

Group Lease Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2013

Independent Auditor's Report

To the Shareholders of Group Lease Public Company Limited

I have audited the accompanying consolidated financial statements of Group Lease Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Group Lease Public Company Limited for the same year.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Group Lease Public Company Limited and its subsidiaries and of Group Lease Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 19 February 2014

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		financial statements			
		2013	2012	2013	2012
Assets					
Current assets					
Cash and cash equivalents	6	320,545,427	14,360,790	86,164,245	10,891,968
Current portion of hire purchase and installment sales receivables	7	2,208,369,556	1,493,368,747	2,145,483,744	1,493,368,747
Assets foreclosed	8	21,151,776	18,624,090	21,151,776	18,624,090
Short-term loan and interest receivable	9	23,366,222	-	-	-
Short-term loan to and interest receivable from related parties	18	55,162,132	20,544,438	203,881,722	39,850,184
Other current assets	10	133,131,904	125,921,655	123,572,610	125,921,655
Total current assets		2,761,727,017	1,672,819,720	2,580,254,097	1,688,656,644
Non-current assets					
Pledged fixed deposit at financial institution	11	318,055	310,788	318,055	310,788
Share subscription payment in advance	12, 18	-	34,143,984	330,815,218	-
Investment in subsidiary company	12	-	-	110,697,660	18,684,970
Hire purchase and installment sales receivables - long-term portion	7	2,323,225,940	1,637,939,369	2,275,917,341	1,637,939,369
Property, plant and equipment	13	70,875,473	55,823,928	61,017,216	55,823,928
Intangible assets	14	105,070,485	-	-	-
Goodwill	1.2	43,684,198	-	-	-
Deferred tax assets	15	60,977,746	20,973,713	60,977,746	20,973,713
Other non-current assets	16, 18	130,627,777	41,805,932	50,474,399	37,703,449
Total non-current assets		2,734,779,674	1,790,997,714	2,890,217,635	1,771,436,217
Total assets		5,496,506,691	3,463,817,434	5,470,471,732	3,460,092,861

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 31 December 2013

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		financial statements			
		2013	2012	2013	2012
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from					
financial institutions	17	13,549,878	50,000,000	13,549,878	50,000,000
Trade accounts payable		4,317,026	14,421,800	3,219,050	14,421,800
Current portion of long-term loans	19	1,808,590,000	887,946,667	1,808,590,000	887,946,667
Income tax payable		49,445,424	30,528,958	45,481,307	30,221,840
Insurance premium payables		10,099,135	12,675,873	9,214,068	12,675,873
Accrued expenses		28,912,504	23,993,624	22,562,312	23,639,873
Other current liabilities		24,468,306	17,338,372	21,780,746	17,170,693
Total current liabilities		1,939,382,273	1,036,905,294	1,924,397,361	1,036,076,746
Non-current liabilities					
Long-term loans, net of current portion	19	1,288,930,003	834,010,000	1,288,930,003	834,010,000
Provision for long-term liabilities					
Provision for long-term employee benefits	20	4,156,916	2,774,260	4,156,916	2,774,260
Cash guarantee for damage on hire purchase agreements		2,301,871	2,315,889	2,301,871	2,315,889
Deferred tax liabilities	15	652,795	-	-	-
Total non-current liabilities		1,296,041,585	839,100,149	1,295,388,790	839,100,149
Total liabilities		3,235,423,858	1,876,005,443	3,219,786,151	1,875,176,895

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 31 December 2013

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		2013	2012	2013	2012
Shareholders' equity					
Share capital	21				
Registered					
1,441,852,272 ordinary shares of Baht 0.50 each (2012: 114,078,527 ordinary shares of Baht 5 each)		720,926,136	570,392,635	720,926,136	570,392,635
Issued and paid-up					
1,024,706,958 ordinary shares of Baht 0.50 each (2012: 68,972,781 ordinary shares of Baht 5 each)		512,353,479	344,863,905	512,353,479	344,863,905
Share premium	21	933,680,028	414,923,758	933,680,028	414,923,758
Share subscription received in advance	21.3	996,839	19,635,888	996,839	19,635,888
Warrants	22	535,689	2,221,627	535,689	2,221,627
Capital reserve for share-based payment transactions	22	2,223,017	861,605	2,223,017	861,605
Exchange differences on translation of financial statements in foreign currency		23,801,273	(1,242,764)	-	-
Retained earnings					
Appropriated - statutory reserve	24	72,092,614	57,039,263	72,092,614	57,039,263
Unappropriated		715,399,894	749,508,709	728,803,915	745,369,920
Total shareholders' equity		2,261,082,833	1,587,811,991	2,250,685,581	1,584,915,966
Total liabilities and shareholders' equity		5,496,506,691	3,463,817,434	5,470,471,732	3,460,092,861
		0	0	0	0

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

Directors

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		2013	2012	2013	2012
Profit or loss					
Revenues					
Hire purchase interest income		1,258,280,481	837,220,599	1,251,387,184	837,220,599
Other income		213,260,071	120,442,900	190,264,303	115,081,169
Total revenues		<u>1,471,540,552</u>	<u>957,663,499</u>	<u>1,441,651,487</u>	<u>952,301,768</u>
Expenses					
Services and administrative expenses		362,844,679	249,372,946	318,476,998	248,457,122
Bad debts and doubtful accounts	7	343,635,227	45,252,879	342,425,389	45,252,879
Loss on disposals of foreclosed assets		314,386,646	140,250,897	314,386,646	140,250,897
Total expenses		<u>1,020,866,552</u>	<u>434,876,722</u>	<u>975,289,033</u>	<u>433,960,898</u>
Profit before finance cost and income tax expenses					
Finance cost	19	(145,707,696)	(63,004,080)	(145,707,696)	(63,004,080)
Profit before income tax expenses		<u>304,966,304</u>	<u>459,782,697</u>	<u>320,654,758</u>	<u>455,336,790</u>
Income tax expenses	15	(64,652,925)	(102,401,329)	(62,798,569)	(102,094,211)
Profit for the year		<u>240,313,379</u>	<u>357,381,368</u>	<u>257,856,189</u>	<u>353,242,579</u>
Other comprehensive income					
Exchange differences on translation of financial statements in foreign currency		25,044,037	(1,242,764)	-	-
Other comprehensive income for the year		<u>25,044,037</u>	<u>(1,242,764)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>265,357,416</u>	<u>356,138,604</u>	<u>257,856,189</u>	<u>353,242,579</u>
Earnings per share					
26					
Basis earnings per share					
Profit for the year		0.25	0.44	0.27	0.43
Weighted average number of ordinary shares (shares)		<u>953,578,583</u>	<u>815,568,145</u>	<u>953,578,853</u>	<u>815,568,145</u>
Diluted earnings per share					
Profit for the year		0.23	0.42	0.24	0.41
Weighted average number of ordinary shares (shares)		<u>1,055,420,358</u>	<u>854,066,119</u>	<u>1,055,420,358</u>	<u>854,066,119</u>

