

Group Lease Public Company Limited
Review report and interim financial statements
For the three-month periods ended
31 March 2011 and 2010

Review report of Independent Auditor

To the Shareholders of Group Lease Public Company Limited

I have reviewed the accompanying statement of financial position of Group Lease Public Company Limited as at 31 March 2011, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2011 and 2010. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the financial statements of Group Lease Public Company Limited for the year ended 31 December 2010 in accordance with generally accepted auditing standards, and expressed an unqualified opinion on those statements under my report dated 7 February 2011. The statement of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of the above report. In addition, as described in Note 1.4 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied these in its preparation and presentation of the interim financial statements.

Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited
Bangkok: 6 May 2011

Group Lease Public Company Limited
Statements of financial position
As at 31 March 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	31 March 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	3	1,059	868
Current portion of hire purchase and installment sales receivables, net	4	1,251,395	1,227,872
Assets foreclosed, net	5	13,101	17,483
Other current assets, net	6	69,613	72,113
Total current assets		1,335,168	1,318,336
Non-current assets			
Pledged fixed deposit at financial institution	7	307	269
Hire purchase and installment sales receivables - long-term portion, net	4	1,162,880	1,182,177
Property, plant and equipment, net	8	57,608	59,026
Deferred tax assets	9	65,725	59,231
Other non-current assets, net		29,163	27,695
Total non-current assets		1,315,683	1,328,398
Total assets		2,650,851	2,646,734

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

Group Lease Public Company Limited
Statements of financial position (continued)
As at 31 March 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft and short-term loans from financial institutions	10	33,447	72,921
Trade accounts payable		6,875	3,800
Current portion of long-term loans	12	773,119	788,126
Corporate income tax payable		104,019	63,516
Insurance premium payables		11,556	15,446
Accrued expenses		10,730	15,264
Provision for short-term liabilities			
Provision for employee compensation	13	18,653	18,653
Current portion of reserve for long-term employee benefits	13	4,343	-
Other current liabilities		21,864	22,471
Total current liabilities		984,606	1,000,197
Non-current liabilities			
Long-term loans, net of current portion	12	571,000	629,459
Provision for long-term liabilities			
Reserve for long-term employee benefits	13	2,476	3,519
Cash guarantee for damage on hire purchase agreements		2,713	2,999
Total non-current liabilities		576,189	635,977
Total liabilities		1,560,795	1,636,174

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

Group Lease Public Company Limited
Statements of financial position (continued)
As at 31 March 2011 and 31 December 2010

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2011</u>	<u>31 December 2010</u>
		(Unaudited but reviewed)	(Audited)
Shareholders' equity			
Share capital			
Registered			
86,300,000 ordinary shares of Baht 5 each		431,500	431,500
Issued and paid-up			
56,416,996 ordinary shares of Baht 5 each		282,085	282,085
Share premium		192,189	192,189
Warrants	11, 14	4,377	4,377
Retained earnings			
Appropriated - statutory reserve		43,150	43,150
Unappropriated		568,255	488,759
Total shareholders' equity		<u>1,090,056</u>	<u>1,010,560</u>
Total liabilities and shareholders' equity		<u>2,650,851</u>	<u>2,646,734</u>
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The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Group Lease Public Company Limited
Statements of comprehensive income
For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	<u>Note</u>	<u>2011</u>	<u>2010</u>
Profit or loss:			
Revenues			
Hire purchase interest and installment sales income	11	221,948	181,205
Other income		20,426	14,020
Total revenues		<u>242,374</u>	<u>195,225</u>
Expenses			
Service and administrative expenses		41,844	42,191
Bad debts and doubtful accounts		31,244	23,432
Loss on disposals of foreclosed assets		36,537	25,131
Total expenses		<u>109,625</u>	<u>90,754</u>
Profit before finance cost and corporate income tax			
		132,749	104,471
Finance cost		(19,183)	(14,279)
Profit before corporate income tax		113,566	90,192
Corporate income tax	9	(34,070)	(20,007)
Profit for the period		<u>79,496</u>	<u>70,185</u>
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>79,496</u>	<u>70,185</u>

(Unit: Baht)

