

Group Lease Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2014

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 2014, 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 period.

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 judgement, 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 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

EY Office Limited
Bangkok: 19 February 2015

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		financial statements		2014	2013
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	6	357,445,769	320,545,427	71,158,776	86,164,245
Current portion of hire purchase and installment sales receivables	7	3,163,952,717	2,208,369,556	2,330,499,874	2,145,483,744
Assets foreclosed	8	23,596,872	21,151,776	14,070,500	21,151,776
Short-term loan and interest receivable	9	24,776,473	23,366,222	-	-
Short-term loan to and interest receivable from related parties	18	38,424,749	55,162,132	1,190,165,904	203,881,722
Other current assets	10, 18	151,265,496	133,131,904	115,224,229	123,572,610
Total current assets		3,759,462,076	2,761,727,017	3,721,119,283	2,580,254,097
Non-current assets					
Pledged fixed deposit at financial institution	11	324,368	318,055	324,368	318,055
Share subscription payment in advance	18	-	-	-	330,815,218
Investment in subsidiary company	12	-	-	1,071,209,294	110,697,660
Hire purchase and installment sales receivables - long-term portion	7	2,922,437,617	2,323,225,940	2,202,279,224	2,275,917,341
Property, plant and equipment	13	100,641,844	70,875,473	62,422,194	61,017,216
Intangible assets	14	127,693,053	105,070,485	6,450,000	-
Goodwill	2.2	91,420,325	43,684,198	-	-
Deferred tax assets	15	106,295,722	60,977,746	70,807,645	60,977,746
Other non-current assets	16, 18	162,345,120	130,627,777	63,004,536	50,474,399
Total non-current assets		3,511,158,049	2,734,779,674	3,476,497,261	2,890,217,635
Total assets		7,270,620,125	5,496,506,691	7,197,616,544	5,470,471,732

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 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from					
financial institutions	17	250,000,000	13,549,878	250,000,000	13,549,878
Trade accounts payable		9,075,132	4,317,026	6,350,905	3,219,050
Short-term loans from and interest payable to					
related party	18	19,797,307	-	-	-
Current portion of long-term loans	19	2,547,808,506	1,808,590,000	2,547,808,506	1,808,590,000
Income tax payable		-	49,445,424	-	45,481,307
Insurance premium payables		11,725,774	10,099,135	9,682,314	9,214,068
Accrued expenses		56,526,476	28,912,504	26,302,045	22,562,312
Other current liabilities		54,359,411	24,468,306	29,598,922	21,780,746
Total current liabilities		2,949,292,606	1,939,382,273	2,869,742,692	1,924,397,361
Non-current liabilities					
Long-term loans, net of current portion	19	1,312,047,016	1,288,930,003	1,312,047,016	1,288,930,003
Debentures	20	488,303,334	-	488,303,334	-
Provision for long-term liabilities					
Provision for long-term employee benefits	21	6,379,382	4,156,916	6,379,382	4,156,916
Cash guarantee for damage on hire purchase agreements		2,325,393	2,301,871	2,196,263	2,301,871
Deferred tax liabilities	15	-	652,795	-	-
Total non-current liabilities		1,809,055,125	1,296,041,585	1,808,925,995	1,295,388,790
Total liabilities		4,758,347,731	3,235,423,858	4,678,668,687	3,219,786,151