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 year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements												
	Note							Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity	
		Issued and paid-up		Share subscription received		Capital reserve for share-based payment		Retained earnings				Exchange differences on translation of financial statements in foreign currency
		share capital	Share premium	in advance	Warrants	transactions	Appropriated	Unappropriated				
Balance as at 1 January 2012		311,605,980	293,657,127	149,500,452	2,013,904	-	43,150,000	549,549,324	-	-	1,349,476,787	
Issuance of ordinary shares during year												
from the exercise of warrants	21	33,257,925	119,252,727	(149,500,452)	(55,943)	-	-	-	-	-	2,954,257	
Share subscription received in advance												
from the exercise of warrants	21	-	-	19,635,888	-	-	-	-	-	-	19,635,888	
Warrants issued during the year	22	-	-	-	2,277,570	-	-	-	-	-	2,277,570	
Transferred of the expired warrants to share premium	22	-	2,013,904	-	(2,013,904)	-	-	-	-	-	-	
Capital reserve for share-based payment transactions	22	-	-	-	-	861,605	-	-	-	-	861,605	
Total comprehensive income for the year		-	-	-	-	-	-	357,381,368	(1,242,764)	(1,242,764)	356,138,604	
Dividend paid	23	-	-	-	-	-	-	(143,532,720)	-	-	(143,532,720)	
Appropriated to statutory reserve	24	-	-	-	-	-	13,889,263	(13,889,263)	-	-	-	
Balance as at 31 December 2012		344,863,905	414,923,758	19,635,888	2,221,627	861,605	57,039,263	749,508,709	(1,242,764)	(1,242,764)	1,587,811,991	
Balance as at 1 January 2013		344,863,905	414,923,758	19,635,888	2,221,627	861,605	57,039,263	749,508,709	(1,242,764)	(1,242,764)	1,587,811,991	
Issuance of ordinary shares during year												
from the exercise of warrants	21	95,168,783	518,756,270	(19,635,888)	(1,683,098)	-	-	-	-	-	592,606,067	
Share subscription received in advance												
from the exercise of warrants	21	-	-	996,839	(2,840)	-	-	-	-	-	993,999	
Capital reserve for share-based payment transactions	22	-	-	-	-	1,361,412	-	-	-	-	1,361,412	
Total comprehensive income for the year		-	-	-	-	-	-	240,313,379	25,044,037	25,044,037	265,357,416	
Issuance of stock dividend	23	72,320,791	-	-	-	-	-	(72,320,791)	-	-	-	
Dividend paid	23	-	-	-	-	-	-	(187,048,052)	-	-	(187,048,052)	
Appropriated to statutory reserve	24	-	-	-	-	-	15,053,351	(15,053,351)	-	-	-	
Balance as at 31 December 2013		512,353,479	933,680,028	996,839	535,689	2,223,017	72,092,614	715,399,894	23,801,273	23,801,273	2,261,082,833	
		-	-	-	-	-	-	-	-	-	-	

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 year ended 31 December 2013

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up		Share subscription received		Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
		share capital	Share premium	in advance	Warrants		Appropriated	Unappropriated	
Balance as at 1 January 2012		311,605,980	293,657,127	149,500,452	2,013,904	-	43,150,000	549,549,324	1,349,476,787
Issuance of ordinary shares during year from the exercise of warrants	21	33,257,925	119,252,727	(149,500,452)	(55,943)	-	-	-	2,954,257
Share subscription received in advance from the exercise of warrants	21	-	-	19,635,888	-	-	-	-	19,635,888
Warrants issued during the year	22	-	-	-	2,277,570	-	-	-	2,277,570
Transferred of the expired warrants to share premium	22	-	2,013,904	-	(2,013,904)	-	-	-	-
Capital reserve for share-based payment transactions	22	-	-	-	-	861,605	-	-	861,605
Total comprehensive income for the year		-	-	-	-	-	-	353,242,579	353,242,579
Dividend paid	23	-	-	-	-	-	-	(143,532,720)	(143,532,720)
Appropriated to statutory reserve	24	-	-	-	-	-	13,889,263	(13,889,263)	-
Balance as at 31 December 2012		<u>344,863,905</u>	<u>414,923,758</u>	<u>19,635,888</u>	<u>2,221,627</u>	<u>861,605</u>	<u>57,039,263</u>	<u>745,369,920</u>	<u>1,584,915,966</u>
Balance as at 1 January 2013		344,863,905	414,923,758	19,635,888	2,221,627	861,605	57,039,263	745,369,920	1,584,915,966
Issuance of ordinary shares during year from the exercise of warrants	21	95,168,783	518,756,270	(19,635,888)	(1,683,098)	-	-	-	592,606,067
Share subscription received in advance from the exercise of warrants	21	-	-	996,839	(2,840)	-	-	-	993,999
Capital reserve for share-based payment transactions	22	-	-	-	-	1,361,412	-	-	1,361,412
Total comprehensive income for the year		-	-	-	-	-	-	257,856,189	257,856,189
Issuance of stock dividend	23	72,320,791	-	-	-	-	-	(72,320,791)	-
Divident paid	23	-	-	-	-	-	-	(187,048,052)	(187,048,052)
Appropriated to statutory reserve	24	-	-	-	-	-	15,053,351	(15,053,351)	-
Balance as at 31 December 2013		<u>512,353,479</u>	<u>933,680,028</u>	<u>996,839</u>	<u>535,689</u>	<u>2,223,017</u>	<u>72,092,614</u>	<u>728,803,915</u>	<u>2,250,685,581</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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 year ended 31 December 2013

(Unit: Baht)

	Consolidated		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	304,966,304	459,782,697	320,654,758	455,336,790
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	10,601,083	8,475,774	9,028,159	8,475,774
Amortisation	9,425,396	-	-	-
Bad debts and doubtful accounts	343,635,227	45,252,879	342,425,389	45,252,879
Loss (gain) on disposal of equipment	5,661	4,639	(14,824)	4,639
Loss on disposals of assets foreclosed	314,386,646	140,250,897	314,386,646	140,250,897
Loss on diminution in value of assets foreclosed	8,992,268	4,909,128	8,992,268	4,909,128
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	2,586,094	-
Unrealised exchange loss (gain)	4,233,760	52,843	(635,807)	462,192
Written-off withholding tax of interest income	-	-	1,232,407	-
Provision for long-term employee benefits	1,742,656	2,356,554	1,742,656	2,356,554
Capital reserve for share-based payment transactions	1,361,411	861,605	1,361,411	861,605
Expense from acquisition of investment in subsidiary	-	207,882	-	-
Dividend income	-	-	(10,000,000)	-
Interest income	(4,092,585)	(7,305,931)	(10,853,382)	(1,946,212)
Interest expenses	145,707,696	63,004,080	145,707,696	63,004,080
Profit from operating activities before changes in operating assets and liabilities	1,140,965,523	717,853,047	1,126,613,471	718,968,326
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(1,728,363,868)	(1,260,810,173)	(1,632,518,358)	(1,260,810,173)
Assets foreclosed	(325,906,599)	(148,368,227)	(325,906,599)	(148,368,227)
Other current assets	(3,421,140)	(71,369,032)	2,349,046	(71,447,477)
Other non-current assets	(89,128,924)	(4,737,071)	(12,647,521)	(634,587)
Operating liabilities increase (decrease)				
Trade accounts payable	(10,178,234)	11,117,085	(11,202,750)	11,117,085
Insurance premium payables	(2,814,198)	5,405,314	(3,461,805)	5,405,314
Accrued expenses	3,971,563	17,421,261	(1,488,363)	17,092,384
Provision for long-term employee benefits	(360,000)	(1,317,400)	(360,000)	(1,317,400)
Other current liabilities	5,122,897	(4,237,176)	4,610,054	(4,386,487)
Guarantee for damage from hire purchase agreements	(14,019)	(113,084)	(14,019)	(113,084)
Cash flows used in operating activities	(1,010,126,999)	(739,155,456)	(854,026,844)	(734,494,326)
Cash paid for interest expenses	(145,404,829)	(62,897,907)	(145,306,517)	(62,897,907)
Cash paid for corporate income tax	(87,858,225)	(83,553,769)	(87,543,135)	(83,553,769)
Net cash flows used in operating activities	(1,243,390,053)	(885,607,132)	(1,086,876,496)	(880,946,002)

