

Group Lease Public Company Limited
Review report and interim financial statements
For the three-month periods ended
31 March 2012 and 2011

Independent Auditors' Report on Review of Interim Financial Information

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 2012, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2012 and 2011, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Statement of financial position as at 31 December 2011 for comparative purposes

I have previously audited the financial statements of Group Lease Public Company Limited for the year ended 31 December 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 13 February 2012. The statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited
Bangkok: 9 May 2012

Group Lease Public Company Limited
Statements of financial position
As at 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	31 March 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Assets			
Current assets			
Cash and cash equivalents	3	35,836	187,956
Current portion of hire purchase and installment sales receivables	4	1,055,499	676,415
Assets foreclosed	5	18,141	15,416
Short-term loan and interest receivable	6	13,229	-
Other current assets	7	59,034	54,476
Total current assets		1,181,739	934,263
Non-current assets			
Pledged fixed deposit at financial institution	8	311	307
Hire purchase and installment sales receivables - long-term portion	4	836,939	1,239,334
Property, plant and equipment	9	55,243	56,296
Deferred tax assets	10	66,161	65,509
Other non-current assets		37,161	37,043
Total non-current assets		995,815	1,398,489
Total assets		2,177,554	2,332,752

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 2012 and 31 December 2011

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable		3,249	3,305
Current portion of long-term loans	12	591,413	694,953
Corporate income tax payable		62,834	46,019
Insurance premium payables		12,837	7,271
Accrued expenses		13,893	6,441
Other current liabilities		23,421	21,557
Total current liabilities		<u>707,647</u>	<u>779,546</u>
Non-current liabilities			
Long-term loans, net of current portion	12	93,147	189,367
Provision for long-term liabilities			
Reserve for long-term employee benefits		1,921	1,735
Cash guarantee for damage on hire purchase agreements		2,402	2,429
Deferred tax liabilities	10	11,167	10,198
Total non-current liabilities		<u>108,637</u>	<u>203,729</u>
Total liabilities		<u>816,284</u>	<u>983,275</u>

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 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	31 March 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Shareholders' equity			
Share capital	13		
Registered			
86,300,000 ordinary shares of Baht 5 each		431,500	431,500
Issued and paid-up			
68,765,181 ordinary shares of Baht 5 each (31 December 2011: 62,321,196 ordinary shares of Baht 5 each)		343,826	311,606
Share premium	13, 14	412,952	293,657
Share subscription received in advance		-	149,501
Warrants	13, 14	-	2,014
Retained earnings			
Appropriated - statutory reserve		43,150	43,150
Unappropriated		561,342	549,549
Total shareholders' equity		1,361,270	1,349,477
Total liabilities and shareholders' equity		2,177,554	2,332,752
		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 31 March 2012 and 2011

(Unit: Thousand Baht)

	<u>Note</u>	<u>2012</u>	<u>2011</u>
Profit or loss			
Revenues			
Hire purchase interest and installment sales income		173,478	221,948
Other income		19,839	20,426
Total revenues		<u>193,317</u>	<u>242,374</u>
Expenses			
Service and administrative expenses		52,565	41,844
Bad debts and doubtful accounts		16,743	31,244
Loss on disposals of foreclosed assets		38,294	36,537
Total expenses		<u>107,602</u>	<u>109,625</u>
Profit before finance cost and corporate income tax			
Finance cost		(12,760)	(19,183)
Profit before corporate income tax		<u>72,955</u>	<u>113,566</u>
Corporate income tax	10	(17,152)	(34,070)
Profit for the period		<u>55,803</u>	<u>79,496</u>
Other comprehensive income			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>55,803</u>	<u>79,496</u>

(Unit: Baht)

Earnings per share	15		
Basic earnings per share			
Profit for the period		0.81	1.41
Weighted average number of ordinary shares (shares)		<u>68,765,181</u>	<u>56,416,996</u>
Diluted earnings per share			
Profit for the period		0.81	1.38
Weighted average number of ordinary shares (shares)		<u>68,946,648</u>	<u>57,739,267</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 2012 and 2011

