493 | 447,370 |
| Effect of shares issue during the year | - | 84,571 |
| Weighted average number of ordinary shares outstanding (basic) | 596,493 | 531,941 |
| Basic earnings per share (in Baht) | 0.37 | 0.32 |

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all diluted potential ordinary shares as follows:

| | 2016 | 2015 |
|---|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Profit attributable to equity holders of the Company (basic) | 220,171 | 170,999 |
| Profit attributable to equity holders of the Company (diluted) | 220,171 | 170,999 |
| Weighted average number of ordinary shares outstanding (basic) | 596,493 | 531,941 |
| Effect of exercise of share options | - | - |
| Weighted average number of ordinary shares outstanding (diluted) | 596,493 | 531,941 |
| Diluted earnings per share (in Baht) | 0.37 | 0.32 |

29 Dividends

At the annual general meeting of the shareholders of the Company held on 29 April 2016, the shareholders approved the appropriation of the profit from the results of operations for the year ended 31 December 2015 to be dividends of Baht 0.17 per share, amounting to Baht 101 million. The dividend was paid to shareholders on 27 May 2016.

At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the appropriation of the profit from the results of operations for the year ended 31 December 2014 to be dividends of Baht 0.17 per share, amounting to Baht 76.1 million. The dividend was paid to shareholders during 2015.

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30 Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates, foreign 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 risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to sustain future development of the business in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investors and stakeholders' confidence.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders depending on the Company's operating performance.

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 because loan interest rates are mainly fixed, as disclosed in note 15. The management believes that the Company has no need to use derivative instruments to manage such risk.

Financial assets and financial liabilities as at 31 December with details of the Company's interest rate risk based on the period to earlier of the contractual repricing date or maturity date were as follows:

| | Note | Interest rate (% per annum) | 31 December 2016 | | | Total |
|--|------|--------------------------------|------------------|---|----------------------|------------------|
| | | | Within 1 years | After 1 year but within 5 years (in thousand Baht) | Non-interest bearing | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 5 | 0.125 – 0.750 | 62,634 | - | 14,989 | 77,623 |
| Receivables under operating lease contracts* | 6 | - | - | - | 281,928 | 281,928 |
| Receivables under finance lease contracts* | 7 | Rate driven from contracts | 849,395 | 1,199,838 | - | 2,049,233 |
| Total financial assets | | | 912,029 | 1,199,838 | 296,917 | 2,408,784 |

Phatra Leasing Public Company Limited
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| 31 December 2016 | | | | | | |
|---|-------------|-----------------------------------|---------------------------|---|-----------------------------|---------------------------|
| | <i>Note</i> | Interest rate (% per annum) | Within 1 years | After 1 year but within 5 years (in thousand Baht) | Non- interest bearing | Total |
| Financial liabilities | | | | | | |
| Short-term loans from financial institutions | 15.1 | MMR | 1,752,743 | - | - | 1,752,743 |
| Trade account payables | 16 | - | - | - | 107,766 | 107,766 |
| Debentures | 15.2 | 2.24 – 3.05 | 1,899,673 | 4,946,319 | - | 6,845,992 |
| Long-term loans from financial institutions | 15.3 | 3.00 – 4.30 | <u>577,700</u> | <u>717,910</u> | <u>-</u> | <u>1,295,610</u> |
| Total financial liabilities | | | <u>4,230,116</u> | <u>5,664,229</u> | <u>107,766</u> | <u>10,002,111</u> |
| Difference of on-financial reporting items | | | <u>(3,318,087)</u> | <u>(4,464,391)</u> | <u>189,151</u> | <u>(7,593,327)</u> |

* Gross amount before net off allowance for doubtful accounts

| 31 December 2015 | | | | | | |
|---|-------------|-----------------------------------|---------------------------|---|-----------------------------|---------------------------|
| | <i>Note</i> | Interest rate (% per annum) | Within 1 years | After 1 year but within 5 years (in thousand Baht) | Non- interest bearing | Total |
| Financial assets | | | | | | |
| Cash and cash equivalents | 5 | 0.125 – 0.750 | 39,198 | - | 40,936 | 80,134 |
| Receivables under operating lease contracts* | 6 | - | - | - | 263,501 | 263,501 |
| Receivables under finance lease contracts* | 7 | Rate driven from contracts | <u>746,286</u> | <u>959,405</u> | <u>-</u> | <u>1,705,691</u> |
| Total financial assets | | | <u>785,484</u> | <u>959,405</u> | <u>304,437</u> | <u>2,049,326</u> |
| Financial liabilities | | | | | | |
| Short-term loans from financial institutions | 15.1 | MMR | 498,223 | - | - | 498,223 |
| Trade account payables | 16 | - | - | - | 259,860 | 259,860 |
| Debentures | 15.2 | 2.62 – 4.65 | 2,199,631 | 4,646,413 | - | 6,846,044 |
| Long-term loans from financial institutions | 15.3 | 3.00 – 4.50 | <u>998,180</u> | <u>1,295,610</u> | <u>-</u> | <u>2,293,790</u> |
| Total financial liabilities | | | <u>3,696,034</u> | <u>5,942,023</u> | <u>259,860</u> | <u>9,897,917</u> |
| Difference of on-financial reporting items | | | <u>(2,910,550)</u> | <u>(4,982,618)</u> | <u>44,577</u> | <u>(7,848,591)</u> |

* Gross amount before net off allowance for doubtful accounts

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Foreign currency risk

The Company is exposed to foreign currency risk relating to purchasing of assets for lease which are denominated in foreign currencies. The Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

As at 31 December 2016 and 2015, the Company does not have a foreign currency account payable which has foreign currency risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a 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 the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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.

