

Group Lease Public Company Limited  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 30 September 2011, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010, and the statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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: 10 November 2011

**Group Lease Public Company Limited**  
**Statements of financial position**  
**As at 30 September 2011 and 31 December 2010**

(Unit: Thousand Baht)

|   | Note | 30 September 2011           | 31 December 2010        |
|---|------|-----------------------------|-------------------------|
|   |      | (Unaudited<br>but reviewed) | (Audited)               |
| <b>Assets</b>   |      |                             |                         |
| <b>Current assets</b>   |      |                             |                         |
| Cash and cash equivalents   | 3    | 177,560                     | 868                     |
| Current portion of hire purchase and<br>installment sales receivables, net  | 4    | 1,158,319                   | 1,227,872               |
| Assets foreclosed, net  | 5    | 19,633                      | 17,483                  |
| Other current assets, net   | 6    | 56,140                      | 72,113                  |
| <b>Total current assets</b>   |      | <u>1,411,652</u>            | <u>1,318,336</u>        |
| <b>Non-current assets</b>   |      |                             |                         |
| Pledged fixed deposit at financial institution                              | 7    | 307                         | 269                     |
| Hire purchase and installment sales<br>receivables - long-term portion, net | 4    | 914,573                     | 1,182,177               |
| Property, plant and equipment, net  | 8    | 58,066                      | 59,026                  |
| Deferred tax assets   | 9    | 98,164                      | 80,990                  |
| Other non-current assets, net   |      | 32,842                      | 27,695                  |
| <b>Total non-current assets</b>   |      | <u>1,103,952</u>            | <u>1,350,157</u>        |
| <b>Total assets</b>   |      | <u><u>2,515,604</u></u>     | <u><u>2,668,493</u></u> |

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

**Group Lease Public Company Limited**  
**Statements of financial position (continued)**  
**As at 30 September 2011 and 31 December 2010**

(Unit: Thousand Baht)

|   | Note | 30 September 2011           | 31 December 2010 |
|---|------|-----------------------------|------------------|
|   |      | (Unaudited<br>but reviewed) | (Audited)        |
| <b>Liabilities and shareholders' equity</b>                     |      |                             |                  |
| <b>Current liabilities</b>                                      |      |                             |                  |
| Bank overdraft and short-term loans from financial institutions | 10   | -                           | 72,921           |
| Trade accounts payable  |      | 4,089                       | 3,800            |
| Current portion of long-term loans                              | 12   | 758,752                     | 788,126          |
| Corporate income tax payable                                    |      | 36,122                      | 63,516           |
| Insurance premium payables                                      |      | 8,130                       | 15,446           |
| Accrued expenses  |      | 9,598                       | 15,264           |
| Provision for short-term liabilities                            |      |                             |                  |
| Provision for employee compensation                             | 13   | -                           | 18,653           |
| Other current liabilities                                       |      | 35,665                      | 22,471           |
| <b>Total current liabilities</b>                                |      | <u>852,356</u>              | <u>1,000,197</u> |
| <b>Non-current liabilities</b>                                  |      |                             |                  |
| Long-term loans, net of current portion                         | 12   | 340,393                     | 629,459          |
| Provision for long-term liabilities                             |      |                             |                  |
| Reserve for long-term employee benefits                         | 13   | 1,744                       | 3,519            |
| Cash guarantee for damage on hire purchase agreements           |      | 2,493                       | 2,999            |
| Deferred tax liabilities  | 9    | 16,357                      | 21,759           |
| <b>Total non-current liabilities</b>                            |      | <u>360,987</u>              | <u>657,736</u>   |
| <b>Total liabilities</b>  |      | <u>1,213,343</u>            | <u>1,657,933</u> |

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

**Group Lease Public Company Limited**  
**Statements of financial position (continued)**  
**As at 30 September 2011 and 31 December 2010**

(Unit: Thousand Baht)

|   | Note   | 30 September 2011           | 31 December 2010 |
|---|--------|-----------------------------|------------------|
|   |        | (Unaudited<br>but reviewed) | (Audited)        |
| <b>Shareholders' equity</b>                       |        |                             |                  |
| Share capital                                     | 14, 15 |                             |                  |
| Registered  |        |                             |                  |
| 86,300,000 ordinary shares of Baht 5 each         |        | 431,500                     | 431,500          |
| Issued and paid-up                                |        |                             |                  |
| 59,651,396 ordinary shares of Baht 5 each         |        |                             |                  |
| (31 December 2010: 56,416,996 ordinary shares     |        |                             |                  |
| of Baht 5 each)                                   |        | 298,257                     | 282,085          |
| Share premium                                     | 14.1   | 245,067                     | 192,189          |
| Share subscription received in advance            |        | 61,939                      | -                |
| Warrants  | 11, 15 | 3,303                       | 4,377            |
| Retained earnings                                 |        |                             |                  |
| Appropriated - statutory reserve                  |        | 43,150                      | 43,150           |
| Unappropriated                                    |        | 650,545                     | 488,759          |
| <b>Total shareholders' equity</b>                 |        | <b>1,302,261</b>            | <b>1,010,560</b> |
| <b>Total liabilities and shareholders' equity</b> |        | <b>2,515,604</b>            | <b>2,668,493</b> |
|   |        | 0                           | 0                |