Earnings per share	15		
Basic earnings per share			
Profit for the period		1.41	1.25
Weighted average number of ordinary shares (shares)		<u>56,416,996</u>	<u>56,187,356</u>
Diluted earnings per share			
Profit for the period		1.38	1.21
Weighted average number of ordinary shares (shares)		<u>57,739,267</u>	<u>57,832,759</u>

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

(Unaudited but reviewed)

Group Lease Public Company Limited

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Profit before tax	113,566	90,192
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	2,068	1,862
Bad debts and doubtful accounts	31,244	23,432
Gain on sales of property, plant and equipment	(2,885)	-
Loss on disposals of assets foreclosed	36,537	25,131
Loss (gain) on diminution in value of foreclosed assets	(3,361)	767
Reserve for employee benefits	3,300	3,283
Interest expenses	19,183	14,279
Income from operating activities before changes in operating assets and liabilities	<u>199,652</u>	<u>158,946</u>
Operating assets (increase) decrease		
Hire purchase and installment sales receivables	(35,470)	(115,539)
Assets foreclosed	(28,794)	(31,432)
Revenue Department receivable	829	(822)
Other current assets	1,671	(5,503)
Other non-current assets	(1,447)	(2,104)
Operating liabilities increase (decrease)		
Trade accounts payable	3,075	840
Insurance payables	(3,890)	480
Accrued expenses	(4,315)	3,814
Other current liabilities	(607)	(125)
Guarantee for damage from hire purchase agreements	(286)	(1,595)
Cash flows from operating activities	<u>130,418</u>	<u>6,960</u>
Cash paid for interest expenses	(19,402)	(14,449)
Cash paid for corporate income tax	-61	-65
Net cash flows from (used in) operating activities	<u>110,955</u>	<u>-7,554</u>

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

(Unaudited but reviewed)

Group Lease Public Company Limited

Statements of cash flows (continued)

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	<u>2011</u>	<u>2010</u>
Cash flows from investing activities		
Increase in pledged fixed deposits at financial institution	(38)	(4)
Increase in accounts receivable and loans to employees	(21)	(17)
Cash received from sales of equipment	4,222	-
Acquisitions of equipment	(1,987)	(2,521)
Net cash flows from (used in) investing activities	<u>2,176</u>	<u>(2,542)</u>
Cash flows from financing activities		
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(39,474)	23,655
Cash receipt from exercise of warrants	-	4,691
Cash receipt from long-term loans	175,000	205,000
Repayment of long-term loans	(248,466)	(223,523)
Net cash flows from (used in) financing activities	<u>(112,940)</u>	<u>9,823</u>
Net increase (decrease) in cash and cash equivalents	191	(273)
Cash and cash equivalents at beginning of period	868	1,768
Cash and cash equivalents at the end of period (Note 3)	<u><u>1,059</u></u>	<u><u>1,495</u></u>

Supplemental cash flows information

Non-cash item

Issuance of ordinary shares during the period

from the exercise of warrants

	-	40
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The accompanying notes are an integral part of the financial statements.

(Unaudited by reviewed)

Group Lease Public Company Limited

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Total
				Appropriated	Unappropriated	
Balance as at 31 December 2009	280,839	187,656	4,426	39,955	401,300	914,176
Issuance of ordinary shares during period						
from the exercise of warrants	1,020	3,711	(40)	-	-	4,691
Total comprehensive income for the period	-	-	-	-	70,185	70,185
Balance as at 31 March 2010	<u>281,859</u>	<u>191,367</u>	<u>4,386</u>	<u>39,955</u>	<u>471,485</u>	<u>989,052</u>
Balance as at 31 December 2010	282,085	192,189	4,377	43,150	488,759	1,010,560
Total comprehensive income for the period	-	-	-	-	79,496	79,496
Balance as at 31 March 2011	<u>282,085</u>	<u>192,189</u>	<u>4,377</u>	<u>43,150</u>	<u>568,255</u>	<u>1,090,056</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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

Group Lease Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2011 and 2010

1. General information

1.1 Corporate information

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the hire purchase of motorcycles and its registered address is 63 Soi 1, Tesabalnimitretai Road, Ladyao, Chatujak, Bangkok.

The major shareholders of the Company are Engine Holdings Asia Pte. Ltd. (incorporated in Singapore) and A.P.F Holding Company Limited (incorporated in Thailand), which owns 48.58% and 23.71% of the Company’s share capital, respectively. The parent company of the group is Wedge Holdings Company Limited (incorporated in Japan).