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Profit before tax	72,955	113,566
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation	1,923	2,068
Bad debts and doubtful accounts	16,743	31,244
Gain on sales of property, plant and equipment	-	(2,885)
Loss on disposals of assets foreclosed	38,294	36,537
Loss on diminution in value of assets foreclosed (reversal)	4,215	(3,361)
Unrealised exchange loss	538	-
Reserve for employee benefits	186	3,300
Interest income	(681)	-
Interest expenses	12,760	19,183
Profit from operating activities before changes in operating assets and liabilities	146,933	199,652
Operating assets (increase) decrease		
Hire purchase and installment sales receivables	6,569	(35,470)
Assets foreclosed	(45,234)	(28,794)
Other current assets	(4,559)	2,500
Other non-current assets	(118)	(1,447)
Operating liabilities increase (decrease)		
Trade accounts payable	(56)	3,075
Insurance payables	5,566	(3,890)
Accrued expenses	7,523	(4,315)
Other current liabilities	1,864	(607)
Guarantee for damage from hire purchase agreements	(27)	(286)
Cash flows from operating activities	118,461	130,418
Cash paid for interest expenses	(12,831)	(19,402)
Cash paid for corporate income tax	-20	-61
Net cash flows from operating activities	<u>105,610</u>	<u>110,955</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 2012 and 2011

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Cash flows from investing activities		
Increase in pledged fixed deposits at financial institution	(4)	(38)
Increase in accounts receivable and loans to employees	-	(21)
Cash receipt from sales of equipment	-	4,222
Acquisitions of equipment	(870)	(1,987)
Cash paid for short-term loan	(15,873)	-
Cash receipt from short-term loan	2,534	-
Interest receipt	253	-
Net cash flows from (used in) investing activities	<u>(13,960)</u>	<u>2,176</u>
Cash flows from financing activities		
Decrease in bank overdrafts and short-term loans from financial institutions	-	(39,474)
Cash receipt from long-term loans	-	175,000
Repayment of long-term loans	(199,760)	(248,466)
Dividend paid	(44,010)	-
Net cash flows used in financing activities	<u>(243,770)</u>	<u>(112,940)</u>
Net increase (decrease) in cash and cash equivalents	(152,120)	191
Cash and cash equivalents at beginning of period	187,956	868
Cash and cash equivalents at the end of period (Note 3)	<u>35,836</u>	<u>1,059</u>
	-	

Supplemental cash flows information

Non-cash item

Transfer of share subscription received in advance to share capital and share premium	149,501	-
Transfer of the expired warrants to share premium	2,014	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

	Issued and		Share subscription		Retained earnings		Total
	paid-up share capital	Share premium	received in advance	Warrants	Appropriated	Unappropriated	
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>-</u>	<u>4,377</u>	<u>43,150</u>	<u>568,255</u>	<u>1,090,056</u>
Balance as at 31 December 2011	311,606	293,657	149,501	2,014	43,150	549,549	1,349,477
Issuance of ordinary shares during year							
from the exercise of warrants (Note 13)	32,220	117,281	(149,501)	-	-	-	-
Transferred of the expired warrants to share premium (Note 14)	-	2,014	-	(2,014)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	55,803	55,803
Dividend paid (Note 16)	-	-	-	-	-	(44,010)	(44,010)
Balance as at 31 March 2012	<u>343,826</u>	<u>412,952</u>	<u>-</u>	<u>-</u>	<u>43,150</u>	<u>561,342</u>	<u>1,361,270</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 2012 and 2011

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, Tesabalanimitretai 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 39.86 % and 27.55% of the Company’s share capital, respectively. The parent company of the group is Wedge Holdings Company Limited (incorporated in Japan).

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 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 2011.

2. New accounting standard issued during the year not yet effective

During the current period, the Federation of Accounting Professions issued Thai Financial Reporting Standard No. 8 "Operating Segments", which is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	31 March 2012	31 December 2011
Cash	215	104
Bank deposits	35,621	187,852
Total	35,836	187,956

As at 31 March 2012, bank deposits in saving accounts carried interest between 0.62% to 0.75% per annum (31 December 2011: 0.75% per annum).