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 30 September 2011 and 2010**

(Unit: Thousand Baht)

|  | <u>Note</u> | <u>2011</u>    | <u>2010</u>    |
|--|-------------|----------------|----------------|
| <b>Profit or loss</b>                                      |             |                |                |
| <b>Revenues</b>  |             |                |                |
| Hire purchase interest and installment sales income        | 11          | 202,189        | 208,086        |
| Other income   |             | 17,368         | 17,797         |
| <b>Total revenues</b>                                      |             | <u>219,557</u> | <u>225,883</u> |
| <b>Expenses</b>  |             |                |                |
| Services and administrative expenses                       |             | 33,569         | 48,837         |
| Bad debts and doubtful accounts                            |             | 41,011         | 26,195         |
| Loss on disposals of assets foreclosed                     |             | 36,695         | 35,610         |
| <b>Total expenses</b>                                      |             | <u>111,275</u> | <u>110,642</u> |
| <b>Income before finance cost and corporate income tax</b> |             | 108,282        | 115,241        |
| Finance cost   | 11          | (19,243)       | (27,730)       |
| <b>Income before corporate income tax</b>                  |             | 89,039         | 87,511         |
| Corporate income tax                                       | 9           | (26,700)       | (26,258)       |
| <b>Net income for the period</b>                           |             | <u>62,339</u>  | <u>61,253</u>  |
| <b>Other comprehensive income</b>                          |             |                |                |
| Other comprehensive income for the period                  |             | -              | -              |
| <b>Total comprehensive income for the period</b>           |             | <u>62,339</u>  | <u>61,253</u>  |

(Unit: Baht)

|   |    |                   |                   |
|---|----|-------------------|-------------------|
| <b>Earnings per share</b>                           | 16 |                   |                   |
| <b>Basic earnings per share</b>                     |    |                   |                   |
| Profit for the period                               |    | 1.04              | 1.09              |
| Weighted average number of ordinary shares (shares) |    | <u>59,709,435</u> | <u>56,410,072</u> |
| <b>Diluted earnings per share</b>                   |    |                   |                   |
| Profit for the period                               |    | 0.98              | 1.04              |
| Weighted average number of ordinary shares (shares) |    | <u>63,423,206</u> | <u>59,065,137</u> |

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

(Unaudited but reviewed)

**Group Lease Public Company Limited**

**Statements of comprehensive income**

**For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

|  | <u>Note</u> | <u>2011</u>       | <u>2010</u>       |
|--|-------------|-------------------|-------------------|
| <b>Profit or loss</b>                                      |             |                   |                   |
| <b>Revenues</b>  |             |                   |                   |
| Hire purchase interest and installment sales income        | 11          | 640,974           | 582,488           |
| Other income   |             | 53,321            | 46,743            |
| <b>Total revenues</b>                                      |             | <u>694,295</u>    | <u>629,231</u>    |
| <b>Expenses</b>  |             |                   |                   |
| Services and administrative expenses                       |             | 111,783           | 137,789           |
| Bad debts and doubtful accounts                            |             | 118,069           | 87,167            |
| Loss on disposals of assets foreclosed                     |             | 103,291           | 82,958            |
| <b>Total expenses</b>                                      |             | <u>333,143</u>    | <u>307,914</u>    |
| <b>Income before finance cost and corporate income tax</b> |             | 361,152           | 321,317           |
| Finance cost   | 11          | (58,308)          | (56,850)          |
| <b>Income before corporate income tax</b>                  |             | 302,844           | 264,467           |
| Corporate income tax                                       | 9           | (90,847)          | (72,293)          |
| <b>Net income for the period</b>                           |             | <u>211,997</u>    | <u>192,174</u>    |
| <b>Other comprehensive income</b>                          |             |                   |                   |
| Other comprehensive income for the period                  |             | -                 | -                 |
| <b>Total comprehensive income for the period</b>           |             | <u>211,997</u>    | <u>192,174</u>    |
|  |             |                   | (Unit: Baht)      |
| <b>Earnings per share</b>                                  |             |                   |                   |
|  | 16          |                   |                   |
| <b>Basic earnings per share</b>                            |             |                   |                   |
| Profit for the period                                      |             | 3.68              | 3.41              |
| Weighted average number of ordinary shares (shares)        |             | <u>57,640,423</u> | <u>56,324,934</u> |
| <b>Diluted earnings per share</b>                          |             |                   |                   |
| Profit for the period                                      |             | 3.50              | 3.20              |
| Weighted average number of ordinary shares (shares)        |             | <u>60,577,245</u> | <u>60,133,930</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 nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