On 20 April 2011, a meeting of the Board of Directors passed a resolution to accept the resignation of the Managing Director, effective from 20 April 2011. The Board also passed a resolution appointing a person to the position of General Manager, to replace the Managing Director who resigned, effective from 25 April 2011.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards will not have any significant impact on the financial statements for the current period, except for the below accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company previously accounted for such employee benefits when they were incurred. The management uses judgement and estimates the amounts to be paid based on reasonable assumptions, using rates consistent with the provisions of the Labour Law.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the below accounting policy due to the adoption of new accounting standard.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by management, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the purposes of first time adoption to comply with TAS 19 “Employee benefits”, the Company has immediately recognised the difference between liabilities estimation in accordance with TAS19 and the prior provision made by management as an expense in profit or loss for the current period. The effect of this change is immaterial to the Company’s financial statements.

2. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 March 2011	31 December 2010
Cash and cash equivalents	138	79
Bank deposits	921	789
Total	1,059	868

As at 31 March 2011, bank deposits in saving accounts carried interest between 0.52% to 0.625% per annum (31 December 2010: 0.25% per annum).

4. Hire purchase and installment sales receivables

4.1 As at 31 March 2011 and 31 December 2010, the balances of hire purchase and installment sales receivables are as follows:

(Unit: Thousand Baht)

	Current portion of		Long-term portion of		Total	
	hire purchase and installment		hire purchase and installment			
	sales receivables		sales receivables			
	31 March	31 December	31 March	31 December	31 March	31 December
	2011	2010	2011	2010	2011	2010
Normal receivables						
Hire purchase and installment sales receivables	2,022,390	2,000,698	1,540,185	1,570,327	3,562,575	3,571,025
Accrued hire purchase and installment sales income	58,946	58,497	-	-	58,946	58,497
Less: Unearned hire purchase and installment sales income, net	(754,264)	(756,417)	(360,931)	(375,905)	(1,115,195)	(1,132,322)
Total normal receivable	1,327,072	1,302,778	1,179,254	1,194,422	2,506,326	2,497,200
Terminated agreements receivables						
Hire purchase and installment sales receivables	120,928	116,103	79,729	72,555	200,657	188,658
Accrued hire purchase and installment sales income	15,261	14,402	-	-	15,261	14,402
Less: Unearned hire purchase and installment sales income, net	(44,405)	(41,880)	(22,028)	(19,990)	(66,433)	(61,870)
Total terminated agreements receivables	91,784	88,625	57,701	52,565	149,485	141,190
Total receivables	1,418,856	1,391,403	1,236,955	1,246,987	2,655,811	2,638,390
Less: Allowance for doubtful accounts	(167,461)	(163,531)	(74,075)	(64,810)	(241,536)	(228,341)
Hire purchase and installment sales receivables, net	1,251,395	1,227,872	1,162,880	1,182,177	2,414,275	2,410,049

4.2 As at 31 March 2011 and 31 December 2010, the balances of hire purchase and installment sales receivables (net of unearned hire purchase income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Aging	Hire purchase and installment sales receivables		Percentage of allowance set up by the Company	Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	31 March 2011	31 December 2010		31 March 2011	31 December 2010	31 March 2011	31 December 2010
Hire purchase and installment sales receivables							
Not yet due	2,049,318	2,041,280	1	19,879	19,784	2,029,439	2,021,496
Past due:							
1 month	192,509	199,050	1	1,885	1,947	190,624	197,103
2 - 3 months	195,070	192,204	2	3,834	3,776	191,236	188,428
4 - 6 months	116,111	112,239	100	114,611	110,678	1,500	1,561
7 - 12 months	76,475	70,195	100	75,506	69,170	969	1,025
Over 12 months	26,328	23,422	100	25,821	22,986	507	436
Total	<u>2,655,811</u>	<u>2,638,390</u>		<u>241,536</u>	<u>228,341</u>	<u>2,414,275</u>	<u>2,410,049</u>

- 4.3 As at 31 March 2011 and 31 December 2010, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

	(Unit: Thousand Baht)			
	31 March 2011		31 December 2010	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	2,217,525	1,418,856	2,189,700	1,391,403
After one year but not more than five years	1,619,914	1,236,955	1,642,882	1,246,987
Total minimum lease payments receivable	3,837,439	<u>2,655,811</u>	3,832,582	<u>2,638,390</u>
Less: Amounts representing finance charges	<u>(1,181,628)</u>		<u>(1,194,192)</u>	
Present value of minimum lease payments	<u>2,655,811</u>		<u>2,638,390</u>	

- 4.4 The Company's hire purchase agreements have terms of 1 - 3 years and require settlement in equal installments.