4. Hire purchase and installment sales receivables

4.1 As at 31 March 2012 and 31 December 2011, the balances of hire purchase and installment sales receivables are as follows:

(Unaudited but reviewed)

(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
	2012	2011	2012	2011	2012	2011
Normal receivables						
Hire purchase and installment sales receivables	1,669,949	1,373,121	1,122,424	1,467,291	2,792,373	2,840,412
Accrued hire purchase and installment sales income	68,719	78,844	-	-	68,719	78,844
Less: Unearned hire purchase and installment sales income, net	(575,903)	(663,786)	(256,815)	(190,180)	(832,718)	(853,966)
Total normal receivable	1,162,765	788,179	865,609	1,277,111	2,028,374	2,065,290
Terminated agreements receivables						
Hire purchase and installment sales receivables	121,281	100,148	72,363	84,865	193,644	185,013
Accrued hire purchase and installment sales income	14,721	14,597	-	-	14,721	14,597
Less: Unearned hire purchase and installment sales income, net	(41,350)	(42,658)	(19,171)	(15,195)	(60,521)	(57,853)
Total terminated agreements receivables	94,652	72,087	53,192	69,670	147,844	141,757
Total receivables	1,257,417	860,266	918,801	1,346,781	2,176,218	2,207,047
Less: Allowance for doubtful accounts	(201,918)	(183,851)	(81,862)	(107,447)	(283,780)	(291,298)
Hire purchase and installment sales receivables, net	1,055,499	676,415	836,939	1,239,334	1,892,438	1,915,749

4.2 As at 31 March 2012 and 31 December 2011, 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.

(Unit: Thousand Baht)

Aging	Hire purchase and installment		Percentage of allowance set up by the Company	Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	sales receivables			accounts		sales receivables, net	
	31 March	31 December		31 March	31 December	31 March	31 December
	2012	2011		2012	2011	2012	2011
Hire purchase and installment sales receivables							
Not yet due	1,498,968	1,438,968	1	14,572	14,053	1,484,396	1,424,915
Past due:							
1 month	192,773	236,704	1	1,897	2,326	190,876	234,378
2 - 3 months	218,891	258,686	2	4,319	5,097	214,572	253,589
4 - 6 months	146,800	164,448	100	145,302	162,713	1,498	1,735
7 - 12 months	95,217	87,228	100	94,525	86,517	692	711
Over 12 months	23,569	21,013	100	23,165	20,592	404	421
Total	2,176,218	2,207,047		283,780	291,298	1,892,438	1,915,749

- 4.3 As at 31 March 2012 and 31 December 2011, 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 2012		31 December 2011	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	1,874,670	1,257,417	1,566,710	860,266
After one year but not more than five years	1,194,787	918,801	1,552,156	1,346,781
Total minimum lease payments receivable	3,069,457	<u>2,176,218</u>	3,118,866	<u>2,207,047</u>
Less: Amounts representing finance charges	(893,239)		(911,819)	
Present value of minimum lease payments		<u>2,176,218</u>		<u>2,207,047</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 2012, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before net of unearned hire purchase interest income) of Baht 1,371 million (31 December 2011: Baht 1,696 million), in order to secure credit facilities granted by commercial banks, as discussed in Note 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 2012 and 2011 would be reduced by Baht 1.24 million and Baht 0.48 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 2012, there are outstanding hire purchase receivable amounting to approximately Baht 73.2 million for which installment payments are more than 3 installments overdue but for which revenue is still being recognised (31 December 2011: Baht 79.2 million).

5. Assets foreclosed

As at 31 March 2012 and 31 December 2011, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)	
	31 March 2012	31 December 2011
Reposessed assets	30,293	23,353
Less: Allowance for diminution in value of assets foreclosed	(12,152)	(7,937)
Assets foreclosed, net	<u>18,141</u>	<u>15,416</u>

6. Short-term loan and interest receivable

On 30 December 2011, the Company entered into a USD 1.0 million short-term loan agreement with an overseas company. The loan has a term of six months and the interest charge is fixed at USD 0.07 million. As at 31 March 2012, the outstanding balance of short-term loan amounted to USD 0.42 million.

7. Other current assets

	(Unit: Thousand Baht)	
	31 March 2012	31 December 2011
Accrued income	3,084	3,271
Prepaid expenses	45,994	41,676
Other receivable - sales of assets foreclosed	10,133	10,618
Undue input tax	380	-
Others	1,969	1,437
Total	<u>61,560</u>	<u>57,002</u>
Less: Allowance for doubtful accounts	(2,526)	(2,526)
Other current assets, net	<u>59,034</u>	<u>54,476</u>

8. 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 17.3.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2012 are summarised below.