|   | <u>2011</u>    | <u>2010</u>      |
|---|----------------|------------------|
| <b>Cash flows from operating activities</b>   |                |                  |
| Profit before tax   | 302,844        | 264,467          |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities |                |                  |
| Depreciation  | 5,890          | 5,705            |
| Bad debts and doubtful accounts   | 118,069        | 87,167           |
| Gain on sales of property, plant and equipment  | (3,694)        | (2)              |
| Loss on disposals of assets foreclosed  | 103,291        | 82,958           |
| Loss on diminution in value of assets foreclosed  | 2,230          | 4,806            |
| Provision for employee benefits   | 3,317          | 14,437           |
| Interest expenses   | 58,308         | 46,850           |
| Profit from operating activities before changes in operating assets and liabilities                 | <u>590,255</u> | <u>506,388</u>   |
| Operating assets (increase) decrease  |                |                  |
| Hire purchase and installment sales receivables   | 219,088        | (486,752)        |
| Assets foreclosed   | (107,671)      | (97,739)         |
| Revenue Department receivable   | 829            | (2,390)          |
| Other current assets  | 15,144         | (21,327)         |
| Other non-current assets  | (5,140)        | (4,533)          |
| Operating liabilities increase (decrease)   |                |                  |
| Trade accounts payable  | 289            | 2,400            |
| Insurance premium payables  | (7,316)        | (186)            |
| Accrued expenses  | (5,419)        | 3,720            |
| Provision for employee benefits   | (23,745)       | -                |
| Other current liabilities   | 13,194         | 12,617           |
| Guarantee for damage from hire purchase agreements  | (506)          | (3,462)          |
| Cash flows from (used in) operating activities  | <u>689,002</u> | <u>(91,264)</u>  |
| Cash paid for interest expenses   | (58,555)       | (46,976)         |
| Cash paid for corporate income tax  | (140,817)      | (99,794)         |
| <b>Net cash flows from (used in) operating activities</b>   | <u>489,630</u> | <u>(238,034)</u> |

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

(Unaudited but reviewed)

**Group Lease Public Company Limited**

**Cash flow statements (continued)**

**For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

|   | <u>2011</u>           | <u>2010</u>         |
|---|-----------------------|---------------------|
| <b>Cash flows from investing activities</b>   |                       |                     |
| Increase in pledged fixed deposits at financial institution                             | (38)                  | (4)                 |
| Increase in accounts receivable and loans to employees                                  | (7)                   | (21)                |
| Proceeds from sales of property, plant and equipment                                    | 5,196                 | 9                   |
| Acquisitions of property, plant and equipment   | (6,432)               | (11,244)            |
| <b>Net cash flows used in investing activities</b>                                      | <u>(1,281)</u>        | <u>(11,260)</u>     |
| <b>Cash flows from financing activities</b>   |                       |                     |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | (72,921)              | 7,436               |
| Cash receipt from long-term loans   | 365,000               | 1,030,000           |
| Repayment of long-term loans  | (683,440)             | (706,288)           |
| Cash receipt from exercise of warrants  | 129,915               | 5,730               |
| Dividend paid   | (50,211)              | (87,973)            |
| <b>Net cash flows from (used in) financing activities</b>                               | <u>(311,657)</u>      | <u>248,905</u>      |
| <b>Net increase (decrease) in cash and cash equivalents</b>                             | 176,692               | (389)               |
| Cash and cash equivalents at beginning of period  | 868                   | 1,768               |
| <b>Cash and cash equivalents at the end of period (Note 3)</b>                          | <u><u>177,560</u></u> | <u><u>1,379</u></u> |

**Supplement cash flows information**

Non-cash items

Issuance of ordinary shares during the period

from the exercise of warrants

16,172

49

Transferred long-term investments to current investments

-

2,000

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 nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