- 4.5 As at 31 March 2011, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before net of unearned hire purchase interest income) of Baht 4,360 million (31 December 2010: Baht 4,109 million), in order to secure credit facilities granted by commercial banks, as discussed in Notes 10 and 12.

4.6 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses, together with the reasons. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. If the Company had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2011 and 2010 would be reduced by Baht 0.48 million and Baht 0.59 million, respectively. However, allowance is fully provided for accounts receivable which are overdue by more than 3 installments and the cessation of recognising revenue only from hire purchase receivables which are overdue by more than 4 installments therefore has no significant effect to the Company's profit and loss for the periods.

As at 31 March 2011, there are outstanding hire purchase receivable amounting to approximately Baht 84.98 million for which installment payments are more than 3 installments overdue but for which revenue is still being recognised (31 December 2010: Baht 82.69 million).

5. Assets foreclosed

As at 31 March 2011 and 31 December 2010, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)	
	31 March 2011	31 December 2010
Repossessed assets	18,069	25,812
Less: Allowance for diminution in value of assets foreclosed	(4,968)	(8,329)
Assets foreclosed, net	<u>13,101</u>	<u>17,483</u>

6. Other current assets

(Unit: Thousand Baht)

	31 March 2011	31 December 2010
Accrued income	5,173	5,741
Prepaid expenses	51,685	50,343
Other receivable - sales of assets foreclosed	13,121	15,940
Undue input tax	978	1,657
Others	1,182	958
Total	72,139	74,639
Less: Allowance for doubtful accounts	(2,526)	(2,526)
Other current assets, net	<u>69,613</u>	<u>72,113</u>

7. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company, as discussed in Note 16.2.

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2011 are summarised below.

(Unit: Thousand Baht)

	Amount
Net book value as at 31 December 2010	59,026
Acquisitions during period - cost	1,987
Disposal during period - net book value	(1,337)
Depreciation for period	(2,068)
Net book value as at 31 March 2011	<u>57,608</u>

As at 31 March 2011 and 31 December 2010, certain equipment items of the Company has been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 30.66 million and Baht 30.02 million, respectively.

(Unaudited but reviewed)

The Company has mortgaged land and construction thereon with a total net book value as at 31 March 2011 of Baht 26.57 million (31 December 2010: Baht 27.06 million) as collateral for bank overdrafts and short-term loans from financial institutions and long-term credit facilities as discussed in Notes 10 and 12.

9. Corporate income tax/deferred tax assets

Corporate income tax for the three-month periods ended 31 March 2011 and 2010, have been calculated at the rate of 30%, on the income after adding back certain provisions and expenses which are disallowable for tax computation purposes.

Corporate income tax of the Company for the three-month periods ended 31 March 2011 and 2010 are as follow:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2011</u>	<u>2010</u>
Income tax on taxable income	40,563	30,163
Increase in deferred income tax assets	(6,493)	(3,085)
Effect from changing tax rate	-	(7,071)
Income tax as included in the income statements	<u>34,070</u>	<u>20,007</u>

The components of deferred tax assets as presented in balance sheets as at 31 March 2011 and 31 December 2010 consist of:

	(Unit: Thousand Baht)	
	31 March	31 December
	<u>2011</u>	<u>2010</u>
Tax effect of non-deductible expenses		
Allowance for doubtful accounts	75,798	71,839
Allowance for diminution of value foreclosed assets	1,490	2,499
Reserve for employee benefits	7,642	6,652
Accrued bonus	2,142	-
Prepaid commission expense	(21,347)	(21,759)
Total	<u>65,725</u>	<u>59,231</u>

10. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)	
	Interest rate	31 March	31 December
	(% per annum)	<u>2011</u>	<u>2010</u>
Bank overdrafts	MOR	3,447	22,921
Short-term loans from financial institutions	MLR, MOR	30,000	50,000
Total		<u>33,447</u>	<u>72,921</u>

As at 31 March 2011 and 31 December 2010, bank overdrafts and short-term loans from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future and motorcycle registrations as requested by the lender.

