

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2013

Independent Auditors' Report on Review of Interim Financial Information

To the Shareholders of Group Lease Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries as at 30 September 2013, the related consolidated statements of comprehensive income for three-month and nine-month periods ended 30 September 2013, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Group Lease Public Company Limited for the same periods. 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 review.

Scope of Review

I conducted my review 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 Thai Standards on Auditing 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 review, 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*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 11 November 2013

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2013

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Assets					
Current assets					
Cash and cash equivalents	3	94,744	14,361	54,638	10,892
Current portion of hire purchase and installment sales receivables	4	2,081,268	1,493,369	2,063,339	1,493,369
Assets foreclosed	5	25,323	18,624	25,323	18,624
Short-term loan and interest receivable	6	22,175	-	-	-
Short-term loan to and interest receivable from related parties	14	53,365	20,544	268,049	39,850
Share subscription payment in advance	1.3, 14	-	34,144	-	-
Other current assets	7	222,562	125,921	199,727	125,921
Total current assets		<u>2,499,437</u>	<u>1,706,963</u>	<u>2,611,076</u>	<u>1,688,656</u>
Non-current assets					
Pledged fixed deposit at financial institution	8	318	311	318	311
Investment in subsidiary company	9	-	-	110,698	18,685
Hire purchase and installment sales receivables - long-term portion	4	2,312,905	1,637,939	2,295,463	1,637,939
Property, plant and equipment	10	62,252	55,824	54,488	55,824
Intangible assets	11	99,358	-	-	-
Goodwill	1.3	45,866	-	-	-
Deferred tax assets		52,456	20,974	52,456	20,974
Other non-current assets		120,340	41,806	47,180	37,704
Total non-current assets		<u>2,693,495</u>	<u>1,756,854</u>	<u>2,560,603</u>	<u>1,771,437</u>
Total assets		<u><u>5,192,932</u></u>	<u><u>3,463,817</u></u>	<u><u>5,171,679</u></u>	<u><u>3,460,093</u></u>

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	-	50,000	-	50,000
Trade accounts payable		5,827	14,422	5,465	14,422
Current portion of long-term loans	15	1,559,600	887,947	1,559,600	887,947
Income tax payable		32,150	30,529	28,794	30,222
Insurance premium payables		10,693	12,676	9,928	12,676
Accrued expenses		24,897	23,993	21,501	23,640
Other current liabilities		52,032	17,338	50,845	17,170
Total current liabilities		<u>1,685,199</u>	<u>1,036,905</u>	<u>1,676,133</u>	<u>1,036,077</u>
Non-current liabilities					
Long-term loans, net of current portion	15	1,271,270	834,010	1,271,270	834,010
Provision for long-term liabilities					
Reserve for long-term employee benefits		3,834	2,774	3,834	2,774
Cash guarantee for damage on hire purchase agreements		2,305	2,316	2,305	2,316
Total non-current liabilities		<u>1,277,409</u>	<u>839,100</u>	<u>1,277,409</u>	<u>839,100</u>
Total liabilities		<u>2,962,608</u>	<u>1,876,005</u>	<u>2,953,542</u>	<u>1,875,177</u>

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Shareholders' equity					
Share capital	16				
Registered					
1,350,000,000 ordinary shares of Baht 0.50 each (31 December 2012: 114,078,527 ordinary shares of Baht 5 each)		675,000	570,393	675,000	570,393
Issued and paid-up					
1,021,845,302 ordinary shares of Baht 0.50 each (31 December 2012: 68,972,781 ordinary shares of Baht 5 each)		510,923	344,864	510,923	344,864
Share premium	16.2	926,625	414,924	926,625	414,924
Share subscription received in advance	16.2	8,486	19,636	8,486	19,636
Warrants	17	539	2,222	539	2,222
Capital reserve for share-based payment transactions	17	1,880	861	1,880	861
Exchange differences on translation of financial statements in foreign currency		7,565	(1,243)	-	-
Retained earnings					
Appropriated - statutory reserve		67,500	57,039	67,500	57,039
Unappropriated		706,806	749,509	702,184	745,370
Total shareholders' equity		2,230,324	1,587,812	2,218,137	1,584,916
Total liabilities and shareholders' equity		5,192,932	3,463,817	5,171,679	3,460,093
		0	0	0	0

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

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Directors
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Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated		Separate financial statements	
		2013	2012	2013	2012
Profit or loss:					
Revenues					
Hire purchase interest and installment sales income		331,014	220,108	329,125	220,108
Other income		58,884	42,109	53,693	36,551
Total revenues		389,898	262,217	382,818	256,659
Expenses					
Service and administrative expenses		103,158	71,126	84,450	70,686
Bad debts and doubtful accounts		96,431	8,591	96,202	8,591
Loss on disposals of foreclosed assets		89,705	29,688	89,705	29,688
Total expenses		289,294	109,405	270,357	108,965
Profit before finance cost and income tax expenses		100,604	152,812	112,461	147,694
Finance cost		(38,906)	(16,233)	(38,906)	(16,233)
Profit before income tax expenses		61,698	136,579	73,555	131,461
Income tax expenses	12	(16,040)	(30,602)	(12,858)	(30,602)
Profit for the period		45,658	105,977	60,697	100,859
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		2,419	(299)	-	-
Total comprehensive income for the period		48,077	105,678	60,697	100,859
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Profit for the period	18	0.045	0.130	0.059	0.124
Weighted average number of ordinary shares (shares)		1,022,000,827	816,361,830	1,022,000,827	816,361,830
Diluted earnings per share					
Profit for the period		0.043	0.128	0.057	0.122
Weighted average number of ordinary shares (shares)		1,069,213,094	827,519,585	1,069,213,094	827,519,585

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

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated		Separate financial statements	
		financial statements		2013	2012
		2013	2012	2013	2012
Profit or loss:					
Revenues					
Hire purchase interest and installment sales income		908,694	594,211	906,805	594,211
Other income		171,328	91,572	147,732	86,014
Total revenues		1,080,022	685,783	1,054,537	680,225
Expenses					
Service and administrative expenses		263,697	178,247	242,106	177,639
Bad debts and doubtful accounts		243,613	40,133	243,384	40,133
Loss on disposals of foreclosed assets		185,481	103,131	185,481	103,131
Total expenses		692,791	321,511	670,971	320,903
Profit before finance cost and income tax expenses		387,231	364,272	383,566	359,322
Finance cost		(102,350)	(40,389)	(102,350)	(40,389)
Profit before income tax expenses		284,881	323,883	281,216	318,933
Income tax expenses	12	(57,754)	(73,399)	(54,572)	(73,399)
Profit for the period		227,127	250,484	226,644	245,534
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		8,808	(299)	-	-
Total comprehensive income for the period		235,935	250,185	226,644	245,534
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Profit for the period	18	0.245	0.307	0.244	0.302
Weighted average number of ordinary shares (shares)		929,600,324	825,731,430	929,600,324	825,731,430
Diluted earnings per share					
Profit for the period		0.216	0.303	0.216	0.297
Weighted average number of ordinary shares (shares)		1,049,623,309	825,731,430	1,049,623,309	825,731,430