|   | Note | Issued and<br>paid-up<br>share capital | Share premium  | Share subscription<br>received in advance | Warrants     | Retained earnings |                | Total            |
|---|------|--|----------------|---|--------------|-------------------|----------------|------------------|
|   |      |  |                |   |              | Appropriated      | Unappropriated |                  |
| <b>Balance as at 31 December 2009</b>     |      | 280,839                                | 187,656        | -   | 4,426        | 39,955            | 401,300        | 914,176          |
| Issuance of ordinary shares during period |      |  |                |   |              |                   |                |                  |
| from the exercise of warrants             | 14   | 1,211                                  | 4,406          | 162                                       | (49)         | -                 | -              | 5,730            |
| Total comprehensive income for the period |      | -                                      | -              | -   | -            | -                 | 192,174        | 192,174          |
| Dividend paid                             | 17   | -                                      | -              | -   | -            | -                 | (87,973)       | (87,973)         |
| <b>Balance as at 30 September 2010</b>    |      | <u>282,050</u>                         | <u>192,062</u> | <u>162</u>                                | <u>4,377</u> | <u>39,955</u>     | <u>505,501</u> | <u>1,024,107</u> |
| <b>Balance as at 31 December 2010</b>     |      | 282,085                                | 192,189        | -   | 4,377        | 43,150            | 488,759        | 1,010,560        |
| Issuance of ordinary shares during period |      |  |                |   |              |                   |                |                  |
| from the exercise of warrants             | 14   | 16,172                                 | 52,878         | 61,939                                    | (1,074)      | -                 | -              | 129,915          |
| Total comprehensive income for the period |      | -                                      | -              | -   | -            | -                 | 211,997        | 211,997          |
| Dividend paid                             | 17   | -                                      | -              | -   | -            | -                 | (50,211)       | (50,211)         |
| <b>Balance as at 30 September 2011</b>    |      | <u>298,257</u>                         | <u>245,067</u> | <u>61,939</u>                             | <u>3,303</u> | <u>43,150</u>     | <u>650,545</u> | <u>1,302,261</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 and nine-month periods ended 30 September 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 and there are also 4 branches in Rayong, Chonburi, Nakhonratchasima and Ayutthaya.

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 43.98% and 22.70% 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 standards.

**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) |             |
|---------------------------|-----------------------|-------------|
|                           | 30 September          | 31 December |
|                           | 2011                  | 2010        |
| Cash and cash equivalents | 147                   | 79          |
| Bank deposits             | 177,413               | 789         |
| Total                     | <u>177,560</u>        | <u>868</u>  |

As at 30 September 2011, bank deposits in saving accounts carried interest at 0.75% per annum (31 December 2010: 0.25% per annum).

#### 4. Hire purchase and installment sales receivables

4.1 As at 30 September 2011 and 31 December 2010, the balances of hire purchase and installment sales receivables are as follows:

(Unit: Thousand Baht)

|   | Current portion of<br>hire purchase and installment<br>sales receivables |                     | Long-term portion of<br>hire purchase and installment<br>sales receivables |                     | Total                |                     |
|---|--|---------------------|--|---------------------|----------------------|---------------------|
|   | 30 September<br>2011   | 31 December<br>2010 | 30 September<br>2011   | 31 December<br>2010 | 30 September<br>2011 | 31 December<br>2010 |
| <b>Normal receivables</b>   |  |                     |  |                     |                      |                     |
| Hire purchase and<br>installment sales receivables                | 1,819,549  | 2,000,698           | 1,217,980  | 1,570,327           | 3,037,529            | 3,571,025           |
| Accrued hire purchase and installment<br>sales income             | 61,896   | 58,497              | -  | -                   | 61,896               | 58,497              |
| Less: Unearned hire purchase and<br>installment sales income, net | (639,329)  | (756,417)           | (277,811)  | (375,905)           | (917,140)            | (1,132,322)         |
| <b>Total normal receivable</b>                                    | <u>1,242,116</u>   | <u>1,302,778</u>    | <u>940,169</u>   | <u>1,194,422</u>    | <u>2,182,285</u>     | <u>2,497,200</u>    |
| <b>Terminated agreements receivables</b>                          |  |                     |  |                     |                      |                     |
| Hire purchase and installment sales<br>receivables                | 144,051  | 116,103             | 91,903   | 72,555              | 235,954              | 188,658             |
| Accrued hire purchase and installment<br>sales income             | 19,629   | 14,402              | -  | -                   | 19,629               | 14,402              |
| Less: Unearned hire purchase and<br>installment sales income, net | (53,335)   | (41,880)            | (26,013)   | (19,990)            | (79,348)             | (61,870)            |
| <b>Total terminated agreements receivables</b>                    | <u>110,345</u>   | <u>88,625</u>       | <u>65,890</u>  | <u>52,565</u>       | <u>176,235</u>       | <u>141,190</u>      |
| <b>Total receivables</b>  | <u>1,352,461</u>   | <u>1,391,403</u>    | <u>1,006,059</u>   | <u>1,246,987</u>    | <u>2,358,520</u>     | <u>2,638,390</u>    |
| <b>Less: Allowance for doubtful accounts</b>                      | <u>(194,142)</u>   | <u>(163,531)</u>    | <u>(91,486)</u>  | <u>(64,810)</u>     | <u>(285,628)</u>     | <u>(228,341)</u>    |
| <b>Hire purchase and installment<br/>sales receivables, net</b>   | <u>1,158,319</u>   | <u>1,227,872</u>    | <u>914,573</u>   | <u>1,182,177</u>    | <u>2,072,892</u>     | <u>2,410,049</u>    |