11. Related party transactions

During the periods, the Company had significant business transactions with related parties, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and based agree upon between the Company and those parties.

(Unit: Thousand Baht)

	For the three-month		Transfer pricing policy
	periods ended		
	31 March		
	<u>2011</u>	<u>2010</u>	
<u>Transactions with related parties</u>			
Hire purchase interest income	-	83	Contract price

As at 31 March 2011 and 31 December 2010, the Company had no outstanding balances with the related party.

Directors and management's benefits

During the three-month period ended 31 March 2011, the Company paid salaries, bonus, meeting allowance, gratuities and reserve for short-term and long-term employee benefits to its directors and management totaling Baht 6.1 million (2010: Baht 4.2 million).

Warrants for directors and management

On 20 May 2008, the Company issued 206,300 warrants (GL-WA) to subscribe to the Company's ordinary shares, to be allotted to 11 directors and management. This represents 20.6% of the Company's warrants.

On 4 February 2009, the Company issued 2,412,996 warrants (GL-W1) to subscribe to the Company's ordinary shares, to be allotted to 6 existing shareholders who are directors and management. This represents 9.9% of the Company's warrants.

On 10 May 2009, the Company issued 118,100 warrants (GL-WB) to subscribe to the Company's ordinary shares, to be allotted to 11 directors and management. This represents 23.6% of the Company's warrants.

On 10 May 2010, the Company issued 104,700 warrants (GL-WC) to subscribe to the Company's ordinary shares, to be allotted to 10 directors and management. This represents 20.9% of the Company's warrants.

12. Long-term loans

The long-term loans, which the Company obtained from local financial institutions, are as detailed below.

(Unit: Thousand Baht)

	Balance		Interest rate per annum	Repayment condition
	31 March 2011	31 December 2010		
<u>Loan agreement dated 28 April 2008</u>				
Credit facility No. 1	6,000	47,833	At the rate of MLR - 0.5 per annum	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
<u>Loan agreement dated 29 January 2009</u>				
Credit facility No. 1	69,119	113,585	At the rate of MLR - 0.5 per annum	Twenty seven equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
<u>Loan agreement dated 22 October 2009</u>				
Credit facility No. 1	620,667	720,667	At the rate of MLR - 0.75 per annum	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
<u>Loan agreement dated 25 August 2010</u>				
Credit facility No. 1	648,333	535,500	At the rate of MLR - 1.0 per annum	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
Total	1,344,119	1,417,585		
Less: Current portion	(773,119)	(788,126)		
Long-term loans, net of current portion	571,000	629,459		

Movements in the long-term loans account during the three-month period ended 31 March 2011 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2010	1,417,585
Add: Addition borrowings	175,000
Less: Repayment	<u>(248,466)</u>
Balance as at 31 March 2011	<u>1,344,119</u>

On 28 April 2008, the Company entered into a loan agreement with three commercial banks, as co-lenders, to obtain long-term loan facilities of Baht 1,000 million. The purposes of such loans are to repay the existing short-term loan and for use in the expansion of business. In order to reduce the fluctuation of interest rate risk, the Company has proportionately entered into an interest rate swap agreement, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.75% per annum.

On 29 January 2009, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 400 million. The purposes of such loan are to repay the existing short-term loan and for use in the expansion of business.

On 22 October 2009, the Company entered into a loan agreement with three commercial banks, as co-lenders, to obtain long-term loan facilities of Baht 1,000 million. The purposes of such loans are to repay the existing short-term loan and for use in the expansion of business of the Company.

On 25 August 2010, the Company entered into a loan agreement with three commercial banks, as co-lenders, to obtain long-term loan facilities of Baht 1,000 million. The purposes of such loans are to repay the existing short-term loan and for use in the expansion of business of the Company.

The loan agreements contains covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, and maintenance of a certain debt to equity ratio, ratio of hire purchase receivables more than three months' past due to total hire purchase receivables, ratio of total hire purchase receivables to loans, prohibition of disposal of assets or rights of claim under hire purchase agreements and prohibition of entering into new loan agreements.

The loans are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and construction thereon and/or to be constructed thereon in the future, and motorcycle registrations as requested by the commercial banks.

As at 31 March 2011, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 255 million.