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 year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(7,267)	(3,958)	(7,267)	(3,958)
Cash and cash equivalents as at acquisition date of subsidiary (Note 1.2)	6,955,301	-	-	-
Share subscription payment in advance before acquisition date of subsidiary	(65,366,910)	(34,143,984)	-	-
Cash paid for additional investment in subsidiary	-	-	(92,012,690)	(18,441,049)
Acquisition of investment in subsidiary	-	(243,921)	-	(243,921)
Increase in accounts receivable and loans to employees	(110,970)	(25,857)	(110,970)	(25,857)
Dividend received	-	-	10,000,000	-
Proceeds from sales of equipment	14,953	-	14,953	-
Cash paid for acquisitions of equipment	(21,149,661)	(8,008,713)	(14,221,577)	(8,008,713)
Acquisitions of intangible asset	(1,871,719)	-	-	-
Cash paid for short-term loan to related parties	(111,415,852)	(20,479,849)	(489,360,000)	(40,087,175)
Cash paid for short-term loans	(23,126,889)	(31,302,500)	-	(31,302,500)
Cash receipt from short-term loans	-	31,304,924	-	31,304,924
Interest receipt	1,749,755	7,186,912	2,181,096	1,718,587
Net cash flows used in investing activities	<u>(214,329,259)</u>	<u>(55,716,946)</u>	<u>(583,516,455)</u>	<u>(65,089,662)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(36,450,122)	50,000,000	(36,450,122)	50,000,000
Cash receipt from exercise of warrants	592,606,067	3,010,200	592,606,067	3,010,200
Cash receipt from share subscription received in advance	993,999	19,579,945	993,999	19,579,945
Cash receipt from issued warrants	-	2,277,570	-	2,277,570
Cash receipt from long-term loans	2,837,000,000	1,830,000,000	2,837,000,000	1,830,000,000
Repayment of long-term loans	(1,461,436,664)	(992,363,333)	(1,461,436,664)	(992,363,333)
Dividend paid	(187,048,052)	(143,532,720)	(187,048,052)	(143,532,720)
Net cash flows from financing activities	<u>1,745,665,228</u>	<u>768,971,662</u>	<u>1,745,665,228</u>	<u>768,971,662</u>
Increase (decrease) in translation adjustment	18,238,721	(1,242,764)	-	-
Net increase (decrease) in cash and cash equivalents	<u>306,184,637</u>	<u>(173,595,180)</u>	<u>75,272,277</u>	<u>(177,064,002)</u>
Cash and cash equivalents at beginning of year	14,360,790	187,955,970	10,891,968	187,955,970
Cash and cash equivalents at the end of year (Note 6)	<u><u>320,545,427</u></u>	<u><u>14,360,790</u></u>	<u><u>86,164,245</u></u>	<u><u>10,891,968</u></u>
Supplement cash flows information				
Non-cash items				
Transferred of share subscription received in advance during the period to ordinary shares and share premium	19,635,888	149,500,452	19,635,888	149,500,452
Transferred the exercise of warrants to share subscription received in advance	1,685,938	55,943	1,685,938	55,943
Transferred of the expired warrants to the share premium	-	2,013,094	-	2,013,094
Tranferred of share subscription payment in advance to cash paid for acquisition of subsidiary	34,862,352	-	-	-
Issuance of stock dividend	72,320,791	-	72,320,791	-
Converted loan to related party to investment in subsidiary	-	-	330,815,218	-

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

Group Lease Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 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 and a subsidiary are principally engaged in the hire purchase of motorcycles. Another, overseas subsidiary is principally a financial advisory and other investment holding company.

The Company’s registered address is 63 Soi 1, Tesabalnimitretai Road, Ladyao, Chatujak, Bangkok. The Company has 5 branches in Phra Nakhon Si Ayutthaya, Chon Buri (2 sub-branches), Rayong and Nakhon Ratchasima.

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 31.66% and 17.98% of the Company’s share capital, respectively. The parent company is Wedge Holdings Company Limited (incorporated in Japan).

1.2 Acquisition of GL Finance Plc. by the subsidiary of the Company

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.

As at 31 December 2012, the outstanding balance of share subscription payment in advance amounted to Baht 34.14 million as presented in consolidated statement of financial position.

On 25 April 2013 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 year. These consolidated financial statements include the statement of financial position of GLF as at 31 December 2013 that were prepared by the management of GLF and audited 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. During the fourth quarter of the current year, the subsidiary obtained these appraisals of assets and liabilities from the third party. The Company recorded the deferred tax liabilities arising from adjustment of the fair value of intangible assets, resulting in increases in goodwill from the acquisition of GLF and the value of deferred tax liabilities by USD 0.08 million or Baht 2.57 million.

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

	(Unit: Thousand Baht)	
	<u>Fair value</u>	<u>Net book value</u>
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	106,245	93,285
Other assets	<u>6,361</u>	<u>6,361</u>
Total assets	<u>140,095</u>	<u>127,135</u>

	(Unit: Thousand Baht)	
	Fair value	Net book value
Liabilities		
Trade accounts payable	73	73
Long-term loans and accrued interest	77,349	77,349
Other liabilities	71,495	68,922
Total liabilities	<u>148,917</u>	<u>146,344</u>
Net assets value	<u>(8,822)</u>	<u>(19,209)</u>
Equity of the Company (%)	100	
Net asset value attributable to the company's investment	(8,822)	
Positive goodwill	<u>43,684</u>	
Cash paid for acquisition of GLF	<u>34,862</u>	

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies (“the subsidiaries”):

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		2013	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

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date that when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder’s equity of its subsidiaries have also been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investments in subsidiaries and associates presented under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

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.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014

		<u>Effective date</u>
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
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
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

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Hire purchase interest income

Hire purchase interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. However, recognition of interest income is ceased for receivables which have defaulted on more than 4 scheduled installment payments.

b) Penalty income

Penalty income is recognised when received.

c) Other fee income

Fee for other services is recognised as income on an accrual basis.

d) Interest income

Interest income is recognised on an accrual basis based on effective interest rate.

e) Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis. Interest included in face value of note payable is amortised to expenses evenly throughout the term of the notes.

b) Commissions and direct expenses of the hire purchase business

The Company recorded the initial commissions and direct expenses arising in respect of hire purchase contracts, by the effective interest method, and deducting them from unearned income over the installment period to reflect the effective rate of return of hire purchase agreements.

Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of the hire purchase contract.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Receivables and allowance for doubtful accounts

Hire purchase and installment sales receivables are stated net of unearned hire purchase interest income and allowance for doubtful accounts.

The Company provides allowance for doubtful accounts for hire purchase receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection.