	(Unit: Thousand Baht)
	<u>Amount</u>
Net book value as at 31 December 2011	56,296
Acquisitions during period - cost	870
Depreciation for period	<u>(1,923)</u>
Net book value as at 31 March 2012	<u>55,243</u>

As at 31 March 2012 and 31 December 2011, 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 29.8 million and Baht 27.1 million, respectively.

The Company has mortgaged land and construction thereon with a total net book value as at 31 March 2012 of Baht 24.6 million (31 December 2011: Baht 25.1 million) as collateral for long-term credit facilities as discussed in Note 12.

10. Corporate income tax/deferred tax assets

Corporate income tax of the Company for the three-month periods ended 31 March 2012 and 2011 are as follow:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2012	2011
Current income tax:		
Current income tax charge	16,834	40,563
Deferred tax:		
Relating to origination and reversal of temporary differences	318	(6,493)
Income tax expense reported in the statement of comprehensive income	17,152	34,070

As of 31 March 2012 and 31 December 2011, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	31 March 2012	31 December 2011
<u>Deferred tax assets</u>		
Allowance for doubtful accounts	61,596	63,337
Allowance for diminution of value foreclosed assets	2,795	1,825
Reserve for accrued bonus	1,385	-
Reserve for employee benefits	385	347
Total	<u>66,161</u>	<u>65,509</u>
<u>Deferred tax liabilities</u>		
Prepaid commission expense	<u>11,167</u>	<u>10,198</u>
Total	<u>11,167</u>	<u>10,198</u>

In 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. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company reflected the changes in tax rates in its deferred tax calculation, as presented above.

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 periods ended		<u>Transfer pricing policy</u>
	31 March		
	<u>2012</u>	<u>2011</u>	
<u>Transactions with related parties</u>			
Rental income	20	-	Contract price

As at 31 March 2012 and 31 December 2011, the Company had no outstanding balances with the related party.

Directors and management's benefits

During the three-month period ended 31 March 2012, 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 8.0 million (2011: Baht 19.9 million).

Warrants for directors and management

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 31 March 2012, 21,646 GL-WA warrants which had not been exercised by the warrant holders and already expired.

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.

(Unaudited but reviewed)

As at 31 March 2012, 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 per annum	Repayment condition
	31 March 2012	31 December 2011		
<u>Loan agreement dated 29 January 2009</u>				
Credit facility No. 1	-	1,200	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	220,667	320,667	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	390,333	470,833	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
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	73,560	91,620	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	684,560	884,320		
Less: Current portion	(591,413)	(694,953)		
Long-term loans, net of current portion	93,147	189,367		

Movements in the long-term loans account during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2011	884,320
Less: Repayment	(199,760)
Balance as at 31 March 2012	684,560

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 31 March 2012, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 370 million.

13. Share capital

13.1 Additional share subscription from the exercise of warrants

As at 31 December 2011, the Company received additional share subscription totaling Baht 148.21 million from the exercise of warrants, as detailed below.

	Warrant	Ordinary share	Exercise price	Amount
	(units)	(shares)	(Baht/share)	(Million Baht)
GL-W1	6,443,985	6,443,985	23	148.21

The Company registered the increase in its paid up share capital to Baht 343.8 million with the Ministry of Commerce on 5 January 2012. The Company also transferred of share subscription received in advance to share capital during current period.

As at 31 March 2012, the Company had share premium amounting to Baht 412.9 million as a result of the capital increases (31 December 2011: Baht 293.7 million).

13.2 Reconciliation of number of ordinary shares

(Unit: shares)

	For the three-month periods ended	
	31 March	
	2012	2011
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at the beginning of period	62,321,196	56,416,996
Increase in number of ordinary shares due to exercise of warrants during the period	6,443,985	-
Number of ordinary shares at the end of period	<u>68,765,181</u>	<u>56,416,996</u>

14. Warrants

As at 31 March 2012, 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-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 2011	Issuance of warrants during the period	Number of warrants exercised during the period	Number of warrant expired during the period	Number of warrants outstanding as at 31 March 2012
GL-W1	10,069,519	-	(10,069,519)	-	-
GL-WB	223,300	-	-	(15,700)	207,600
GL-WC	245,600	-	-	(16,800)	228,800

On 31 March 2012, 10,069,519 GL-W1 warrants which had not been exercised by the warrant holders and already expired. The Company therefore transferred the outstanding balance of warrants of Baht 2.0 million to share premium in the statement of financial position.