Determination of fair values

The fair value of cash and cash equivalents, receivables under operating lease contracts, current portion of receivables under finance lease contracts, trade account payables, and short-term loans from financial institutions is taken to approximate the carrying value due to the relatively short-term maturity of these instruments.

The fair value of receivables under finance lease contracts, portion due after one year is taken to approximate the carrying value.

The fair value of floating interest rate long-term loan is taken to approximate the carrying value due to the floating interest rate of the long-term loan varies according to the market interest rate.

Other financial liabilities not stated above had the fair and carrying value as follows:

| | Carrying amount | Fair value | | | Total |
|--------------------------|-----------------|------------|---------|---------|-------|
| | | Level 1 | Level 2 | Level 3 | |
| <i>(in million Baht)</i> | | | | | |
| 31 December 2016 | | | | | |
| Debentures | 6,850 | | 6,890 | | 6,890 |
| Long-term loans | 1,296 | | 1,236 | | 1,236 |
| 31 December 2015 | | | | | |
| Debentures | 6,850 | - | 6,977 | - | 6,977 |
| Long-term loans | 2,293 | - | 2,177 | - | 2,177 |

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31 Commitments and contingent liabilities

(a) Non-cancellable operating lease commitments

| | 2016 | 2015 |
|--------------------------------------|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| Within one year | 12,342 | 5,935 |
| After one year but within five years | 11,215 | 9,030 |
| Total | <u>23,557</u> | <u>14,965</u> |

(b) Assets held for lease commitments

As at 31 December, the minimum future annual rental income to be received for assets held for operating leases were as follows:

| | 2016 | 2015 |
|--------------------------------------|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Within one year | 2,486,349 | 2,541,652 |
| After one year but within five years | 3,638,980 | 3,819,017 |
| After five years | - | 50 |
| Total | <u>6,125,329</u> | <u>6,360,719</u> |

Under the provisions of certain lease agreements, the lessees have an option to purchase the leased assets upon the expiration of the lease terms. If this option is included in the lease agreement, the lessees are required to pay a sum in advance as a guarantee for exercising the purchase option.

(c) Letters of guarantee

As at 31 December 2016, the Company has commitment for letters of guarantee issued by various local banks mainly relating to guarantees for rental agreements with government agencies and state enterprises of approximately Baht 129 million (2015: Baht 148 million).

32 Events after the reporting period

At the Board of Directors' meeting held on 21 February 2017, the Board approved to propose for consideration and approval at the Annual General Meeting of the Shareholders on 28 April 2017 for the dividend payment from the net profit and the operating results of the year 2016 to shareholders at the rate of Baht 0.19 per share for the total number of 596,492,753 shares, totaling Baht 113.3 million and the issuance and offering of debentures in the outstanding debts of not exceeding Baht 10,000 million in whole or in part by single or multiple offering.

33 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Company does not plan to adopt these TFRS early.

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| TFRS | Topic |
|--------------------------------|---|
| TAS 1 (revised 2016) | Presentation of Financial Statements |
| TAS 2 (revised 2016) | Inventories |
| TAS 7 (revised 2016) | Statement of Cash Flows |
| TAS 8 (revised 2016) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2016) | Events after the Reporting Period |
| TAS 12 (revised 2016) | Income Taxes |
| TAS 16 (revised 2016) | Property, Plant and Equipment |
| TAS 17 (revised 2016) | Leases |
| TAS 18 (revised 2016) | Revenue |
| TAS 19 (revised 2016) | Employee Benefits |
| TAS 21 (revised 2016) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2016) | Borrowing Costs |
| TAS 24 (revised 2016) | Related Party Disclosures |
| TAS 33 (revised 2016) | Earnings per Share |
| TAS 34 (revised 2016) | Interim Financial Reporting |
| TAS 36 (revised 2016) | Impairment of Assets |
| TAS 37 (revised 2016) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2016) | Intangible Assets |
| TAS 40 (revised 2016) | Investment Property |
| TAS 104 (revised 2016) | Troubled Debt Restructuring |
| TAS 107 (revised 2016) | Financial Instruments: Disclosure and Presentation |
| TFRS 5 (revised 2016) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 8 (revised 2016) | Operating Segments |
| TFRS 13 (revised 2016) | Fair Value Measurement |
| TSIC 15 (revised 2016) | Operating Leases – Incentives |
| TSIC 25 (revised 2016) | Income Taxes – Changes in the Tax Status of an Entity or its Shareholders |
| TSIC 27 (revised 2016) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 32 (revised 2016) | Intangible Assets – Web Site Costs |
| TFRIC 1 (revised 2016) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2016) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (revised 2016) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 10 (revised 2016) | Interim Financial Reporting and Impairment |
| TFRIC 14 (revised 2016) | TAS 19 (revised 2016) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 17 (revised 2016) | Distributions of Non-cash Assets to Owners |
| TFRIC 18 (revised 2016) | Transfers of Assets from Customers |
| FAP Announcement no. 5/2559 | Accounting guidance for derecognition of financial assets and financial liabilities |

The Company has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.