13. Reserve for employee benefits

As at 31 December 2010, the Company has separately recorded reserve for employee benefits relating for employees taking early retirement in the account “Provision for employee compensation”, which is presented as current liabilities in the statement of financial position. This reserve is the provision made by management using judgement and estimates of the amounts to be paid based on reasonable assumptions, and rates consistent with the provisions of the Labour Law. The reserve for long-term employee benefits as discussed in Notes 1.3 and 1.4 recorded in the account “Reserve for long-term employee benefits” was calculated using actuarial techniques and is presented as liabilities in the statement of financial position.

During the current period, the Company recorded reserve for employee benefits, amounting to Baht 3.3 million as an expense in the statement of comprehensive income.

On 19 April 2011, The Company made payment totaling of Baht 18.7 million under its Early Retirement Program, to employees who were entitled to join this program and early retired during this year.

14. Warrants

As at 31 March 2011, details of the warrants, which were issued by the Company, are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants original issued	Warrant offer price	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
GL-WA	Directors and employees	20 May 2008	1,000,000	-	3 years	Baht 12	1 ordinary share
GL-W1	Existing shareholders	4 February 2009	24,300,000	Baht 0.20	3 years	Baht 23	1 ordinary share
GL-WB	Directors and employees	10 May 2009	500,000	-	3 years	Baht 14.50	1 ordinary share
GL-WC	Directors and employees	10 May 2010	500,000	-	3 years	Baht 16.59	1 ordinary share

During the current period, the movements of warrants of the Company are as follows:

Type of warrant	Number of warrants outstanding as at 31 December 2010	Issuance of warrants during the period	Number of warrants exercised during the period	Number of warrants outstanding as at 31 March 2011
GL-WA	1,000,000	-	-	1,000,000
GL-W1	21,883,004	-	-	21,883,004
GL-WB	500,000	-	-	500,000
GL-WC	500,000	-	-	500,000

15. Earnings per share

Basic earnings per share is calculated by dividing the profit (excluding other comprehensive income) for the period by weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period by the sum of the weighted average number of ordinary shares outstanding during the period and the weighted average number of ordinary shares to be issued for conversion of all dilutive potential ordinary shares into ordinary shares and potential ordinary shares are cancelled or expire during the period. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share.

	For the three-month periods ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	79,496	70,185	56,417	56,187	<u>1.41</u>	<u>1.25</u>
Effect of dilutive potential ordinary shares						
GL-WA	-	-	490	501		
GL-W1	-	-	493	947		
GL-WB	-	-	192	198		
GL-WC	-	-	147	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>79,496</u>	<u>70,185</u>	<u>57,739</u>	<u>57,833</u>	<u>1.38</u>	<u>1.21</u>

16. Commitments

16.1 Service commitments

As at 31 March 2011, the Company has the outstanding service commitments which are to be repaid within one year amounting to Baht 0.78 million (31 December 2010: Baht 0.39 million).

16.2 Guarantees

As at 31 March 2011, there was outstanding bank guarantee of approximately Baht 287,200 issued by the bank on behalf of the Company in respect of electricity and use of post services guarantees.

17. Financial information by segment

The majority of the operations of the Company involves the single business segment of hire purchase of motorcycles, and is carried on in a single geographic area, Thailand. As a result, all revenues, operating income and assets as reflected in these financial statements pertain to the aforementioned industry and geographic area.

18. Subsequent events

On 20 April 2011, the Annual General Meeting of the shareholders of the Company approved the allocation of the Company's 2010 annual net income as follows:

- Allocation of 1.21% of profit for the year 2010, amounting to Baht 3.19 million, to the legal reserve.
- Dividend payment of Baht 3.25 per share to the holders of the Company's 56,416,996 shares. Since the Company paid interim dividends of Baht 0.86 per share and Baht 1.50 per share on 15 July 2010 and 30 December 2010, respectively, a remaining amount of 0.89 Baht per share, amounting to Baht 50.21 million, is to be paid to the shareholders, on 12 May 2011.

19. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

	(Unit: Thousand Baht)	
	<u>As reclassified</u>	<u>As previously reported</u>
Current liabilities		
Provision for employee compensation	18,653	-
Non-current liabilities		
Reserve for long-term employee benefits	3,519	-
Provisions for employee compensation	-	22,172

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised directors of the Company on 6 May 2011.