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

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows****For the nine-month period ended 30 September 2013**

(Unit: Thousand Baht)

	Consolidated		Separate financial statements	
	financial statements		financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	284,881	323,883	281,216	318,933
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	7,457	6,263	6,846	6,263
Amortization	4,456	-	-	-
Bad debts and doubtful accounts	243,613	40,133	243,384	40,133
Loss on disposals of assets foreclosed	185,481	103,131	185,481	103,131
Loss on diminution in value of foreclosed assets	17,936	3,871	17,936	3,871
Unrealised exchange (gain) loss	1,958	30	(661)	449
Provision for employee benefits	1,420	1,465	1,420	1,465
Capital reserve for share-based payment transactions	1,019	518	1,019	518
Expense from acquisition of investment in subsidiary	-	208	-	-
Dividend income	-	-	(10,000)	-
Interest income	(2,697)	(6,030)	(5,360)	(1,397)
Interest expenses	102,350	40,389	102,350	40,389
Profit from operating activities before changes in operating assets and liabilities	847,874	513,861	823,631	513,755
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(1,490,919)	(689,964)	(1,470,877)	(689,964)
Assets foreclosed	(210,116)	(108,898)	(210,116)	(108,898)
Other current assets	(92,082)	(40,485)	(73,806)	(40,538)
Other non-current assets	(78,595)	(4,897)	(9,110)	(781)
Operating liabilities increase (decrease)				
Trade accounts payable	(8,669)	1,717	(8,957)	1,717
Insurance premium payable	(2,220)	13,360	(2,748)	13,360
Accrued expenses	292	16,186	(2,207)	15,967
Provision for employee benefits	(360)	(1,078)	(360)	(1,078)
Other current liabilities	32,686	18,392	33,675	18,389
Guarantee for damage from hire purchase agreements	(11)	(84)	(11)	(84)
Cash flows used in operating activities	(1,002,120)	(281,890)	(920,886)	(278,155)
Cash paid for interest expenses	(102,381)	(40,348)	(102,283)	(40,348)
Cash paid for corporate income tax	(87,720)	(83,508)	(87,482)	(83,508)
Net cash flows used in operating activities	(1,192,221)	(405,746)	(1,110,651)	(402,011)

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

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows (continued)**

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated		Separate financial statements	
	financial statements			
	2013	2012	2013	2012
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(7)	(4)	(7)	(4)
Acquisition of investment in subsidiary	-	(244)	-	(244)
Cash and cash equivalents as at acquisition date of subsidiary (Note 1.3)	6,955	-	-	-
Share subscription payment in advance before acquisition date of subsidiary	(65,367)	(27,831)	-	(18,443)
Cash paid for additional in share capital of subsidiary	-	-	(92,013)	-
Increase in accounts receivable and loans to employees	(365)	(39)	(365)	(39)
Dividend received	-	-	10,000	-
Acquisitions of equipment	(9,747)	(6,309)	(5,510)	(6,309)
Acquisitions of intangible asset	(582)	-	-	-
Cash paid for short-term loan to related parties	(108,601)	(7,711)	(224,360)	(20,134)
Cash paid for short-term loan	(22,131)	(31,303)	-	(31,303)
Cash receipt from short-term loan	-	28,694	-	31,305
Interest receipt	1,719	6,011	2,181	1,289
Net cash flows used in investing activities	(198,126)	(38,736)	(310,074)	(43,882)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(50,000)	30,000	(50,000)	30,000
Cash receipt from exercise of warrants	584,144	3,010	584,144	3,010
Cash receipt from share subscription received in advance	8,462	-	8,462	-
Cash receipt from long-term loans	2,137,000	1,120,000	2,137,000	1,120,000
Repayment of long-term loans	(1,028,087)	(692,447)	(1,028,087)	(692,447)
Dividend paid	(187,048)	(143,533)	(187,048)	(143,533)
Net cash flows from financing activities	1,464,471	317,030	1,464,471	317,030
Exchange differences on translation of financial statements in foreign currency	6,259	(299)	-	-
Net increase (decrease) in cash and cash equivalents	80,383	(127,751)	43,746	(128,863)
Cash and cash equivalents at beginning of period	14,361	187,956	10,892	187,956
Cash and cash equivalents at the end of period (Note 3)	94,744	60,205	54,638	59,093
Supplemental cash flows information				
Non-cash item				
Transferred of share subscription received in advance during the period to ordinary shares and share premium	19,636	149,501	19,636	149,501
Transferred the exercise of warrants to share subscription received in advance	1,683	-	1,683	-
Transferred of the expired warrants to the share premium	-	2,014	-	2,014
Tranferred of share subscription payment in advance to cash paid for acquisition of subsidiary	34,863	-	-	-
Issuance of stock dividend	72,321	-	72,321	-
Share subscription payable	-	-	-	320