4.2 As at 30 September 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 |                  |
|----------------|--|------------------|---|---------------------------------|------------------|--|------------------|
|                | 30 September 2011                                      | 31 December 2010 |   | 30 September 2011               | 31 December 2010 | 30 September 2011                                    | 31 December 2010 |
|                | <b>Hire purchase and installment sales receivables</b> |                  |   |                                 |                  |  |                  |
| Not yet due    | 1,694,891  | 2,041,280        | 1   | 16,501                          | 19,784           | 1,678,390  | 2,021,496        |
| Past due:      |  |                  |   |                                 |                  |  |                  |
| 1 month        | 187,473  | 199,050          | 1   | 1,838                           | 1,947            | 185,635  | 197,103          |
| 2 - 3 months   | 209,875  | 192,204          | 2   | 4,131                           | 3,776            | 205,744  | 188,428          |
| 4 - 6 months   | 127,199  | 112,239          | 100   | 125,614                         | 110,678          | 1,585  | 1,561            |
| 7 - 12 months  | 97,382   | 70,195           | 100   | 96,448                          | 69,170           | 934  | 1,025            |
| Over 12 months | 41,700   | 23,422           | 100   | 41,096                          | 22,986           | 604  | 436              |
| Total          | <u>2,358,520</u>                                       | <u>2,638,390</u> |   | <u>285,628</u>                  | <u>228,341</u>   | <u>2,072,892</u>                                     | <u>2,410,049</u> |

4.3 As at 30 September 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)       |                                      |                             |                                      |
|---|-----------------------------|--------------------------------------|-----------------------------|--------------------------------------|
|   | 30 September 2011           |                                      | 31 December 2010            |                                      |
|   | Minimum payments receivable | Present value of payments receivable | Minimum payments receivable | Present value of payments receivable |
| Within one year                             | 2,045,125                   | 1,352,461                            | 2,189,700                   | 1,391,403                            |
| After one year but not more than five years | 1,309,883                   | 1,006,059                            | 1,642,882                   | 1,246,987                            |
| Total minimum lease payments receivable     | 3,355,008                   | <u>2,358,520</u>                     | 3,832,582                   | <u>2,638,390</u>                     |
| Less: Amounts representing finance charges  | (996,488)                   |                                      | (1,194,192)                 |                                      |
| Present value of minimum lease payments     | <u>2,358,520</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 30 September 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 3,178 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 and nine-month periods ended 30 September 2011 would be reduced by Baht 0.89 million and Baht 2.98 million, respectively (2010: decreased by Baht 0.10 million and Baht 1.76 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 30 September 2011, there are outstanding hire purchase receivable amounting to approximately Baht 97.49 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 30 September 2011 and 31 December 2010, assets foreclosed are presented as follows:

|   | (Unit: Thousand Baht) |                     |
|---|-----------------------|---------------------|
|   | 30 September<br>2011  | 31 December<br>2010 |
| Repossessed assets  | 30,192                | 25,812              |
| Less: Allowance for diminution in value of<br>assets foreclosed | (10,559)              | (8,329)             |
| Assets foreclosed, net  | <u>19,633</u>         | <u>17,483</u>       |

**6. Other current assets**

(Unit: Thousand Baht)

|   | 30 September<br>2011 | 31 December<br>2010 |
|---|----------------------|---------------------|
| Accrued income                                | 3,316                | 5,741               |
| Prepaid expenses                              | 44,000               | 50,343              |
| Other receivable - sales of assets foreclosed | 9,724                | 15,940              |
| Undue input tax                               | 93                   | 1,657               |
| Others  | 1,533                | 958                 |
| Total   | 58,666               | 74,639              |
| Less: Allowance for doubtful accounts         | (2,526)              | (2,526)             |
| Other current assets, net                     | <u>56,140</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 18.2.

**8. Property, plant and equipment**

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

|   | Amount        |
|---|---------------|
| Net book value as at 31 December 2010   | 59,026        |
| Acquisitions during period - cost       | 6,432         |
| Disposal during period - net book value | (1,502)       |
| Depreciation for period                 | (5,890)       |
| Net book value as at 30 September 2011  | <u>58,066</u> |

As at 30 September 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 29.09 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 30 September 2011 of Baht 25.59 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 and deferred tax assets/liabilities

Corporate income tax for the three-month and nine-month periods ended 30 September 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 and nine-month periods ended 30 September 2011 and 2010 are as follow:

|  | (Unit: Thousand Baht)       |               |                            |               |
|--|-----------------------------|---------------|----------------------------|---------------|
|  | For the three-month periods |               | For the nine-month periods |               |
|  | ended 30 September          |               | ended 30 September         |               |
|  | <u>2011</u>                 | <u>2010</u>   | <u>2011</u>                | <u>2010</u>   |
| Corporate income tax on taxable income                       | 36,175                      | 32,235        | 113,421                    | 95,178        |
| Increase in deferred tax assets                              | (7,495)                     | (6,840)       | (17,172)                   | (19,480)      |
| Increase (decrease) in deferred tax liabilities              | (1,980)                     | 863           | (5,402)                    | 3,666         |
| Effect from changing tax rate                                | -                           | -             | -                          | (7,071)       |
| Corporate income tax as included in the<br>income statements | <u>26,700</u>               | <u>26,258</u> | <u>90,847</u>              | <u>72,293</u> |