Up to 31 March 2012, the Company cancelled a total of 32,500 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.

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 (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	55,803	79,496	68,765	56,417	<u>0.81</u>	<u>1.41</u>
Effect of dilutive potential ordinary shares						
GL-WA	-	-	-	490		
GL-W1	-	-	-	493		
GL-WB	-	-	96	192		
GL-WC	-	-	86	147		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>55,803</u>	<u>79,496</u>	<u>68,947</u>	<u>57,739</u>	<u>0.81</u>	<u>1.38</u>

16. Dividend

The Board of Directors' Meeting of the Company held on 13 February 2012, approved an additional interim dividend payment totaling Baht 44.0 million to the ordinary shareholders from operations for the period from 1 July 2011 to 30 September 2011, at Baht 0.64 per share. Such dividend payment was to be made on 9 March 2012.

17. Commitments

17.1 Rental and service commitments

As at 31 March 2012, the Company has the outstanding rental and service commitments which are to be repaid within one year amounting to Baht 1.9 million (31 December 2011: Baht 0.8 million).

17.2 Service commitments

The Company is required to pay fees of Baht 0.6 million per month to individuals who are employees of related party, for consultancy relating to overseas investment.

17.3 Guarantees

As at 31 March 2012, 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.

18. 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 profits and assets as reflected in these financial statements pertain to the aforementioned industry and geographic area.

19. Events after the reporting period

19.1 Acquisition of Group Lease Holding Pte Ltd

On 28 March 2012, a meeting of the Company's Board of Directors approved an acquisition of shares of Group Lease Holding Pte Ltd from a related party. Group Lease Holding Pte Ltd was incorporated in Singapore and operates as a holding company to invest in other companies. The acquisition agreement can be summarised as follows:

- 1) The Company and the seller entered into a sale and purchase agreement relating to the acquisition of Group Lease Holding Pte Ltd on 28 March 2012, whereby the Company will purchase 100 shares of Group Lease Holding Pte Ltd at net book value, equivalent to 100 % of the issued and paid up share capital. The total value of the entity is thus SGD 10,000.
- 2) The Company agreed to make full payment for the shares in April 2012, on the date that the transaction is completed.

19.2 Resolutions of the Annual General Meeting of the shareholders

On 27 April 2012, the 2012 Annual General Meeting of the shareholders of the Company passed the following resolutions:

- 1) Approved no additional dividend payment being made in respect of the operations for the year 2011, in order to reserve working capital for use by the Company in the future. As of 31 March 2012, the Company had already paid an interim dividend of Baht 2.31 per share, or a total of Baht 148.1 million, from the operating results of the year 2011.
- 2) Approved a reduction of the registered capital of the Company from Baht 431.5 million to Baht 348.8 million by cancelling the registered ordinary shares remaining from the exercise of warrants to purchase ordinary shares of the Company (GL-WA and GL-W1).
- 3) Approved the issuance of 1,000,000 warrants (GL-WD) to subscribe to the Company's ordinary shares, to be allotted to directors and employees of the Company free of charge. The warrants are to have an exercise ratio of 1 warrant per 1 ordinary share, an exercise price of Baht 19.62 per share, and a term of 3 years from the first issue date. The warrants will be exercisable at the end of their term, as detailed in the Employee Share Ownership Plan (ESOP). These ESOP warrants will not be listed on the Stock Exchange of Thailand.

- 4) Approved the allocation of not more than 21.6 additional million ordinary shares to support an increase in the registered capital under a general mandate, for a rights issue to existing shareholders in proportion to their existing shareholdings, and the exercise of warrants (GL-WD); together with empowerment of the Board of Directors to authorize proceedings relevant to the rights issue to existing shareholders and the warrant allocation.
- 5) Approved the amendment of the Company's Memorandum of Association to state a registered capital of Baht 456.9 million. The Company registered the increase in its registered share capital with the Ministry of Commerce on 4 May 2012.

19.3 Exercise of warrants (GL-WB)

On 9 May 2012, 97 directors and employees of the Company exercised a total of 207,600 warrants (GL-WB) to purchase the 207,600 ordinary shares, amounting Baht 3.0 million. The Company is in the process of registering the increase in registered share capital with the Ministry of Commerce.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised directors of the Company on 9 May 2012.