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

Group Lease Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Consolidated financial statements									Other components of equity		
	Note	Issued and paid-up		Share subscription received		Capital reserve for share-based payment transactions	Retained earnings		Other comprehensive income		Total
		share capital	Share premium	in advance	Warrants		Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
Balance as at 1 January 2012		311,606	293,657	149,501	2,014	-	43,150	549,549	-	-	1,349,477
Issuance of ordinary shares during period											
from the exercise of warrants		33,258	119,253	(149,501)	-	-	-	-	-	-	3,010
Transferred of the expired warrants to share premium		-	2,014	-	(2,014)	-	-	-	-	-	-
Capital reserve for share-based payment transactions	17	-	-	-	-	518	-	-	-	-	518
Total comprehensive income for the period		-	-	-	-	-	-	250,484	(299)	(299)	250,185
Dividend paid	19	-	-	-	-	-	-	(143,533)	-	-	(143,533)
Transferred to statutory reserve		-	-	-	-	-	2,540	(2,540)	-	-	-
Balance as at 30 September 2012		<u>344,864</u>	<u>414,924</u>	<u>-</u>	<u>-</u>	<u>518</u>	<u>45,690</u>	<u>653,960</u>	<u>(299)</u>	<u>(299)</u>	<u>1,459,657</u>
Balance as at 1 January 2013		344,864	414,924	19,636	2,222	861	57,039	749,509	(1,243)	(1,243)	1,587,812
Issuance of ordinary shares during period											
from the exercise of warrants	16.2	93,738	511,701	(19,636)	(1,659)	-	-	-	-	-	584,144
Share subscription received in advance											
from the exercise of warrant	17	-	-	8,486	(24)	-	-	-	-	-	8,462
Capital reserve for share-based payment transactions	17	-	-	-	-	1,019	-	-	-	-	1,019
Total comprehensive income for the period		-	-	-	-	-	-	227,127	8,808	8,808	235,935
Issuance of stock dividend	19	72,321	-	-	-	-	-	(72,321)	-	-	-
Dividend paid	19	-	-	-	-	-	-	(187,048)	-	-	(187,048)
Transferred to statutory reserve		-	-	-	-	-	10,461	(10,461)	-	-	-
Balance as at 30 September 2013		<u>510,923</u>	<u>926,625</u>	<u>8,486</u>	<u>539</u>	<u>1,880</u>	<u>67,500</u>	<u>706,806</u>	<u>7,565</u>	<u>7,565</u>	<u>2,230,324</u>
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Separate financial statements							Total
		Issued and paid-up	Share subscription received	Capital reserve for share-based payment transactions		Retained earnings			
		share capital	Share premium	in advance	Warrants	Appropriated	Unappropriated		
Balance as at 1 January 2012		311,606	293,657	149,501	2,014	-	43,150	549,549	1,349,477
Issuance of ordinary shares during period									
from the exercise of warrants		33,258	119,253	(149,501)	-	-	-	-	3,010
Transferred of the expired warrants to share premium		-	2,014	-	(2,014)	-	-	-	-
Capital reserve for share-based payment transactions	17	-	-	-	-	518	-	-	518
Total comprehensive income for the period		-	-	-	-	-	-	245,534	245,534
Dividend paid	19	-	-	-	-	-	-	(143,533)	(143,533)
Transferred to statutory reserve		-	-	-	-	-	2,540	(2,540)	-
Balance as at 30 September 2012		<u>344,864</u>	<u>414,924</u>	<u>-</u>	<u>-</u>	<u>518</u>	<u>45,690</u>	<u>649,010</u>	<u>1,455,006</u>
Balance as at 1 January 2013		344,864	414,924	19,636	2,222	861	57,039	745,370	1,584,916
Issuance of ordinary shares during period									
from the exercise of warrants	16.2	93,738	511,701	(19,636)	(1,659)	-	-	-	584,144
Share subscription received in advance									
from the exercise of warrant	17	-	-	8,486	(24)	-	-	-	8,462
Capital reserve for share-based payment transactions	17	-	-	-	-	1,019	-	-	1,019
Total comprehensive income for the period		-	-	-	-	-	-	226,644	226,644
Issuance of stock dividend	19	72,321	-	-	-	-	-	(72,321)	-
Dividend paid	19	-	-	-	-	-	-	(187,048)	(187,048)
Transferred to statutory reserve		-	-	-	-	-	10,461	(10,461)	-
Balance as at 30 September 2013		<u>510,923</u>	<u>926,625</u>	<u>8,486</u>	<u>539</u>	<u>1,880</u>	<u>67,500</u>	<u>702,184</u>	<u>2,218,137</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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

Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2013

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, Thetsabannimitai Road, Ladyao, Chatuchak, 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 31.74% and 18.07% of the Company’s share capital, respectively. The parent company 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.

These 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 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2012. There has been significant change in the composition of the group of company during the current period as follows.

On 22 August 2012, a meeting of the Company's Board of Directors approved Group Lease Holding Pte. Ltd. (the subsidiary) to acquire of shares GL Finance Plc. (GLF) from a related party. GLF was incorporated and domiciled in Cambodia and operates as a finance company providing the hire purchase services for motorcycles. The acquisition agreement can be summarised as follows:

1. The subsidiary company and the seller entered into a sale and purchase agreement relating to the acquisition of GLF on 25 August 2012, whereby the Company was to purchase 998 shares of GL Finance Plc., equivalent to 99.8 % of its issued and paid up share capital. The total value of the entity was thus USD 1,120,000.
2. The subsidiary company agreed to pay 80% of the share value within five days of the date of the sales and purchase agreement, and pay the remaining amount USD 896,000 on the date that the transaction is completed.

On 25 April 1013 the National Bank of Cambodia granted related party permission to transfer GLF shares to the subsidiary company Group Lease Holding Pte. Ltd. (GLH). GLH received permission to register the transfer of shares with the Ministry of Commerce on 24 June 2013, and transferred the balance of share subscription payment in advance to investment in GLF during the current period. These consolidated financial statements include the statement of financial position of GLF as at 30 September 2013 that were prepared by the management of GLF and reviewed by its external auditors, but do not include the profit and loss statement for the period from the date of the share transfer to 30 June 2013 because the Company's management believes that the operating results during that period were immaterial.

The excess of the purchase price over the fair value of the net assets acquired was recorded as goodwill. However, the Company recorded some assets acquired at their net book value, not fair value. The Company is awaiting a third party appraisal in order to allocate the fair value associated with the assets. The Company expects to obtain this appraisal and complete the purchase price allocation by the end of 2013.

Details of the fair value of identifiable assets, liabilities and contingent liabilities of GLF and their net book value, are as follows:

(Unaudited but reviewed)

	(Unit: Million Baht)	
	Fair value	Net book value
Assets		
Cash and cash equivalents	6,955	6,955
Hire purchase and installment sales receivables	15,559	15,559
Property, plant and equipment	4,975	4,975
Intangible assets	101,491	93,285
Other assets	6,361	6,361
Total assets	135,341	127,135
Liabilities		
Trade accounts payable	73	73
Long-term loans and accrued interest	77,349	77,349
Other liabilities	68,922	68,922
Total liabilities	146,344	146,344
Net assets value	(11,003)	(19,209)
Equity of the Company (%)	100	
Net asset value attributable to the company's investment	(11,003)	
Positive goodwill	45,866	
Cash paid for acquisition of GLF	34,863	

The consolidated interim financial statements include the account balances of the Company and its subsidiary. Material intercompany transactions and balances have been eliminated. The Company's holding in the subsidiaries is as follows:

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		30 September 2013	31 December 2012	
Group Lease Holding Pte. Ltd.	Singapore	100	100	Financial advisory and other investment holding company
GL Finance Plc. (shares held by Group Lease Holding Pte. Ltd.)	Cambodia	100	-	Hire purchase services for motorcycles

1.4 Accounting standards that became effective in the current accounting period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance, all of which are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements.

1.5 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 2012 with the following additional accounting policies adopted:

Intangible assets

Intangible assets are initially recognised at their fair value. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Exclusive right agreement	5 years 10 months
Computer software	5 years

Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Accounting standards that will become effective in the future

Below is a summary of accounting standards that will become effective in the future.

