

# Major Changes of Financial Reporting (IFRS 9, 15, and 16)

March 2018



## Is the Company ready to go?

Prepare for the effective transitions



Understand new standards and requirements



Assess the impacts and plan the transitions



Design, plan, and develop the right solutions



Roll out and launch parallel run

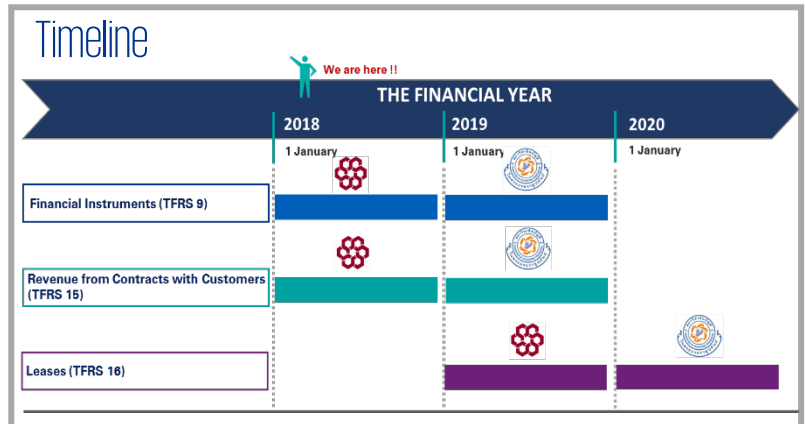


“The Right decisions need to be made on **when and how** of the transition to the new Financial Reporting Standards”



“Questions for AC to propel their discussions with management on new financial reporting standards”

- 1 | What **strategies** are in place to ensure the **effective transitions** and does Audit Committee has a proper **monitoring oversight plan**?
- 2 | What are the **significant impacts** from the assessment of new IFRSs on the Company's financial position and performance?
- 3 | Are there sufficient and appropriate **resources and systems / processes** to implement the transitions?
- 4 | Are the **stakeholders** fully aware of the potential **significant changes** from specified IFRSs?
- 5 | What are the decisions about the **transition options** and how will the **new disclosure requirements** be met?



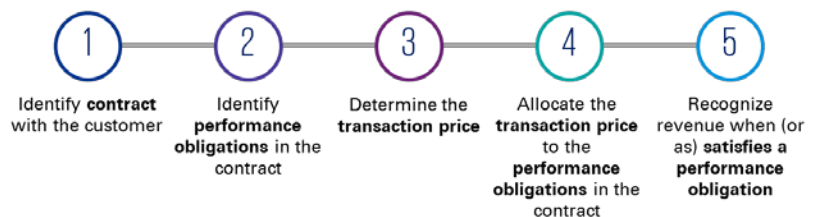
### IFRS 9 – Financial Instruments

Change the way to record financial instruments

Classification & Measurement	Impairment (ECLs)	Hedge Accounting	Disclosure
<ul style="list-style-type: none"> <li>Change the classification and measurement concept</li> <li>Introduce FVTPL, FVOCI, and amortised cost</li> <li>Introduce EIR concept</li> <li>Record derivatives on B/S</li> </ul>	<ul style="list-style-type: none"> <li>Introduce expected credit losses concept</li> <li>Require supportable information (historical, current, and forecast)</li> </ul>	<ul style="list-style-type: none"> <li>Align FS more with risk management activities</li> <li>Reduce P/L volatility</li> <li>Require to meet all hedging qualification (i.e. documentation, hedge effectiveness)</li> <li>Optional</li> </ul>	<ul style="list-style-type: none"> <li>Require extensive new disclosures</li> </ul>

### IFRS 15 – Revenue from Contracts with Customers

Introduce 5-Step Model



### IFRS 16 – Leases

Bring leases on Balance Sheet

<b>Lessee:</b> All leases on Balance Sheet	<b>Lessor:</b> Similar to TAS 17	
Lease exemption		
 <b>Short-term leases</b> ≤ 12 Months	<b>OR</b>	 <b>Leases of low-value items</b>