4.5 Assets foreclosed

These represent assets repossessed from hire purchase and installment sales receivables and are stated at the lower of cost (which mostly comprises the net outstanding balance) and estimated net realisable value. Allowance is made for the decline in value of the repossessed assets.

4.6 Investment in subsidiaries

Investments in subsidiaries are accounted for, in the separate financial statements, using the cost method. Loss on impairment (if any) of investments in subsidiaries are included in the comprehensive income statements.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalised, while expenditures for maintenance and repairs are charged to profit or loss.

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings	20 years
Building improvement	5, 10 years
Furniture and office equipment	5, 10 years

Building improvement and lease area are charged to profit or loss over the lease period.

Depreciation for computers, equipment and motor vehicles is calculated by the reference to their costs, using the sum of the years' digits method over useful lives of 3 - 5 years.

Depreciation is included in determining income.

No depreciation is provided for land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.8 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

4.9 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.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.11 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that property, plant and equipment and other intangible assets may be impaired. If any indication exists, the Company and its subsidiaries estimate the assets recoverable amount. An assets recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the comprehensive income statement.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by management based on actuarial techniques, using the projected unit credit method.

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

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.13 Equity-settled share-based payment transactions

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.16 Borrowing costs

Borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.17 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.18 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

5.1 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.2 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management has estimated the percentage of the allowance for doubtful accounts for each age of receivable on the basis of historical statistical data, assessment of the risk associated with the receivable, the nature of the collateral provided, and actual losses arising from such debtors in the past, while emphasising the principal of conservatism.

5.3 Diminution in value of assets foreclose

In determining diminution in value of assets foreclose, management apply judgment in estimating the anticipated losses on such assets, based on analysis of various factors, including net realisable value, historical sales data, the age of the assets and the prevailing economic condition.

5.4 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.5 Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.6 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.7 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Cash	1,470	283	469	283
Bank deposits	319,075	14,078	85,695	10,609
Total	320,545	14,361	86,164	10,892

As at 31 December 2013, bank deposits in saving accounts carried interest 0.50% per annum (2012: 0.62% per annum).

7. Hire purchase and installment sales receivables

7.1 As at 31 December 2013 and 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	
	2013	2012	2013	2012	2013	2012
Normal receivables						
Hire purchase and installment sales receivables	3,261,920	2,346,899	2,940,518	2,161,708	6,202,438	4,508,607
Accrued hire purchase and installment sales income	134,312	103,451	-	-	134,312	103,451
Less: Unearned hire purchase and installment sales income, net	(1,218,699)	(909,441)	(669,478)	(513,540)	(1,888,177)	(1,422,981)
Total normal receivable	2,177,533	1,540,909	2,271,040	1,648,168	4,448,573	3,189,077

(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	
	2013	2012	2013	2012	2013	2012
Terminated agreements receivables						
Hire purchase and installment sales receivables	316,571	90,961	327,661	64,312	644,232	155,273
Accrued hire purchase and installment sales income	48,037	9,181	-	-	48,037	9,181
Less: Unearned hire purchase and installment sales income, net	(131,353)	(30,559)	(87,207)	(17,120)	(218,560)	(47,679)
Total terminated agreements receivables	233,255	69,583	240,454	47,192	473,709	116,775
Total receivables	2,410,788	1,610,492	2,511,494	1,695,360	4,922,282	3,305,852
Less: Allowance for doubtful accounts	(202,419)	(117,123)	(188,268)	(57,421)	(390,687)	(174,544)
Hire purchase and installment sales receivables, net	2,208,369	1,493,369	2,323,226	1,637,939	4,531,595	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	
	2013	2012	2013	2012	2013	2012
Normal receivables						
Hire purchase and installment sales receivables	3,183,459	2,346,899	2,863,467	2,161,708	6,046,926	4,508,607
Accrued hire purchase and installment sales income	132,083	103,451	-	-	132,083	103,451
Less: Unearned hire purchase and installment sales income, net	(1,202,291)	(909,441)	(639,736)	(513,540)	(1,842,027)	(1,422,981)
Total normal receivable	2,113,251	1,540,909	2,223,731	1,648,168	4,336,982	3,189,077
Terminated agreements receivables						
Hire purchase and installment sales receivables	316,571	90,961	327,661	64,312	644,232	155,273
Accrued hire purchase and installment sales income	48,037	9,181	-	-	48,037	9,181
Less: Unearned hire purchase and installment sales income, net	(131,353)	(30,559)	(87,207)	(17,120)	(218,560)	(47,679)
Total terminated agreements receivables	233,255	69,583	240,454	47,192	473,709	116,775
Total receivables	2,346,506	1,610,492	2,464,185	1,695,360	4,810,691	3,305,852
Less: Allowance for doubtful accounts	(201,022)	(117,123)	(188,268)	(57,421)	(389,290)	(174,544)
Hire purchase and installment sales receivables, net	2,145,484	1,493,369	2,275,917	1,637,939	4,421,401	3,131,308

7.2 As at 31 December 2013 and 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	
	2013	2012	2013	2012	2013	2012	2013	2012
	Hire purchase and installment sales receivables							
Not yet due	3,854,884	2,736,069	1	1	37,479	26,044	3,817,405	2,710,025
Past due:								
1 month	300,868	189,368	10	10	29,454	18,549	271,414	170,819
2 - 3 months	295,720	200,121	20	20	58,047	39,395	237,673	160,726
4 - 6 months	207,533	119,086	40	40	81,661	47,109	125,872	71,977
7 - 9 months	142,983	37,948	60	60	84,554	22,617	58,429	15,331
10 - 12 months	97,591	10,575	80	80	77,108	8,441	20,483	2,134
Over 12 months	22,703	12,685	100	100	22,384	12,389	319	296
Total	4,922,282	3,305,852			390,687	174,544	4,531,595	3,131,308

(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	
	2013	2012	2013	2012	2013	2012	2013	2012
	Hire purchase and installment sales receivables							
Not yet due	3,746,064	2,736,069	1	1	36,441	26,044	3,709,623	2,710,025
Past due:								
1 month	298,632	189,368	10	10	29,231	18,549	269,401	170,819
2 - 3 months	295,325	200,121	20	20	57,967	39,395	237,358	160,726
4 - 6 months	207,394	119,086	40	40	81,605	47,109	125,789	71,977
7 - 9 months	142,983	37,948	60	60	84,554	22,617	58,429	15,331
10 - 12 months	97,591	10,575	80	80	77,108	8,441	20,483	2,134
Over 12 months	22,702	12,685	100	100	22,384	12,389	318	296
Total	4,810,691	3,305,852			389,290	174,544	4,421,401	3,131,308

7.3 As at 31 December 2013 and 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:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2013		2012	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,760,840	2,410,788	2,550,492	1,610,492
After one year but not more than five years	3,268,179	2,511,494	2,226,020	1,695,360
Total minimum lease payments receivable	7,029,019	4,922,282	4,776,512	3,305,852
Less: Amounts representing finance charges	(2,106,737)		(1,470,660)	
Present value of minimum lease				

payments	4,922,282		3,305,852	
	(Unit: Thousand Baht)			
	Separate financial statements			
	2013		2012	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,680,150	2,346,506	2,550,492	1,610,492
After one year but not more than five years	3,191,128	2,464,185	2,226,020	1,695,360
Total minimum lease payments receivable	6,871,278	4,810,691	4,776,512	3,305,852
Less: Amounts representing finance charges	(2,060,587)		(1,470,660)	
Present value of minimum lease payments	4,810,691		3,305,852	

7.4 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 31 December 2013, there are outstanding hire purchase receivable amounting to approximately Baht 497.4 million (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 year ended 31 December 2013 and 2012 would be reduced by Baht 7.3 million and Baht 7.2 million, respectively.