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 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital	23				
Registered					
1,441,852,272 ordinary shares of Baht 0.50 each		<u>720,926,136</u>	<u>720,926,136</u>	<u>720,926,136</u>	<u>720,926,136</u>
Issued and paid-up					
1,085,769,632 ordinary shares of Baht 0.50 each (2013: 1,024,706,958 ordinary shares of Baht 0.50 each)		542,884,816	512,353,479	542,884,816	512,353,479
Share premium	23	1,084,254,433	933,680,028	1,084,254,433	933,680,028
Share subscription received in advance		-	996,839	-	996,839
Warrants	24	-	535,689	-	535,689
Capital reserve for share-based payment transactions	24	3,584,428	2,223,017	3,584,428	2,223,017
Retained earnings					
Appropriated - statutory reserve	26	72,092,614	72,092,614	72,092,614	72,092,614
Unappropriated		773,206,490	715,399,894	816,131,566	728,803,915
Exchange differences on translation of financial statements in foreign currency		36,249,613	23,801,273	-	-
Total shareholders' equity		<u>2,512,272,394</u>	<u>2,261,082,833</u>	<u>2,518,947,857</u>	<u>2,250,685,581</u>
Total liabilities and shareholders' equity		<u>7,270,620,125</u>	<u>5,496,506,691</u>	<u>7,197,616,544</u>	<u>5,470,471,732</u>
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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 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		2014	2013	2014	2013
Profit or loss					
Revenues					
Hire purchase interest income		1,666,739,017	1,258,280,481	1,389,653,953	1,251,387,184
Other income		205,334,694	213,260,071	216,717,407	190,264,303
Total revenues		1,872,073,711	1,471,540,552	1,606,371,360	1,441,651,487
Expenses					
Services and administrative expenses		561,141,506	362,844,679	356,114,249	318,476,998
Bad debts and doubtful accounts		494,857,518	343,635,227	441,370,653	342,425,389
Loss on disposals of foreclosed assets		431,819,548	314,386,646	377,812,551	314,386,646
Total expenses		1,487,818,572	1,020,866,552	1,175,297,453	975,289,033
Profit before finance cost and					
income tax expenses		384,255,139	450,674,000	431,073,907	466,362,454
Finance cost	19	(250,417,641)	(145,707,696)	(250,390,976)	(145,707,696)
Profit before income tax expenses		133,837,498	304,966,304	180,682,931	320,654,758
Income tax expenses	15	(19,133,574)	(64,652,925)	(36,457,952)	(62,798,569)
Profit for the year		114,703,924	240,313,379	144,224,979	257,856,189
Other comprehensive income					
Exchange differences on translation					
of financial statements in foreign currency		12,448,340	25,044,037	-	-
Other comprehensive income for the year		12,448,340	25,044,037	-	-
Total comprehensive income for the year		127,152,264	265,357,416	144,224,979	257,856,189
Earnings per share					
Basis earnings per share					
Profit for the year	28	0.109	0.252	0.137	0.270
Weighted average number of ordinary shares (shares)		1,052,988,458	953,578,583	1,052,988,458	953,578,853
Diluted earnings per share					
Profit for the year		0.106	0.228	0.134	0.244
Weighted average number of ordinary shares (shares)		1,077,369,449	1,055,420,358	1,077,369,449	1,055,420,358

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 2014

(Unit: Baht)