	<u>Effective date</u>
Accounting Standard:	
TAS 12 (revised 2012) Income taxes	1 January 2014
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014

(Unaudited but reviewed)

		<u>Effective date</u>
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company and its subsidiaries, except TAS 12 (revised 2012), TSIC 27, TFRIC 1, TFRIC 4, and TFRIC 10, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Cash	976	283	382	283
Bank deposits	93,768	14,078	54,256	10,609
Total	<u>94,744</u>	<u>14,361</u>	<u>54,638</u>	<u>10,892</u>

As at 30 September 2013, bank deposits in saving accounts carried interest 0.62% per annum (31 December 2012: 0.62% per annum).

4. Hire purchase and installment sales receivables

4.1 As at 30 September 2013 and 31 December 2012, the balances of hire purchase and installment sales receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Normal receivables						
Hire purchase and installment sales receivables	3,136,929	2,346,899	2,931,875	2,161,708	6,068,804	4,508,607
Accrued hire purchase and installment sales income	134,394	103,451	-	-	134,394	103,451
Less: Unearned hire purchase and installment sales income, net	(1,205,776)	(909,441)	(662,609)	(513,540)	(1,868,385)	(1,422,981)
Total normal receivable	2,065,547	1,540,909	2,269,266	1,648,168	4,334,813	3,189,077
Terminated agreements receivables						
Hire purchase and installment sales receivables	253,525	90,961	271,451	64,312	524,976	155,273
Accrued hire purchase and installment sales income	38,303	9,181	-	-	38,303	9,181
Less: Unearned hire purchase and installment sales income, net	(106,377)	(30,559)	(72,282)	(17,120)	(178,659)	(47,679)
Total terminated agreements receivables	185,451	69,583	199,169	47,192	384,620	116,775
Total receivables	2,250,998	1,610,492	2,468,435	1,695,360	4,719,433	3,305,852
Less: Allowance for doubtful accounts	(169,730)	(117,123)	(155,530)	(57,421)	(325,260)	(174,544)
Hire purchase and installment sales receivables, net	2,081,268	1,493,369	2,312,905	1,637,939	4,394,173	3,131,308

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Normal receivables						
Hire purchase and installment sales receivables	3,110,617	2,346,899	2,909,039	2,161,708	6,019,656	4,508,607
Accrued hire purchase and installment sales income	133,765	103,451	-	-	133,765	103,451
Less: Unearned hire purchase and installment sales income, net	(1,197,150)	(909,441)	(657,215)	(513,540)	(1,854,365)	(1,422,981)
Total normal receivable	2,047,232	1,540,909	2,251,824	1,648,168	4,299,056	3,189,077
Terminated agreements receivables						
Hire purchase and installment sales receivables	253,525	90,961	271,451	64,312	524,976	155,273
Accrued hire purchase and installment sales income	38,303	9,181	-	-	38,303	9,181
Less: Unearned hire purchase and installment sales income, net	(106,377)	(30,559)	(72,283)	(17,120)	(178,660)	(47,679)
Total terminated agreements receivables	185,451	69,583	199,168	47,192	384,619	116,775
Total receivables	2,232,683	1,610,492	2,450,992	1,695,360	4,683,675	3,305,852
Less: Allowance for doubtful accounts	(169,344)	(117,123)	(155,529)	(57,421)	(324,873)	(174,544)
Hire purchase and installment sales receivables, net	2,063,339	1,493,369	2,295,463	1,637,939	4,358,802	3,131,308

4.2 As at 30 September 2013 and 31 December 2012, 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)

Consolidated financial statements								
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	31	30	31	30	31	30	31
	September 2013	December 2012	September 2013	December 2012	September 2013	December 2012	September 2013	December 2012
Hire purchase and installment sales receivables								
Not yet due	3,731,101	2,736,069	1	1	36,213	26,044	3,694,888	2,710,025
Past due:								
1 month	297,720	189,368	10	10	29,123	18,549	268,597	170,819
2 - 3 months	306,824	200,121	20	20	60,214	39,395	246,610	160,726
4 - 6 months	209,931	119,086	40	40	82,558	47,109	127,373	71,977
7 - 9 months	116,001	37,948	60	60	68,540	22,617	47,461	15,331
10 - 12 months	43,081	10,575	80	80	34,112	8,441	8,969	2,134
Over 12 months	14,775	12,685	100	100	14,500	12,389	275	296
Total	<u>4,719,433</u>	<u>3,305,852</u>			<u>325,260</u>	<u>174,544</u>	<u>4,394,173</u>	<u>3,131,308</u>

(Unit: Thousand Baht)

Separate financial statements								
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	31	30	31	30	31	30	31
	September 2013	December 2012	September 2013	December 2012	September 2013	December 2012	September 2013	December 2012
Hire purchase and installment sales receivables								
Not yet due	3,695,742	2,736,069	1	1	35,880	26,044	3,659,862	2,710,025
Past due:								
1 month	297,390	189,368	10	10	29,090	18,549	268,300	170,819
2 - 3 months	306,788	200,121	20	20	60,207	39,395	246,581	160,726
4 - 6 months	209,898	119,086	40	40	80,544	47,109	127,354	71,977
7 - 9 months	116,001	37,948	60	60	68,540	22,617	47,461	15,331
10 - 12 months	43,081	10,575	80	80	34,112	8,441	8,969	2,134
Over 12 months	14,775	12,685	100	100	14,500	12,389	275	296
Total	<u>4,683,675</u>	<u>3,305,852</u>			<u>324,873</u>	<u>174,544</u>	<u>4,358,802</u>	<u>3,131,308</u>

4.3 As at 30 September 2013 and 31 December 2012, 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:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2013		31 December 2012	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,563,151	2,250,998	2,550,492	1,610,492
After one year but not more than five years	3,203,326	2,468,435	2,226,020	1,695,360
Total minimum lease payments receivable	6,766,477	<u>4,719,433</u>	4,776,512	<u>3,305,852</u>
Less: Amounts representing finance charges	<u>(2,047,044)</u>		<u>(1,470,660)</u>	
Present value of minimum lease payments	<u>4,719,433</u>		<u>3,305,852</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2013		31 December 2012	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,536,210	2,232,683	2,550,492	1,610,492
After one year but not more than five years	3,180,490	2,450,992	2,226,020	1,695,360
Total minimum lease payments receivable	6,716,700	<u>4,683,675</u>	4,776,512	<u>3,305,852</u>
Less: Amounts representing finance charges	<u>(2,033,025)</u>		<u>(1,470,660)</u>	
Present value of minimum lease payments	<u>4,683,675</u>		<u>3,305,852</u>	

4.4 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. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 30 September 2013, there are outstanding hire purchase receivable amounting to approximately Baht 421.9 million (31 December 2012: Baht 219.6 million) for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Company had followed this accounting guideline, the amount of revenue recognised for the nine-month periods ended 30 September 2013 and 2012 would be reduced by Baht 5.1 million and Baht 6.6 million, respectively.