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

7.6 As at 31 December 2013, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before net of unearned hire purchase interest income) of Baht 4,845 million (2012: Baht 2,988 million), in order to secure credit facilities granted by commercial banks as discussed in Notes 17 and 19.

8. Assets foreclosed

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

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2013	2012
Repossessed assets	42,990	31,470
Less: Allowance for diminution in value of assets foreclosed	(21,838)	(12,846)
Assets foreclosed, net	21,152	18,624

9. 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 31 December 2013, the outstanding balance of short-term loan and interest receivable amounted to JPY 10.6 million and USD 0.6 million.

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Refundable input tax (Accounts receivable - Revenue Department)	-	42,653	-	42,653
Accrued income	7,797	2,894	3,357	2,894
Prepaid expenses	98,323	72,271	96,191	72,271
Other receivable - sales of assets foreclosed	17,539	6,124	17,539	6,124
Undue input tax	2,272	2,802	2,272	2,802
Others	9,727	1,704	6,740	1,704
Total	135,658	128,448	126,099	128,448
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)

Other current assets, net	<u>133,132</u>	<u>125,922</u>	<u>123,573</u>	<u>125,922</u>
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11. 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 28.4.

12. Investment in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Separate financial statements							
	Paid-up capital		Shareholdings percentage		Cost		Dividend received during the year	
	2013	2012	2013	2012	2013	2012	2013	2012
			(%)	(%)				
Group Lease Holding Pte. Ltd. and its subsidiary	110,698	18,685	100	100	<u>110,698</u>	<u>18,685</u>	<u>10,000</u>	<u>-</u>

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.

On 16 December 2013, a meeting of the Board of Directors of the Company approved an additional investments in GLH totaling 13.09 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, or a total of SGD 13.09 million (equivalent to Baht 330.82 million). The Company approved the conversion of the loan and interest payable, amounting to Baht 308.77 million and USD 0.79 million, to equity in GLH as stipulated in the loan capitalisation agreement. On 27 January 2014, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 31 December 2013, investment in GLH and share subscription payment in advance in the separate financial statements amounted to SGD 4.61 million and SGD 13.09 million, respectively (2012: investment in GLH represented 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 GLH approved an additional investment in GLF, totaling USD 3.1 million (equivalent to Baht 96.49 million), and approved the conversion of the loan to equity in GLF, together with cash payment of the outstanding balance. GLF registered the resulting increase in its registered share capital with the Ministry of Commerce on 1st quarter of 2014.

13. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2012	35,983	45,553	5,033	20,879	11,080	13,912	-	132,440
Additions	-	-	1,176	1,078	2,107	3,648	-	8,009
Disposals	-	-	-	(1,430)	(757)	-	-	(2,187)
31 December 2012	35,983	45,553	6,209	20,527	12,430	17,560	-	138,262
Additions	-	-	6,938	4,298	4,900	5,014	-	21,150
Disposals/Write-off	-	-	-	(610)	(582)	(55)	-	(1,247)
Transfer Out	-	-	-	-	-	-	(863)	(863)
Increase from acquisition of GLF	-	-	-	906	1,671	2,910	863	6,350
Exchange differences on translation of Financial statements in foreign currency	-	-	7	82	150	300	-	539
31 December 2013	35,983	45,553	13,154	25,203	18,569	25,729	-	164,191
Accumulated depreciation								
1 January 2012	-	35,417	4,781	19,474	10,314	6,158	-	76,144
Depreciation for the year	-	2,278	139	578	1,200	4,281	-	8,476
Depreciation on disposals	-	-	-	(1,426)	(756)	-	-	(2,182)
31 December 2012	-	37,695	4,920	18,626	10,758	10,439	-	82,438
Depreciation for the year	-	2,075	486	958	2,721	4,361	-	10,601
Depreciation on disposals/Write-off	-	-	-	(610)	(582)	(34)	-	(1,226)
Increase from acquisition of GLF	-	-	-	142	612	621	-	1,375
Exchange differences on translation of Financial statements in foreign currency	-	-	-	12	52	64	-	128
31 December 2013	-	39,770	5,406	19,128	13,561	15,451	-	93,316
Net book value								
31 December 2012	35,983	7,858	1,289	1,901	1,672	7,121	-	55,824
31 December 2013	35,983	5,783	7,748	6,075	5,008	10,278	-	70,875
Depreciation for the year								

2013

10,601

2012

8,476

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Total
Cost							
1 January 2012	35,983	45,553	5,033	20,879	11,080	13,912	132,440
Additions	-	-	1,176	1,078	2,107	3,648	8,009
Disposals	-	-	-	(1,430)	(757)	-	(2,187)
31 December 2012	35,983	45,553	6,209	20,527	12,430	17,560	138,262
Additions	-	-	6,794	3,447	3,401	579	14,221
Disposals	-	-	-	(610)	(582)	-	(1,192)
31 December 2013	35,983	45,553	13,003	23,364	15,249	18,139	151,291
Accumulated depreciation							
1 January 2012	-	35,417	4,781	19,474	10,314	6,158	76,144
Depreciation for the year	-	2,278	139	578	1,200	4,281	8,476
Depreciation on disposals	-	-	-	(1,426)	(756)	-	(2,182)
31 December 2012	-	37,695	4,920	18,626	10,758	10,439	82,438
Depreciation for the year	-	2,075	476	827	2,197	3,453	9,028
Depreciation on disposals	-	-	-	(610)	(582)	-	(1,192)
31 December 2013	-	39,770	5,396	18,843	12,373	13,892	90,274
Net book value							
31 December 2012	35,983	7,858	1,289	1,901	1,672	7,121	55,824
31 December 2013	35,983	5,783	7,607	4,521	2,876	4,247	61,017
Depreciation for the year							
2013							9,028
2012							8,476

As at 31 December 2013, certain equipment items of the Company has been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 32.9 million (2012: Baht 31.0 million).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2013 of Baht 21.4 million (2012: Baht 23.2 million) as collateral for bank overdraft and short-term loans from financial institutions and long-term credit facilities as discussed in Notes 17 and 19.

14. Intangible assets

The net book value of intangible assets as at 31 December 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Exclusive Right Agreement	Computer Software	Software under development	Total
As at 31 December 2013:				
Cost	115,202	1,515	1,338	118,055
Less: Accumulated amortisation	(12,800)	(185)	-	(12,985)
Net book value as at 31 December 2013	102,402	1,330	1,338	105,070

A reconciliation of the net book value of intangible assets for the year 2013 is presented below

(Unit: Thousand Baht)

	Consolidated financial statements			
	Exclusive Right Agreement	Computer Software	Software under development	Total
Net book value as at 1 January 2013	-	-	-	-
Acquisitions during the year				
- at cost	-	582	1,290	1,872
Increase from acquisition of GLF	106,245	-	-	106,245
Transfer in	-	863	-	863
Amortisation for the year	(9,246)	(179)	-	(9,425)
Exchange differences on translation of financial statements in foreign currency	5,403	64	48	5,515
Net book value as at 31 December 2013	102,402	1,330	1,338	105,070

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 31 December 2013, the fair value of exclusive right in consolidated financial statement amounted to USD 3.12 million.