The components of deferred tax assets/liabilities as presented in the statements of financial position as at 30 September 2011 and 31 December 2010 consist of:

|   | (Unit: Thousand Baht) |               |
|---|-----------------------|---------------|
|   | 30 September          | 31 December   |
|   | <u>2011</u>           | <u>2010</u>   |
| <u>Deferred tax assets</u>                          |                       |               |
| Allowance for doubtful accounts                     | 89,026                | 71,839        |
| Allowance for diminution of value foreclosed assets | 3,168                 | 2,499         |
| Reserve for employee benefits                       | 523                   | 6,652         |
| Accrued bonus                                       | 5,447                 | -             |
| Total   | <u>98,164</u>         | <u>80,990</u> |
| <u>Deferred tax liabilities</u>                     |                       |               |
| Prepaid commission expense                          | 16,357                | 21,759        |
| Total   | <u>16,357</u>         | <u>21,759</u> |

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

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

As at 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.

The Company had repaid the loans balances during the period.

**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) |             |                    |             | Transfer pricing policy       |
|--|-----------------------|-------------|--------------------|-------------|-------------------------------|
|  | For the three-month   |             | For the nine-month |             |                               |
|  | periods ended         |             | periods ended      |             |                               |
|  | 30 September          |             | 30 September       |             |                               |
|  | <u>2011</u>           | <u>2010</u> | <u>2011</u>        | <u>2010</u> |                               |
| <u>Transactions with related companies</u> |                       |             |                    |             |                               |
| Hire purchase interest                     |                       |             |                    |             |                               |
| income                                     | -                     | 212         | -                  | 504         | Contract price                |
| Interest expenses                          | -                     | -           | 45                 | -           | At the rate of 7.5% per annum |

As at 30 September 2011 and 31 December 2010, the Company had no outstanding balances with the related party.

(Unaudited but reviewed)

During the current period, the Company had loan from a related party. The movement of loan from a related party was as follows:

(Unit: Thousand Baht)

|   | Balance as at | During the year |          | Balance as at |
|---|---------------|-----------------|----------|---------------|
|   | 31 December   | Increase        | Decrease | 30 September  |
|   | 2010          |                 |          | 2011          |
| <b><u>Loan from a related party</u></b> |               |                 |          |               |
| A.P.F. Holdings Company Limited         | -             | 5,000           | (5,000)  | -             |
| Total                                   | -             | 5,000           | (5,000)  | -             |

### **Directors and management's benefits**

During the nine-month period ended 30 September 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 11.67 million (2010: Baht 8.16 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 19 May 2011, 112,100 GL-WA warrants which had not been exercised by the warrant holders expired.

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.

As at 30 September 2011, there are outstanding warrants (GL-WB, GL-WC) to subscribe to the Company's ordinary shares, to be allotted to existing directors and management totaling 53,500 units and 48,600 units, respectively.

**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<br>per annum                 | Repayment condition  |
|---|----------------------|---------------------|--|--|
|   | 30 September<br>2011 | 31 December<br>2010 |  |  |
| <u>Loan agreement dated 28 April 2008</u>   |                      |                     |  |  |
| Credit facility No. 1                       | -                    | 47,833              | At the rate of<br>MLR - 0.5% per<br>annum  | Thirty equal installments, with first installment<br>due on the first interest payment date after<br>drawing down loans under credit facility          |
| <u>Loan agreement dated 29 January 2009</u> |                      |                     |  |  |
| Credit facility No. 1                       | 14,505               | 113,585             | At the rate of<br>MLR - 0.5% per<br>annum  | Twenty seven equal installments, with first<br>installment due on the first interest payment<br>date after drawing down loans under credit<br>facility |
| <u>Loan agreement dated 22 October 2009</u> |                      |                     |  |  |
| Credit facility No. 1                       | 420,667              | 720,667             | At the rate of<br>MLR - 0.75%<br>per annum | Thirty equal installments, with first installment<br>due on the first interest payment date after<br>drawing down loans under credit facility          |
| <u>Loan agreement dated 25 August 2010</u>  |                      |                     |  |  |
| Credit facility No. 1                       | 551,333              | 535,500             | At the rate of<br>MLR - 1.0% per<br>annum  | Thirty equal installments, with first installment<br>due on the first interest payment date after<br>drawing down loans under credit facility          |
| <u>Loan agreement dated 26 May 2011</u>     |                      |                     |  |  |
| Credit facility No. 1                       | 112,640              | -                   | At the rate of<br>MLR - 1.0% per<br>annum  | Thirty equal installments, with first installment<br>due on the first interest payment date after<br>drawing down loans under credit facility          |
| Total                                       | 1,099,145            | 1,417,585           |  |  |
| Less: Current portion                       | (758,752)            | (788,126)           |  |  |
| Long-term loans, net of current<br>portion  | 340,393              | 629,459             |  |  |

Movements in the long-term loans account during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

|                                 |           |
|---------------------------------|-----------|
| Balance as at 31 December 2010  | 1,417,585 |
| Add: Addition borrowings        | 365,000   |
| Less: Repayment                 | (683,440) |
| Balance as at 30 September 2011 | 1,099,145 |

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.