- 4.5 The hire purchase agreements of the Company and the subsidiary have terms of 1 - 3 years and require settlement in equal installments.
- 4.6 As at 30 September 2013, the Company had transferred rights of claim under hire purchase agreements with outstanding balances of Baht 4,566 million (31 December 2012: Baht 2,988 million), in order to secure credit facilities granted by commercial banks as discussed in Notes 13 and 15.

5. Assets foreclosed

As at 30 September 2013 and 31 December 2012, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	30 September 2013	31 December 2012
Repossessed assets	56,105	31,470
Less: Allowance for diminution in value of assets foreclosed	(30,782)	(12,846)
Assets foreclosed, net	<u>25,323</u>	<u>18,624</u>

6. Short-term loan and interest receivable

During the third quarter of 2013, the subsidiary company entered into JPY 10.3 million and USD 0.6 million short-term loan agreement with an overseas company. The loan has a term of 1 year and the interest charge are 7.5%, respectively. As at 30 September 2013, the outstanding balance of short-term loan and interest receivable amounted to JPY 10.3 million and USD 0.6 million.

7. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Refundable input tax (Accounts receivable - Revenue Department)	64,907	42,653	64,907	42,653
Accrued income	7,857	2,894	3,609	2,894
Prepaid expenses	99,109	72,271	97,663	72,271
Other receivable - sales of assets foreclosed	26,021	6,124	26,021	6,124
Undue input tax	3,081	2,802	3,081	2,802
Others	24,113	1,703	6,972	1,703
Total	225,088	128,447	202,253	128,447
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current assets, net	222,562	125,921	199,727	125,921

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 21.3.

9. Investment in subsidiary company

Details of investment in subsidiary company as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements							Dividend received during the nine-month periods ended	
	Paid-up capital		Shareholdings percentage		Cost		30 September		
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	2013	2012	
			(%)	(%)					
Group Lease Holding Pte. Ltd. and its subsidiary	110,698	18,685	100	100	110,698	18,685	10,000	-	

On 23 April 2013, GLH called up additional registered share capital of SGD 3.85 million and the Company invested in an additional 3.85 million ordinary shares (or 100% of the shares of the subsidiary in issue) at a price equal to the par value of SGD 1 per share, for a total amount of SGD 3.85 million. On 22 May 2013, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 30 September 2013, investment in GLH in the separate financial statements amounted to SGD 4.61 million (31 December 2012: SGD 0.76 million).

During the second quarter of current year, GLH acquired shares of GL Finance Plc. ("GLF") from a related party. GL Finance Plc. was incorporated in Cambodia and operates as a finance company providing hire purchase services for motorcycles. GLH acquired 998 ordinary shares (or 100% of the 1,000 issued and paid-up shares of GLF) with a par value of USD 200 per share, fully paid-up, for a total payment of USD 0.2 million.

During May 2013, GLH entered into an agreement to lend GLF USD 2.1 million, interest-free and due at call. On 19 June 2013, a meeting of the Board of Directors of the GLH approved an additional investment in GLF, totaling USD 3.1 million, and approved the conversion of the loan to equity in GLF, together with cash payment of the outstanding balance. However, the registration of the transfer of shares with the Ministry of Commerce is currently in progress, and the GLH's management expect the transaction to be completed during the fourth quarter of 2013.

10. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statement</u>	<u>financial statement</u>
Net book value as at 1 January 2013	55,824	55,824
Acquisitions during the period - at cost	9,747	5,510
Increase from acquisition of GLF	4,975	-
Transfer out	(862)	-
Depreciation for the period	(7,457)	(6,846)
Exchange differences on translation of Financial statements in foreign currency	25	-

(Unaudited but reviewed)

Net book value as at 30 September 2013	<u>62,252</u>	<u>54,488</u>
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As at 30 September 2013 and 31 December 2012, 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 34.6 million and Baht 31.0 million, respectively.

The Company has mortgaged land and construction thereon with a total net book value as at 30 September 2013 of Baht 21.7 million (31 December 2012: Baht 23.2 million) as collateral for long-term credit facilities as discussed in Note 15.

11. Intangible assets

Other intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Exclusive Right Agreement	Computer Software	Total
Net book value as at 1 January 2013	-	-	-
Acquisitions during the period – at cost	-	582	582
Increase from acquisition of GLF	101,491	-	101,491
Transfer in	-	862	862
Amortisation for the period	(4,399)	(57)	(4,456)
Exchange differences on translation of financial statements in foreign currency	873	6	879
Net book value as at 30 September 2013	<u>97,965</u>	<u>1,393</u>	<u>99,358</u>

Exclusive right agreement

A related party entered into a 5-year Exclusive Right Agreement (automatically renew for a further two years unless the parties mutually agree in writing not to renew the agreement within six months before the termination date) with a company which is the distributor of Honda motorcycles in Cambodia. The agreement grants the related party exclusive rights to act as finance agent arranging hire purchase finance for motorcycles branded "Honda". On 2 May 2012, the related party granted the exclusive rights to GLF for a fee of USD 100,000 and entered into a USD 2.9 million deposit agreement under which the related party is the representative agent to contact with such company. Conditions of the deposit agreement specify that if GLF fails to meet the minimum annual sales target set, the deposit will be forfeited in proportion to the period of six years as from 2013 to 2018.

As at 30 September 2013, the fair value of exclusive right in consolidated financial statement amounted to USD 3.1 million.

12. Corporate income tax/deferred tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective rate for the year.

Income tax expense of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2013	2012	2013	2012
Current income tax:				
Interim corporate income tax charge	32,082	22,223	28,844	22,223
Deferred tax:				
Relating to origination and reversal of temporary differences	(16,042)	8,379	(15,986)	8,379
Income tax expense reported in profit or loss	<u>16,040</u>	<u>30,602</u>	<u>12,858</u>	<u>30,602</u>
	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2013	2012	2013	2012
Current income tax:				
Interim corporate income tax charge	89,292	59,667	86,054	59,667
Deferred tax:				
Relating to origination and reversal of temporary differences	(31,482)	13,732	(31,482)	13,732
Temporary differences from purchase of GLF	(56)	-	-	-
Income tax expense reported in profit or loss	<u>57,754</u>	<u>73,399</u>	<u>54,572</u>	<u>73,399</u>

13. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
		Consolidated/Separate	
		financial statements	
	Interest rate	30 September	31 December
	(% per annum)	2013	2012
Short-term loans from financial institutions	MLR, MOR	-	50,000
Total		-	50,000

As at 31 December 2012, 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 this loan at full amount during the current period.