Consolidated financial statements												
	Note	Issued and paid-up		Share subscription received		Capital reserve for share-based payment		Retained earnings		Other comprehensive income	Total other components of shareholders' equity	Total shareholders' equity
		share capital	Share premium	in advance	Warrants	transactions	Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency			
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	
Profit for the year		-	-	-	-	-	-	240,313,379	-	-	240,313,379	
Other comprehensive income for the year		-	-	-	-	-	-	-	25,044,037	25,044,037	25,044,037	
Total comprehensive income for the year		-	-	-	-	-	-	240,313,379	25,044,037	25,044,037	265,357,416	
Issuance of ordinary shares during year												
from the exercise of warrants	23	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	23	-	-	996,839	(2,840)	-	-	-	-	-	993,999	
Capital reserve for share-based payment												
transactions	24	-	-	-	-	1,361,412	-	-	-	-	1,361,412	
Issuance of stock dividend	25	72,320,791	-	-	-	-	-	(72,320,791)	-	-	-	
Dividend paid	25	-	-	-	-	-	-	(187,048,052)	-	-	(187,048,052)	
Appropriated to statutory reserve	26	-	-	-	-	-	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	
Balance as at 1 January 2014		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	
Profit for the year		-	-	-	-	-	-	114,703,924	-	-	114,703,924	
Other comprehensive income for the year		-	-	-	-	-	-	-	12,448,340	12,448,340	12,448,340	
Total comprehensive income for the year		-	-	-	-	-	-	114,703,924	12,448,340	12,448,340	127,152,264	
Issuance of ordinary shares during year												
from the exercise of warrants	23	30,531,337	150,551,783	(996,839)	(513,067)	-	-	-	-	-	179,573,214	
Transferred of the expired warrants to share premium	23, 24	-	22,622	-	(22,622)	-	-	-	-	-	-	
Capital reserve for share-based payment												
transactions	24	-	-	-	-	1,361,411	-	-	-	-	1,361,411	
Dividend paid	25	-	-	-	-	-	-	(56,897,328)	-	-	(56,897,328)	
Balance as at 31 December 2014		542,884,816	1,084,254,433	-	-	3,584,428	72,092,614	773,206,490	36,249,613	36,249,613	2,512,272,394	

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 2014

(Unit: Baht)

	Note	Separate financial statements							Total shareholders' equity
		Issued and paid-up share capital	Share premium	Share subscription received in advance	Warrants	Capital reserve for share-based payment transactions	Retained earnings		
							Appropriated	Unappropriated	
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
Total comprehensive income for the year		-	-	-	-	-	-	257,856,189	257,856,189
Issuance of ordinary shares during year									
from the exercise of warrants	23	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	23	-	-	996,839	(2,840)	-	-	-	993,999
Capital reserve for share-based payment transactions	24	-	-	-	-	1,361,412	-	-	1,361,412
Issuance of stock dividend	25	72,320,791	-	-	-	-	-	(72,320,791)	-
Dividend paid	25	-	-	-	-	-	-	(187,048,052)	(187,048,052)
Appropriated to statutory reserve	26	-	-	-	-	-	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>
Balance as at 1 January 2014		512,353,479	933,680,028	996,839	535,689	2,223,017	72,092,614	728,803,915	2,250,685,581
Total comprehensive income for the year		-	-	-	-	-	-	144,224,979	144,224,979
Issuance of ordinary shares during year									
from the exercise of warrants	23	30,531,337	150,551,783	(996,839)	(513,067)	-	-	-	179,573,214
Transferred of the expired warrants to share premium	23, 24	-	22,622	-	(22,622)	-	-	-	-
Capital reserve for share-based payment transactions	24	-	-	-	-	1,361,411	-	-	1,361,411
Dividend paid	25	-	-	-	-	-	-	(56,897,328)	(56,897,328)
Balance as at 31 December 2014		<u>542,884,816</u>	<u>1,084,254,433</u>	<u>-</u>	<u>-</u>	<u>3,584,428</u>	<u>72,092,614</u>	<u>816,131,566</u>	<u>2,518,947,857</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 2014

(Unit: Baht)