15. Income tax expenses/deferred tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current income tax:				
Current income tax charge	104,060	68,063	102,803	67,756
Deferred tax:				
Relating to origination and reversal of temporary differences	(39,351)	37,129	(40,004)	37,129
Temporary differences from purchase of GLF	(56)	-	-	-
Effects of changes in the applicable tax rates	-	(2,791)	-	(2,791)
Income tax expense reported in the statement of comprehensive income	64,653	102,401	62,799	102,094

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 is as follows.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
Accounting profit before tax	304,966	459,783	320,655	455,337
Applicable tax rate	20%, 17%	23%, 17%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	69,329	105,338	64,131	104,728
Effects of non-taxable income and expenses	(2,827)	(146)	(1,332)	157
Effects of temporary difference from appraisal fair value of exclusive right agreement	(1,849)	-	-	-
Effects of changes in the applicable tax rates	-	(2,791)	-	(2,791)
Total income tax expenses reported in the statement of comprehensive income	64,653	102,401	62,799	102,094

As of 31 December 2013 and 2012, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	80,083	37,134	80,083	37,134
Allowance for diminution of value foreclosed assets	4,368	2,569	4,368	2,569
Reserve for employee benefits	831	555	831	555
Prepaid commission expenses	(24,304)	(19,284)	(24,304)	(19,284)
Total	60,978	20,974	60,978	20,974
<u>Deferred tax liabilities</u>				
Fair value on exclusive right agreement	653	-	-	-
Total	653	-	-	-

The above deferred tax liabilities included the deferred tax liabilities of USD 0.02

million from the appraised value of fair value of intangible assets at acquisition date.

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 has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

16. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Income tax and value added tax				
refundable	48,995	36,621	48,995	36,621
Deposits	80,863	4,355	709	252
Others	770	830	770	830
Total other non-current assets	<u>130,628</u>	<u>41,806</u>	<u>50,474</u>	<u>37,703</u>

17. Bank overdraft and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated/Separate financial statements	
		2013	2012
Bank overdraft	MOR	13,550	-
Short-term loans from financial institutions	MLR, MOR	-	50,000
Total		<u>13,550</u>	<u>50,000</u>

Credit facilities of 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 short-term loan balance as of 31 December 2012 at full amount during the current year.

18. Related party transactions

During the years, the Company and its subsidiaries 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 subsidiaries and those related companies. Below is a summary of those

transactions.

(Unit: Thousand Baht)

	Consolidated financial		Separate financial		Pricing policy
	statements		statements		
	2013	2012	2013	2012	
Transactions with subsidiary company:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	28	-	Contract rate
Interest income	-	-	10,750	601	7% per annum
Dividend income	-	-	10,000	-	As per declaration
Transactions with related parties:					
Interest income	3,628	250	103	57	6% - 9% per annum
Cash paid for acquisition of investment in subsidiaries	-	35,106	-	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 31 December 2013 and 2012, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
Short-term loans to and interest receivable from related parties				
Subsidiary companies				
Group Lease Holding Pte. Ltd.	-	-	200,499	36,783
GL Finance Plc.	-	20,544	3,383	3,067

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Related parties				
Devenco Management and Consulting Co., Ltd.	51,341	-	-	-
Tennis Federation of Cambodia	3,821	-	-	-
Total	55,162	20,544	203,882	39,850
Share subscription payment in advance - related parties				
GL Finance Plc.	-	34,144	-	-
Group Lease Holding Pte. Ltd.	-	-	330,815	-
Total	-	34,144	330,815	-
Deposit - related party (presented as part of other non-current assets)				
A.P.F. Group Co., Ltd.	65,627	-	-	-
Total	65,627	-	-	-

Of deposits presented under the caption of non-current assets in the consolidated financial statements, a total of USD 2.0 million represented a deposit of GLH that has been pledged as collateral with a related party who assisted with procurement of loans from a financial institution. Currently, there is in the progress for arrangement.

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

(Unit: Thousand Baht)

	Consolidated financial statements						
	Balance as at	During the year		Gain (loss)	Exchange differences	Eliminated of	Balance as at
	1 January	Increase	Decrease	from	on translation of	short-term loan	
2013			exchange rate	financial statement	in foreign	transactions	31 December
					currency	from	2013
						acquisition	
						of GLF	
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.	-	52,312	-	(3,294)	2,323	-	51,341
Tennis Federation of Cambodia	-	3,708	(30)	-	143	-	3,821
Total	20,544	112,656	(347)	(3,242)	2,900	(77,349)	55,162

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year		Gain from	Balance as at
	1 January 2013	Increase	Decrease	exchange rate	31 December 2013
Short-term loans to and interest receivable from related parties					
Group Lease Holding Pte. Ltd.	36,783	499,999	(336,283)	-	200,499
GL Finance Plc.	3,067	215	(121)	222	3,383
Total	39,850	500,214	(336,404)	222	203,882

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2013	2012
Short-term employee benefits	37,386	37,418
Post-employment benefits	1,076	802
Total	38,462	38,220

Warrants for directors and management

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.

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.

On 2 December 2013, the Company issued 731,151 warrants (GL-W3) to subscribe to the Company's ordinary shares, to be allotted to 9 directors and management. This represents 0.22% of the Company's warrants.

As at 31 December 2013, there are outstanding warrants (GL-WD, GL-W2 and GL-W3) to subscribe to the Company's ordinary shares, to be allotted to existing directors and management totaling 219,500 units, 6,199 units and 731,151 units, respectively.

19. 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	Repayment condition
	2013	2012	per annum	
<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	-	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	2,184,260	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	433,270	-	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.
<u>Loan agreement dates 17 September 2013</u>				
Credit facility No. 1	479,990	-	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	3,097,520	1,721,957		
Less: Current portion	(1,808,590)	(887,947)		
Long-term loans, net of current portion	1,288,930	834,010		

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 31 December 2013, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 315.7 million (2012: Baht 432.0 million).

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2013	2012
Defined benefit obligation at		
beginning of year	2,774	1,735
Current service cost	1,081	2,673
Interest cost	117	67
Benefits paid during the year	(360)	(1,317)
Actuarial loss (gain)	545	(384)

Provisions for long-term employee**benefits at end of year**4,1572,774

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

Consolidated / Separate
financial statements

	2013	2012
Current service cost	1,081	2,673
Interest cost	117	67
Actuarial loss (gain) recognised during the year	545	(384)
Total expense recognised in profit or loss	<u>1,743</u>	<u>2,356</u>
Line items under which such expenses are included in profit or loss:		
Services and administrative expenses	1,743	2,356

Principal actuarial assumptions at the valuation date were as follows:

Consolidated / Separate
financial statements

	2013	2012
	(% per annum)	(% per annum)
Discount rate	4.4	4.2
Future salary increase rate (depending on age)	7.0	7.0
Staff turnover rate	15.88	14.92

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	Experience adjustments arising on the plan liabilities
	Consolidated / Separate financial statements	Consolidated / Separate financial statements
Year 2013	4,157	510
Year 2012	2,774	(104)
Year 2011	1,735	(1,127)

21. Share capital

21.1 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.