14. Related party transactions

During the periods, the Company and its subsidiary companies had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company, its subsidiary companies and those related companies. Below is a summary of those transactions.

		(Unit: Thousand Baht)				
		For the three-month periods ended 30 September				
		Consolidated financial		Separate financial		Pricing policy
		statements		statements		
		2013	2012	2013	2012	
Transactions with subsidiary companies:						
(Eliminated from consolidated financial statements)						
Interest income	-	-	3,407	106	6.25% - 7.5% per annum	
Dividend income	-	-	10,000	-	As per declaration	
Transactions with related parties:						
Interest income	1,096	19	-	3	6% - 15% per annum	

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated financial statements		Separate financial statements		Pricing policy
	2013	2012	2013	2012	
	Transactions with subsidiary companies:				
(Eliminated from consolidated financial statements)					
Interest income	-	-	5,257	106	6.25% - 7% per annum
Dividend income	-	-	10,000	-	As per declaration
Transactions with related parties:					
Interest income	2,658	19	103	3	6% - 15% per annum
Cash paid for acquisition of investment in GLF	-	35,107	-	244	Contract rate
Rental income	-	20	-	20	Contract rate

The relationship between the Company and the related parties are summarised below.

Name of related parties	Relationship with the Company
Group Lease Holding Pte Ltd.	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Company's director is major shareholders of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholders of that company / Common director
Devenco Management and Consulting Co., Ltd.	Common director with GLF
Tennis Federation of Cambodia	GLF's director is general secretary of the Federation

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries company had outstanding balances of significant assets and liabilities with the related parties as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	(Unit: Thousand Baht)			
Short-term loans to and interest receivable from related parties				
Subsidiary companies				
Group Lease Holding Pte. Ltd.	-	-	264,869	36,783
GL Finance Plc.	-	20,544	3,180	3,067
Related parties				
Devenco Management and Consulting Co., Ltd.	50,216	-	-	-
Tennis Federation of Cambodia	3,149	-	-	-

(Unaudited but reviewed)

Total	<u>53,365</u>	<u>20,544</u>	<u>268,049</u>	<u>39,850</u>
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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Share subscription payment in advance - related party				
GL Finance Plc.	-	34,144	-	-
Total	-	34,144	-	-
Deposit - related party (presented as part of other non-current assets)				
A.P.F. Group Co., Ltd.	62,781	-	-	-
Total	62,781	-	-	-

During the current period, short-term loans to and interest receivable from related parties have movement as below:

(Unit: Thousand Baht)

	Consolidated financial statements						Balance as at 30 September 2013
	Balance as at 1 January 2013	During the period		Gain (loss) from exchange rate	Exchange differences on translation of financial statement in foreign currency	Eliminated of short-term loan transactions from acquisition of GLF	
		Increase	Decrease				
Short-term loans to and interest receivable from related parties							
GL Finance Plc.	20,544	56,636	(317)	52	434	(77,349)	-
Devenco Management and Consulting Co., Ltd.	-	51,472	-	(1,256)	-	-	50,216
Tennis Federation of Cambodia	-	3,149	-	-	-	-	3,149
Total	20,544	111,257	(317)	(1,204)	434	(77,349)	53,365

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 30 September 2013
	Balance as at 1 January 2013	During the period		Gain from exchange rate	
		Increase	Decrease		
Short-term loans to and interest receivable from related parties					
Group Lease Holding Pte. Ltd.	36,783	229,561	(2,059)	584	264,869
GL Finance Plc.	3,067	159	(122)	76	3,180
Total	39,850	229,720	(2,181)	660	268,049

Directors and management's benefits

During the nine-month period 30 September 2013, the Company paid salaries, bonus, meeting allowance, gratuities, share-based payment and reserve for short-term and long-term employee benefits to its directors and management totaling Baht 26.4 million (2012: Baht 25.1 million).

Warrants for directors and management

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.

On 15 May 2012, the Company issued 255,500 warrants (GL-WD) to subscribe to the Company's ordinary shares, to be allotted to 16 directors and management. This represents 25.55% of the Company's warrants.

On 1 November 2012, the Company issued 18,731 warrants (GL-W2) to subscribe to the Company's ordinary shares, to be allotted to 5 directors and management. This represents 0.04% of the Company's warrants.

As at 30 September 2013, there are outstanding warrants (GL-WD and GL-W2) to subscribe to the Company's ordinary shares, to be allotted to existing directors and management totaling 219,500 units and 6,199 units, respectively.

15. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	Balance		Interest rate per annum	Repayment condition
	30 September 2013	31 December 2012		
<u>Loan agreement dated 22 October 2009</u>				
Credit facility No. 1	-	5,333	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	4,000	148,834	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	2,343,560	1,567,790	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 dates 21 June 2013</u>				
Credit facility No. 1	483,310	-	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
Total	2,830,870	1,721,957		
Less: Current portion	(1,559,600)	(887,947)		
Long-term loans, net of current portion	<u>1,271,270</u>	<u>834,010</u>		

Movements in the long-term loans account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
	<hr/>
Balance as at 1 January 2013	1,721,957
Add: Addition borrowings	2,137,000
Less: Repayment	<u>(1,028,087)</u>
Balance as at 30 September 2013	<u><u>2,830,870</u></u>

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.

During the year 2012 upto the first quarter of 2013, the Company increase the long-term credit facilities with commercial banks of loan agreement on 26 May 2011 to Baht 2,500 million. The purposes of such loan are to repay the existing short-term loan and for use in the expansion of business.

On 21 June 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose 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 entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.00% per annum.

On 17 September 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose 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 entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.00% per annum.

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. Moreover, if the Company obtains new loans, the financial terms and collateral of the existing lenders must not be subordinate to those of new loans.

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 2013, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 656.4 million (31 December 2012: Baht 432.0 million).

16. Share capital

16.1 Resolutions of the Annual General Meeting of the shareholders

On 26 April 2013, the Annual General Meeting of the Company's shareholders passed the following resolutions:

- 1) The following allocations of the Company's legal reserve and the payment of dividend from the operation result of the year 2012:
 - Allocation of 10% of registered capital, amounting to Baht 57.01 million, to the legal reserve.
 - Paid dividend by the Company's ordinary shares in the ratio of 5.4466230936 existing shares per 1 dividend share, not exceeding 14.464 million shares, or in the total amount not exceeding Baht 72.32 million or shall be converted as dividend payment at Baht 0.918 per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall

be paid by cash in the amount of Baht 0.918 per share.