On 26 May 2011, the Company entered into a loan agreement with another commercial bank obtain long-term loan facilities of Baht 500 million. The purposes of such loan are to repay the existing short-term loan and for use in the expansion of business.

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 30 September 2011, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 565 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 and 30 May 2011, The Company made payment totaling of Baht 18.7 million and Baht 4.3 million, respectively, under its Early Retirement Program, to employees who were entitled to join this program and early retired during this year.

### 14. Share capital

#### 14.1 Additional share subscription received from the exercise of warrants

During the current period, the Company received additional share subscription totaling Baht 129.92 million from the exercise of warrants, as detailed below.

|       | Warrant   | Ordinary share | Exercise price | Amount         |
|-------|-----------|----------------|----------------|----------------|
|       | (Units)   | (Shares)       | (Baht/share)   | (Million Baht) |
| GL-WA | 534,700   | 534,700        | 12             | 6.42           |
| GL-W1 | 5,369,500 | 5,369,500      | 23             | 123.50         |

The Company registered the increase in its paid up share capital from the exercise of GL-W1 to Baht 311.61 million with the Ministry of Commerce on 3 October 2011.

As at 30 September 2011, the Company had share premium amounting to Baht 245.07 million (31 December 2010: Baht 192.19 million) as a result of the capital increases.

As at 30 September 2011, the Company had share subscription received in advance amounting Baht 61.94 million in its paid up share capital from the exercise of GL-WA totaling 2,669,800 units.

## 14.2 Reconciliation of number of ordinary shares

|   | (Unit: Shares)                   |                   |
|---|----------------------------------|-------------------|
|   | For the nine-month periods ended |                   |
|   | 30 September                     |                   |
|   | 2011                             | 2010              |
| <u>Registered share capital</u>   |                                  |                   |
| Number of ordinary shares at the beginning of period                                | 86,300,000                       | 79,800,000        |
| Increase in number of ordinary shares due to registration during the period         | -                                | 6,500,000         |
| Number of ordinary shares at the end of period                                      | <u>86,300,000</u>                | <u>86,300,000</u> |
| <u>Issued and paid-up share capital</u>   |                                  |                   |
| Number of ordinary shares at the beginning of period                                | 56,416,996                       | 56,167,890        |
| Increase in number of ordinary shares due to exercise of warrants during the period | 3,234,400                        | 242,106           |
| Number of ordinary shares at the end of period                                      | <u>59,651,396</u>                | <u>56,409,996</u> |

## 15. Warrants

As at 30 September 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 | Number of warrants exercised during the period | Number of warrants expired during the period | Number of warrants cancelled during the period | Number of warrants outstanding as at 30 September 2011 |
|-----------------|---|--|--|--|--|
| GL-WA           | 1,000,000   | (534,700)                                      | (465,300)                                    | -  | -  |
| GL-W1           | 21,883,004  | (5,369,500)                                    | -  | -  | 16,513,504   |
| GL-WB           | 500,000   | -  | -  | (274,900)                                      | 225,100  |
| GL-WC           | 500,000   | -  | -  | (251,800)                                      | 248,200  |

On 19 May 2011, 465,300 GL-WA warrants which had not been exercised by the warrant holders expired.

Up to 30 September 2011, the Company cancelled a total of 526,700 warrants (GL-WB and GL-WC) to purchase ordinary shares of the Company that had been allocated to the directors and management of the Company, because the directors and management who held those warrants had resigned, thus breaching the conditions under which the warrants were received.

## 16. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to the equity holders of the Company 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 30 September |               |  |                 |                    |             |
|---|--|---------------|--|-----------------|--------------------|-------------|
|   | 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        |
| <b>Basic earnings per share</b>   |  |               |  |                 |                    |             |
| Profit for the period   | 62,339   | 61,253        | 59,709                                     | 56,410          | <u>1.04</u>        | <u>1.09</u> |
| <b>Effect of dilutive potential ordinary shares</b>   |  |               |  |                 |                    |             |
| GL-WA   | -  | -             | -  | 520             |                    |             |
| GL-W1   | -  | -             | 3,432                                      | 1,754           |                    |             |
| GL-WB   | -  | -             | 142  | 210             |                    |             |
| GL-WC   | -  | -             | 140  | 171             |                    |             |
| <b>Diluted earnings per share</b>   |  |               |  |                 |                    |             |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | <u>62,339</u>                                  | <u>61,253</u> | <u>63,423</u>                              | <u>59,065</u>   | <u>0.98</u>        | <u>1.04</u> |