21.2 Resolutions of the Extraordinary General Meeting of the shareholders

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).

The Company registered the increase in its registered share capital to Baht 720.9 million with the Ministry of Commerce on 15 November 2013. As at 31 December 2013, the Company had its paid up share capital to Baht 512.4 million.

21.3 Additional share subscription received from the exercise of warrants

During the current year, the Company received additional share subscription totaling Baht 612.19 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)	7,582,146	89,742,271	2.95708	265.38
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As at 31 December 2013, the Company had share premium amounting to Baht 933.68 million as a result of the capital increases (2012: Baht 414.9 million).

As at 31 December 2013, the Company had share subscription received in advance amounting Baht 1.0 million in its paid up share capital from the exercise of GL-W2 totaling 28,400 units. The Company registered the increase in its paid up share capital from the exercise of such warrants with the Ministry of Commerce on 3 January 2014. In addition, the Company also transferred of share subscription received in advance to share capital amounting Baht 19.6 million during year.

21.4 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 <hr/> (Thousand Shares)	Amount <hr/> (Thousand Baht)	
<u>Registered share capital</u>			
At the beginning of the year	114,078	570,393	
Increase from change in par value	1,026,707	-	
Share capital after change in par value	<hr/> 1,140,785	<hr/> 570,393	
Increase during the year	751,338	375,668	
Decrease during the year	(450,271)	(225,135)	
At the end of the period	<hr/> <hr/> 1,441,852	<hr/> <hr/> 720,926	
	Number of ordinary shares <hr/> (Thousand Shares)	Paid-up capital <hr/> (Thousand Baht)	Premium on ordinary shares <hr/> (Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	68,973	344,864	414,924
Increase from change in par value	620,755	-	-
Increase in capital from exercising of the rights of the warrants	190,337	95,168	518,756
Increase in capital from stock dividend	144,642	72,321	-
At the end of the year	<hr/> <hr/> 1,024,707	<hr/> <hr/> 512,353	<hr/> <hr/> 933,680

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

As at 31 December 2013, 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-W3	Existing shareholders	2 December 2013	332,783,154	-	2 years	Baht 10	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

Issuance and offer of warrants during the year

GL-W3

On 2 December 2013, the Company issued 332.78 million warrants (GL-W3) to subscribe to the Company's ordinary shares, free of charge. The warrants are exercisable at the end of every quarter for a period of 2 years from the issue date, in a ratio of 1 warrant to 1 new ordinary share, with an exercise price of Baht 10 per share.

On 16 December 2013, the warrants were listed on the Stock Exchange of Thailand, to be traded on Stock Exchange of Thailand commencing from 16 December 2013.

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 21.1. 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 year, the movements of warrants of the Company are as follows:

Type of warrant	Number of warrants outstanding as at 1 January 2013	Issuance of warrants during the year	Number of warrants exercised during the year	Number of warrant expired/cancelled during the year	Number of warrants outstanding as at 31 December 2013
GL-W2	22,216,267	-	(16,859,374)	-	5,356,893
GL-W3	-	332,783,154	-	-	332,783,154
GL-WC	219,500	-	(212,300)	(7,200)	-
GL-WD	934,500	-	-	(62,100)	872,400

Up to 31 December 2013, the Company cancelled a total of 424,300 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 year ended 31 December 2013, the Company recorded expenses of the GL-WD plan amounting to Baht 1.36 million as personnel expenses (2012: Baht 0.86 million).

23. 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
Total dividends and stock dividends for the year 2013		<u>259,369</u>	<u>2.13</u>

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
Total dividends for the year 2012		<u>143,533</u>	<u>2.09</u>

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

25. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salary and wages and other employee benefits	181,166	130,203	166,646	130,203
Service agreement expenses	40,904	29,112	40,825	29,112
Debt following expenses	21,136	19,567	21,136	19,567
Depreciation	10,601	8,476	9,028	8,476
Amortisation	9,425	-	-	-
Registration fee	7,785	7,772	7,785	7,772
Professional fee	4,816	7,374	2,427	6,928

26. Earnings per share

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

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares (Restated)	Baht	Baht (Restated)
Basic earnings per share						
Profit for the year	240,313	357,381	953,579	815,568	<u>0.25</u>	<u>0.44</u>
Effect of dilutive potential ordinary shares						
GL-W1	-	-	-	2,605		
GL-W2	-	-	91,829	27,717		
GL-WB	-	-	-	500		
GL-WC	-	-	771	1,867		
GL-WD	-	-	9,241	5,809		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>240,313</u>	<u>357,381</u>	<u>1,055,420</u>	<u>854,066</u>	<u>0.23</u>	<u>0.42</u>
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares (Restated)	Baht	Baht (Restated)
Basic earnings per share						
Profit for the year	257,856	353,243	953,579	815,568	<u>0.27</u>	<u>0.43</u>
Effect of dilutive potential ordinary shares						
GL-W1	-	-	-	2,605		
GL-W2	-	-	91,829	27,717		
GL-WB	-	-	-	500		
GL-WC	-	-	771	1,867		
GL-WD	-	-	9,241	5,809		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>257,856</u>	<u>353,243</u>	<u>1,055,420</u>	<u>854,066</u>	<u>0.24</u>	<u>0.41</u>

However, no calculation of diluted earnings per share for the year ended 31 December 2013 was required for warrant (GL-W3), as disclosed in Note 22, since the aggregated amounts of the exercise price and the fair value of the warrant were

higher than the average market price of the Company's ordinary shares.

27. Provident fund

The Company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2013 and 2012, the Company contributed Baht 2.6 and Baht 1.8 respectively to the fund.

28. Commitments

28.1 Capital commitments

As at 31 December 2013, the Company had capital commitments of approximately Baht 16.55 million, relating to the purchase of software license.

28.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land and office building space. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	As at 31 December			
	2013		2012	
	<u>Thousand Baht</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:				
In up to 1 year	3,586	11	1,255	9
In over 1 and up to 5 years	2,075	-	40	-

28.3 Service commitments

As at 31 December 2013, the Company is required to pay fees of USD 0.04 million, JPY 0.20 million and THB 0.90 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (2012: USD 0.02 million per month).

28.4 Guarantees

As at 31 December 2013 and 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.

29. Financial information by segment

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 Board of Directors.

For management purposes, the Company and its subsidiary are organised into business units based on its services and have two reportable segments as follows:

- Hire purchase services for motorcycles segment
- Financial advisory and other investment holding company segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2013 and 2012, respectively.