- Paid dividend by cash at the rate of Baht 0.102 per share or in the total amount not exceeding Baht 8.03 million.

In combination, the dividend payment shall be paid at the rate of Baht 1.02 per share (before change in par value). The payment of such stock dividend and cash dividend was made within 23 May 2013.

During the year 2012 and first quarter of 2013, the Company had paid interim dividend to the shareholders as cash dividend at totaling of Baht 169 million, or payment at Baht 2.45 per share. The interim dividends were paid on 20 September 2012 and 11 April 2013. As a result, total dividend per share paid for the operating results of 2012 is Baht 3.47 per share (before change in par value of shares).

- 2) To decrease the registered capital of the Company from Baht 570.4 million to Baht 470.1 million by cancelling the registered ordinary shares to the unpaid registered ordinary shares remaining after reserving shares for the exercise of the unexpired warrants totaling to 24.5 million shares.
- 3) To increase the registered capital from the previous registered capital of Baht 470.1 million to be the new registered capital of Baht 675.0 million by issuing an additional 40.9 million ordinary shares at the par value of Baht 5 each to be reserved for the increase by a general mandate, amounting to 20.8 million shares and for the payment of a stock dividend including the adjustment of the exercise price and exercise ratio of the warrants allotted to employees amounting to 20.1 million shares.

On 3 May 2013, the Company registered with the Ministry of Commerce the increase in its registered capital to Baht 675.0 million or 135.0 million ordinary shares at par value of Baht 5 each.

- 4) To change the par value of the ordinary shares from 135.0 million ordinary shares of Baht 5 each to 1,350 million ordinary shares of Baht 0.50 each and registered the changes in par value and number of shares with the Ministry of Commerce on 7 May 2013, and paid-up share capital at Baht 393.9 million.
- 5) Approved the amendment of the Company's Memorandum of Association to state a registered capital of Baht 675.0 million with the number of 1,350.0 million ordinary shares of Baht 0.5 each.

On 10 May 2013, the Company reports to the Stock Exchange of Thailand (SET) the number of 144.6 million ordinary shares (after change in par value) actually

allocated to the stock dividend.

The Company registered the increase in its registered share capital to Baht 675.0 million with the Ministry of Commerce on 27 May 2013. As at 30 September 2013, the Company had its paid up share capital to Baht 510.9 million.

16.2 Additional share subscription from the exercise of warrants

During the current period, the Company received additional share subscription totaling Baht 603.72 million from the exercise of warrants, as detailed below.

	Warrant	Ordinary share	Exercise price	Amount
	(units)	(shares)	(Baht/share)	(Million Baht)
GL-W2 (before change in par value)	9,808,255	9,808,255	35	343.29
GL-WC (after change in par value)	212,300	2,512,744	1.40166	3.52
GL-W2 (after change in par value)	7,340,270	86,880,615	2.95708	256.91

As at 30 September 2013, the Company had share premium amounting to Baht 926.6 million as a result of the capital increases (31 December 2012: Baht 414.9 million).

As at 30 September 2013, the Company had share subscription received in advance amounting Baht 8.5 million in its paid up share capital from the exercise of GL-W2 totaling 241,776 units. The Company registered the increase in its paid up share capital from the exercise of such warrants with the Ministry of Commerce 3 October 2013. In addition, the Company also transferred of share subscription received in advance to share capital amounting Baht 19.6 million during period.

16.3 Reconciliation of number of ordinary shares

Movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

	Number of ordinary shares	Amount
	(Thousand Shares)	(Thousand Baht)
<u>Registered share capital</u>		
At the beginning of the period	114,078	570,393
Increase from change in par value	1,026,707	-
Share capital after change in par value	1,140,785	570,393
Increase during the period	409,769	204,884
Decrease during the period	(200,554)	(100,277)

(Unaudited but reviewed)

At the end of the period	1,350,000	675,000
	Number of ordinary shares	Premium on ordinary shares
	(Thousand Shares)	(Thousand Baht)
<u>Issued and paid-up share capital</u>		
At the beginning of the period	68,973	414,924
Increase from change in par value	620,755	-
Increase in capital from exercising of the rights of the warrants	187,475	511,701
Increase in capital from stock dividend	144,642	-
At the end of the period	<u>1,021,845</u>	<u>926,625</u>

17. Warrants/Capital reserve for share-based payment transactions

Details of the warrants of 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-W2	Existing shareholders	1 November 2012	22,775,694	Baht 0.10	2 years	Baht 35	1 ordinary share
GL-WC	Directors and employees	10 May 2010	500,000	-	3 years	Baht 16.59	1 ordinary share
GL-WD	Directors and employees	15 May 2012	1,000,000	-	3 years	Baht 19.62	1 ordinary share

During the exercise period of the warrants, the Company paid a cash dividend and a stock dividend totaling 144.6 million shares (after change in par value) and changed the par value of the shares, as discussed in Note 16.1. As a result, the Company had to adjust the exercise price and exercise ratio of the warrants as detailed below.

	Exercise ratio (per 1 unit of warrants)		Exercise price (Baht/share)	
	Existing	New	Existing	New
GL-W2	1.0000	11.8360	35.0000	2.95708
GL-WC	1.0000	11.8360	16.5900	1.40166
GL-WD	1.0000	11.8360	19.6200	1.65766

The adjusted exercise price and exercise ratio of warrants are effective as from 15 May 2013.

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

Type of warrant	Number of warrants outstanding as at 1 January 2013	Number of warrants exercised during the period	Number of warrant expired/cancelled during the period	Number of warrants outstanding as at 30 September 2013
GL-W2	22,216,267	(16,830,974)	-	5,385,293
GL-WC	219,500	(212,300)	(7,200)	-
GL-WD	934,500	-	(56,100)	878,400

Up to 30 September 2013, the Company cancelled a total of 409,300 warrants (GL-WC and GL-WD) 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.

On 15 May 2012, the Company issued 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 adjust exercise ratio of 1 warrant per 11.8360 ordinary shares, an adjust exercise price of Baht 1.65766 per share, and a term of 3 years from the first issue date. The estimated fair value of each share option granted is Baht 4.08. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 24.9, exercise price of Baht 19.62, expected volatility of 32.85%, expected dividend yield of 8.62%, contractual life of 3 years, and a risk-free interest rate of 3.44%.

The distribution of the stock dividend and the change in the par value of the shares did not modify the terms and conditions of the plan, and did not change the fair value of the capital reserve for share-based payment transactions. As a result, there is no change in the fair value of the share options.

During the nine-month period ended 30 September 2013, the Company recorded expenses of the GL-WD plan amounting to Baht 1.0 million as personnel expenses.