(Unaudited but reviewed)

For the nine-month periods ended 30 September

|  | Profit for the period |                | Weighted average<br>number of ordinary shares |                 | Earnings per share |             |
|--|-----------------------|----------------|---|-----------------|--------------------|-------------|
|  | 2011                  | 2010           | 2011  | 2010            | 2011               | 2010        |
|  | Thousand Baht         | Thousand Baht  | Thousand shares                               | Thousand shares | Baht               | Baht        |
| <b>Basic earnings per share</b>  |                       |                |   |                 |                    |             |
| Profit for the period  | 211,997               | 192,174        | 57,640  | 56,325          | <u>3.68</u>        | <u>3.41</u> |
| <b>Effect of dilutive potential<br/>ordinary shares</b>  |                       |                |   |                 |                    |             |
| GL-WA  | -                     | -              | 274   | 524             |                    |             |
| GL-W1  | -                     | -              | 2,353   | 2,902           |                    |             |
| GL-WB  | -                     | -              | 171   | 212             |                    |             |
| GL-WC  | -                     | -              | 139   | 171             |                    |             |
| <b>Diluted earnings per share</b>  |                       |                |   |                 |                    |             |
| Profit of ordinary<br>shareholders assuming<br>the conversion of dilutive<br>potential ordinary shares | <u>211,997</u>        | <u>192,174</u> | <u>60,577</u>                                 | <u>60,134</u>   | <u>3.50</u>        | <u>3.20</u> |

**17. Dividends**

Dividends declared in 2011 consist of the following:

| Dividends                                  | Approved by  | Total dividend<br>(Thousand Baht) | Dividend per share<br>(Baht) |
|--|--|-----------------------------------|------------------------------|
| Outstanding balance of<br>dividend on 2010 | Annual General Meeting of the<br>shareholders on 20 April 2011 | 50,211                            | 0.89                         |
|  |  | <u>50,211</u>                     | <u>0.89</u>                  |

Dividends declared in 2010 consist of the following:

| Dividends  | Approved by  | Total dividend<br>(Thousand Baht) | Dividend per share<br>(Baht) |
|--|--|-----------------------------------|------------------------------|
| Outstanding balance of<br>dividend on 2009<br>operating result | Annual General Meeting of the<br>shareholders on 21 April 2010 | 39,460                            | 0.70                         |
| Dividend on the first<br>quarter of 2010<br>operating result   | Board of Directors meeting on<br>16 June 2010                  | 48,513                            | 0.86                         |
|  |  | <u>87,973</u>                     | <u>1.56</u>                  |

**18. Commitments****18.1 Service commitments**

As at 30 September 2011, the Company has the outstanding service commitments which are to be repaid within one year amounting to Baht 0.9 million (31 December 2010: Baht 0.39 million).

**18.2 Guarantees**

As at 30 September 2011, there was outstanding bank guarantee of approximately Baht 282,700 issued by the bank on behalf of the Company in respect of electricity and use of post services guarantees.

**19. 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.

**20. 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 follow:

|   | (Unit: Thousand Baht)  |                               |
|---|------------------------|-------------------------------|
|   | <u>As reclassified</u> | <u>As previously reported</u> |
| <b>Non-current assets</b>               |                        |                               |
| Deferred tax assets                     | 80,990                 | 59,231                        |
| <b>Current liabilities</b>              |                        |                               |
| Provision for employee compensation     | 18,653                 | -                             |
| <b>Non-current liabilities</b>          |                        |                               |
| Reserve for long-term employee benefits | 3,519                  | -                             |
| Provisions for employee compensation    | -                      | 22,172                        |
| Deferred tax liabilities                | 21,759                 | -                             |

## **21. Subsequent events**

### **Dividend payment**

The Board of Directors' Meeting of the Company No. 11/2011 held on 14 September 2011, approved a dividend payment totaling Baht 94.2 million from profit for the six-month period ended 30 June 2011 for ordinary shareholders, at Baht 1.67 per share. Such dividend payment will be made on 13 October 2011.

### **Change in corporate income tax rate**

As at 30 September 2011, the Company has deferred tax assets of Baht 98.16 million and deferred tax liabilities of Baht 16.36 million, which were recorded based on the applicable corporate income tax rate of 30% that was in effect at the end of the reporting period. However, on 11 October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. If the Company were to apply these new rates in its tax calculation, its deferred tax assets and deferred tax liabilities outstanding as at 30 September 2011 would be reduced by approximately Baht 27.64 million and Baht 4.23 million, respectively.

The Company will recognise the above tax effect in its financial statements when the law governing income tax rate reduction is enacted.

## **22. Approval of interim financial statements**

These interim financial statements were authorised for issue by the authorised directors of the Company on 10 November 2011.