(Unit: Thousand Baht)

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Year ended 31 December 2013					
Hire purchase interest income	1,258,308	-	1,258,308	(28)	1,258,280
Other income	183,044	35,621	218,665	(10,015)	208,650
Interest revenue	11,252	9,842	21,094	(16,483)	4,611
Interest expense	151,576	10,565	162,141	(16,433)	145,708
Depreciation and amortisation	11,043	-	11,043	8,984	20,027
Bad debts and doubtful accounts	343,635	-	343,635	-	343,635
Loss on disposals of foreclosed assets	314,387	-	314,387	-	314,387
Services and administrative expenses	330,328	5,864	336,192	6,626	342,818
Income tax expense or income	62,888	3,614	66,502	(1,849)	64,653

Segment profit	238,747	25,420	264,167	(23,854)	240,313
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(Unit: Thousand Baht)

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Year ended 31 December 2013					
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	116,124	-	116,124	47,682	163,806

(Unit: Thousand Baht)

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Year ended 31 December 2012					
Hire purchase interest income	837,221	-	837,221	-	837,221
Other income	112,709	-	112,709	-	112,709
Interest revenue	2,372	5,963	8,335	(602)	7,733
Interest expense	63,004	604	63,608	(604)	63,004
Depreciation and amortisation	8,476	-	8,476	-	8,476
Bad debts and doubtful accounts	45,253	-	45,253	-	45,253
Loss on disposals of foreclosed assets	140,251	-	140,251	-	140,251
Services and administrative expenses	239,981	1,450	241,431	(534)	240,897
Income tax expense or income	102,094	307	102,401	-	102,401
Segment profit	353,243	3,602	356,845	536	357,381
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	(472)	-	(472)	-	(472)

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	2013	2012
Revenue from external customers		
Thailand	1,420,887	951,701
Cambodia	10,925	-
Singapore	39,729	5,963
Total	<u>1,471,541</u>	<u>957,664</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,387,727	1,731,778
Cambodia	217,971	-
Singapore	69,187	4,102
Total	<u>2,674,885</u>	<u>1,735,880</u>

30. Financial instruments

30.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, hire purchase and installment sales receivables, short-term loan to, pledged fixed deposit at financial institution, accounts receivable and loans to employees, bank overdraft and short-term loans from financial institutions and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and installment sales receivables. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, the Company does not have high concentration of credit risk since it has a large customer base. Therefore, the Company does not expect to incur material financial losses in excess of the allowance for doubtful accounts it has already provided.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase and installment sales receivables, pledged fixed deposit at financial institution, accounts receivable and loans to employees, bank overdraft and short-term loans from financial institutions and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2013 and 2012 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2013				
	Fixed interest rates			Non- interest bearing	Total
	Within 1 year	1 - 5 years	Floating interest rate		
Financial assets					
Cash and cash equivalent	-	-	7.63	312.91	320.54
Hire purchase and installment sales receivables, net	2,208.37	2,323.22	-	-	4,531.59
Short-term loans and interest receivable	23.37	-	-	-	23.37
Short-term loans to related parties	55.16	-	-	-	55.16
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.24	0.24
	<u>2,287.22</u>	<u>2,323.22</u>	<u>7.63</u>	<u>313.15</u>	<u>4,931.22</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2013

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	13.55	-	13.55
Trade and other payables	-	-	-	4.32	4.32
Long-term loans	-	-	3,097.52	-	3,097.52
	-	-	3,111.07	4.32	3,115.39

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2012

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial assets					
Cash and cash equivalent	-	-	0.50	13.86	14.36
Hire purchase and installment sales receivables, net	1,493.37	1,637.94	-	-	3,131.31
Short-term loans to related parties	20.54	-	-	-	20.54
Deposits at bank with restrictions	0.31	-	-	-	0.31
Receivables and loans to employees	-	-	-	0.13	0.13
	1,514.22	1,637.94	0.50	13.99	3,166.65
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	50.00	-	50.00
Trade and other payables	-	-	-	14.42	14.42
Long-term loans	-	-	1,721.96	-	1,721.96
	-	-	1,771.96	14.42	1,786.38

(Unit: Million Baht)

Separate financial statements as at 31 December 2013

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial assets					
Cash and cash equivalent	-	-	1.35	84.81	86.16
Hire purchase and installment sales receivables, net	2,145.48	2,275.92	-	-	4,421.40
Short-term loans to related parties	203.88	-	-	-	203.88
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.24	0.24
	<u>2,349.68</u>	<u>2,275.92</u>	<u>1.35</u>	<u>85.05</u>	<u>4,712.00</u>
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	13.55	-	13.55
Trade and other payables	-	-	-	3.22	3.22
Long-term loans	-	-	3,097.52	-	3,097.52
	<u>-</u>	<u>-</u>	<u>3,111.07</u>	<u>3.22</u>	<u>3,114.29</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial assets					
Cash and cash equivalent	-	-	0.48	10.41	10.89
Hire purchase and installment sales receivables, net	1,493.37	1,637.94	-	-	3,131.31
Short-term loans to related parties	39.85	-	-	-	39.85
Deposits at bank with restrictions	0.31	-	-	-	0.31
Receivables and loans to employees	-	-	-	0.13	0.13
	<u>1,533.53</u>	<u>1,637.94</u>	<u>0.48</u>	<u>10.54</u>	<u>3,182.49</u>
Financial liabilities					
Trade and other payables	-	-	-	14.42	14.42
Bank overdrafts and short-term loans from financial institutions	-	-	50.00	-	50.00
Long-term loans	-	-	1,721.96	-	1,721.96
	<u>-</u>	<u>-</u>	<u>1,771.96</u>	<u>14.42</u>	<u>1,786.38</u>

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries are summarised below.

	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets		Financial liabilities as at		Financial assets		Financial liabilities as at			
	as at		as at		as at		as at		31 December	
	31 December		31 December		31 December		31 December			
<u>Foreign currency</u>	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1.04	1.79	-	-	0.11	0.88	0.04	-	32.8136	30.6316
JPY	20.56	10	-	-	-	-	-	-	0.3130	0.3545

30.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear interest rates which are close to the market rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

The Company and its subsidiaries have estimated the fair value of financial instruments as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase and installment sales receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair value.

The Company has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 December 2013 amounts to Baht 913.3 million, for part of the long term loan as discussed in note 19. The contracts have 24 - 30 installments and mature in December 2015 - June 2016. At each of the maturity dates, the Company is required to pay interest to the bank based on a 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 a stipulated rate. The agreement contains other conditions. The Company would have had unrealised losses of approximately Baht 27.1 million, if it had recorded the above contracts at fair value.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 1.43:1 and the Company's was 1.43:1 (2012: 1.19:1).

32. Event after the reporting period

On 20 January 2014, a meeting of the Board of Directors of the Company approved a treasury stock program for the purpose of financial management. The details are as follow:

- 1) A resolution was passed to propose that the Shareholders' Annual General Meeting 2014 approve the amendment of Article 12 of the Company's Articles of Association, to enable the Company to repurchase the Company's shares.
- 2) Approved the treasury stock program for the purpose of financial management, with the repurchase period set after a shareholders' meeting has passed a resolution to approve the amendment of the Articles of Association to enable the Company to repurchase its shares.
- 3) The maximum budget for the share repurchase is Baht 330 million.
- 4) A total of 51,252,115 shares are available for repurchase with a par value of Baht 0.50 per share, equivalent to 5% of the total paid-up capital.
- 5) These shares are to be repurchased through the Stock Exchange of Thailand, by means of offerings to general shareholders. The repurchase price must not exceed 115% of the weighted average closing price over the latest 5 trading days.

6) The Board of Directors will reconsider the procedures for share distribution after the share repurchase scheme is complete (more than 6 months but not more than 3 years after completion date of the scheme). The resale price will not be set at no less than 85% of the weighted average closing price over the 5 trading days before the sale.

7) The treasury stocks carry no rights to receive dividend.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 19 February 2014.