18. Earnings per share

Basic earnings per share is calculated by dividing the 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, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of the stock dividend of 144.6 million shares on 23 May 2013, and adjusting the number of ordinary shares in proportion to the change in the par value from Baht 5 to Baht 0.50 per share, as if the issue of the shares comprising such stock dividends and the change in par value had occurred at the beginning of the earliest period report.

Diluted earnings per share is calculated by dividing the 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, as discussed in the above paragraph, 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 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.

Consolidated financial statements						
For the three-month periods ended 30 September						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	45,658	105,977	1,022,001	816,362	<u>0.045</u>	<u>0.130</u>
Effect of dilutive potential ordinary shares						
GL-W2	-	-	38,395	-		
GL-WC	-	-	-	1,855		
GL-WD	-	-	8,817	9,303		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>45,658</u>	<u>105,977</u>	<u>1,069,213</u>	<u>827,520</u>	<u>0.043</u>	<u>0.128</u>
Separate financial statements						
For the three-month periods ended 30 September						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	60,697	100,859	1,022,001	816,362	<u>0.059</u>	<u>0.124</u>
Effect of dilutive potential ordinary shares						
GL-W2	-	-	38,395	-		
GL-WC	-	-	-	1,855		
GL-WD	-	-	8,817	9,303		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>60,697</u>	<u>100,859</u>	<u>1,069,213</u>	<u>827,520</u>	<u>0.057</u>	<u>0.122</u>

(Unaudited but reviewed)

Consolidated financial statements						
For the nine-month periods ended 30 September						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	227,127	250,484	929,600	815,205	<u>0.245</u>	<u>0.307</u>
Effect of dilutive potential ordinary shares						
GL-W1	-	-	-	3,479		
GL-W2	-	-	109,548	-		
GL-WB	-	-	-	654		
GL-WC	-	-	1,031	1,722		
GL-WD	-	-	9,444	4,671		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>227,127</u>	<u>250,484</u>	<u>1,049,623</u>	<u>825,731</u>	<u>0.216</u>	<u>0.303</u>

Separate financial statements						
For the nine-month periods ended 30 September						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	226,644	245,534	929,600	815,205	<u>0.244</u>	<u>0.302</u>
Effect of dilutive potential ordinary shares						
GL-W1	-	-	-	3,479		
GL-W2	-	-	109,548	-		
GL-WB	-	-	-	654		
GL-WC	-	-	1,031	1,722		
GL-WD	-	-	9,444	4,671		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>226,644</u>	<u>245,534</u>	<u>1,049,623</u>	<u>825,731</u>	<u>0.216</u>	<u>0.297</u>

19. Dividends/stock dividends

Dividends and stock dividends declared in the year 2013 consist of the following:

Dividends/stock dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Outstanding balance of interim dividend on operating results during 1 January 2012 to 30 September 2012	Board of Directors meeting on 12 March 2013	69,532	1.00
Final dividends for 2012	Annual General Meeting of the shareholders on 26 April 2013	8,036	0.10
Stock dividends for 2012	Annual General Meeting of the shareholders on 26 April 2013	72,321	0.92
Dividend on 2013 half-year operating result	Board of Directors meeting on 27 August 2013	109,480	0.11
		259,369	2.13

Dividends declared in the year 2012 consist of the following:

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividend on 2012 half-year operating result	Board of Directors meeting on 22 August 2012	99,523	1.45
Dividend on the third quarter of 2011 operating results	Board of Directors meeting on 13 February 2012	44,010	0.64
		143,533	2.09

20. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors of the Company.

The one main reportable operating segment of the Company is the hire purchase of motorcycles business and the single geographical area of their operations is Thailand (since a subsidiary (GLF)'s operations during the current period were immaterial). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

21. Commitments

21.1 Rental and service commitments

As at 30 September 2013, the Company has the outstanding rental and service commitments which are to be repaid within one year amounting to Baht 2.2 million and USD 0.02 million (31 December 2012: Baht 1.3 million and USD 0.01 million).

21.2 Service commitments

As at 30 September 2013, the Company is required to pay fees of USD 0.06 million, JPY 0.2 million and THB 0.8 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (31 December 2012: USD 0.02 million per month).

21.3 Guarantees

As at 30 September 2013 and 31 December 2012, there was outstanding bank guarantee of approximately Baht 0.3 million issued by the bank on behalf of the Company in respect of electricity and use of post services guarantees.

22. Contingent liabilities

Interest Rate Swap Transaction Agreements

The Company has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 30 September 2013 is amounting to Baht 483.3 million. The contracts are for a period of 30 periods, maturing in December 2015. At each of the maturity dates, the Company is required to pay interest to the bank based at fixed rate stipulated in the agreements (6.00% p.a.) and the bank is required to pay interest to the Company at the floating rate plus stipulated rate. The agreement contains other conditions. The Company would have had unrealised loss of approximately Baht 10.6 million, if it had recorded the above contracts at fair value.

23. Events after the reporting period

On 8 November 2013, an Extraordinary General Meeting of the Company's shareholders passed the following resolutions.

- 1) Approved the issuance of debentures in an amount of up to Baht 2,000 million, and empower the authorised directors and/or persons granted authority by the directors to act on behalf of the Company in determining related details, appointing advisors or other persons with respect to the issue and offering of the debentures, conducting negotiations, reaching agreements, signing relevant agreements, and performing any acts necessary in relation to the issuance and offering of the Company's debentures.
- 2) Approved the issue of warrants (GL-W3) per the following details:

Allocation	:	Allocated to the existing shareholders of the Company in a ratio of 1 warrant for every 3 existing ordinary shares
Number offered	:	341,568,986 units
Offering price	:	Baht 0
Term	:	Not exceeding 2 years from the issue date
Exercise ratio	:	1 warrant per ordinary share
Exercise price	:	Baht 10.00
Exercise period	:	Last business day of every month until the expiry date
Offering period	:	Within 1 year after approval by the shareholders
Listing	:	Warrants to be listed on the Stock Exchange of Thailand
- 3) Approved the cancellation of the capital increase by general mandate, and to cancel the allocation of 20.9 million shares to support that increase, amounting to Baht 104.3 million.
- 4) Approved a reduction of Baht 124.9 million in the registered capital of the Company (249.7 million shares with a par value of Baht 0.50 each) such that it is equal to the registered capital after reserving shares to support the exercise of the unexpired warrants.
- 5) Approved an increase of Baht 170.8 million in the registered capital of the Company (341.6 million ordinary shares with a par value of Baht 0.50 each) to support the exercise of warrants (GL-W3).
- 6) Approved the amendment of the Company's Memorandum of Association to increase/decrease the registered capital to Baht 720.9 million (1,441.9 million shares with a par value of Baht 0.50 each).

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 11 November 2013.