	Consolidated		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities				
Profit before tax	133,837,498	304,966,304	180,682,931	320,654,758
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	17,168,127	10,601,083	9,444,964	9,028,159
Amortisation	21,255,936	9,425,396	-	-
Bad debts and doubtful accounts	626,315,816	343,635,227	441,370,653	342,425,389
Loss (gain) on disposal of equipment	(364,213)	5,661	(384,247)	(14,824)
Loss on write-off of intangible assets	47,222	-	-	-
Loss on disposals of assets foreclosed	431,819,548	314,386,646	377,812,551	314,386,646
Loss (reversal of loss) on diminution in value of assets foreclosed	(13,198,121)	8,992,268	(10,654,575)	8,992,268
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	-	2,586,094
Unrealised exchange loss (gain)	1,802,758	4,233,760	(3,305)	(635,807)
Written-off withholding tax of interest income	-	-	-	1,232,407
Provision for long-term employee benefits	2,969,376	1,742,656	2,969,376	1,742,656
Capital reserve for share-based payment transactions	1,361,411	1,361,411	1,361,411	1,361,411
Dividend income	-	-	-	(10,000,000)
Interest income	(4,242,337)	(4,092,585)	(66,111,095)	(10,853,382)
Interest expenses	234,359,688	145,707,696	234,333,023	145,707,696
Amortised front end fees of loans	10,773,839	-	10,773,839	-
Amortised transaction cost of debentures	5,284,114	-	5,284,114	-
Profit from operating activities before changes in operating assets and liabilities	1,469,190,662	1,140,965,523	1,186,879,640	1,126,613,471
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(796,473,206)	(1,728,363,868)	(552,748,666)	(1,632,518,358)
Assets foreclosed	(412,210,322)	(325,906,599)	(360,076,700)	(325,906,599)
Other current assets	50,199,533	(3,421,140)	9,538,526	2,349,046
Other non-current assets	(30,671,686)	(89,128,924)	(12,572,496)	(12,647,521)
Operating liabilities increase (decrease)				
Trade accounts payable	4,758,106	(10,178,234)	3,131,855	(11,202,750)
Insurance premium payables	1,626,639	(2,814,198)	468,246	(3,461,805)
Accrued expenses	19,768,973	3,971,563	(4,096,388)	(1,488,363)
Provision for long-term employee benefits	(746,910)	(360,000)	(746,910)	(360,000)
Other current liabilities	(23,060,962)	5,122,897	7,818,176	4,610,054
Guarantee for damage from hire purchase agreements	23,522	(14,019)	(105,608)	(14,019)
Cash flows from (used in) operating activities	282,404,349	(1,010,126,999)	277,489,675	(854,026,844)
Cash paid for interest expenses	(226,513,810)	(145,404,829)	(226,506,652)	(145,306,517)
Cash paid for corporate income tax	(95,672,347)	(87,858,225)	(92,959,304)	(87,543,135)
Net cash flows used in operating activities	(39,781,808)	(1,243,390,053)	(41,976,281)	(1,086,876,496)

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 2014

(Unit: Baht)

	Consolidated		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(6,313)	(7,267)	(6,313)	(7,267)
Cash paid for acquisition of investment in subsidiary (Note 2.2)	(601,936,567)	-	(629,696,415)	-
Share subscription payment in advance before acquisition date of subsidiary	-	(58,411,609)	-	-
Cash paid for additional in share capital of subsidiary	-	-	-	(92,012,690)
Repayment to former shareholder of subsidiary	(46,956,326)	-	-	-
Decrease (increase) in accounts receivable and loans to employees	40,058	(110,970)	40,058	(110,970)
Dividend received	-	-	-	10,000,000
Proceeds from sales of equipment	444,579	14,953	444,579	14,953
Cash paid for acquisitions of equipment	(43,307,953)	(21,149,661)	(10,910,274)	(14,221,577)
Cash paid for acquisitions of intangible asset	(6,646,429)	(1,871,719)	(6,450,000)	-
Cash paid for short-term loan to related parties	(3,287,093)	(111,415,852)	(1,401,909,495)	(489,360,000)
Cash receipt from short-term loan to related parties	22,661,084	-	445,159,495	-
Cash paid for short-term loans	-	(23,126,889)	-	-
Interest received	162,317	1,749,755	36,592,269	2,181,096
Net cash flows used in investing activities	<u>(678,832,643)</u>	<u>(214,329,259)</u>	<u>(1,566,736,096)</u>	<u>(583,516,455)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	236,450,122	(36,450,122)	236,450,122	(36,450,122)
Cash received from short-term loans from related parties	19,777,800	-	-	-
Cash received from long-term loans	2,794,000,000	2,837,000,000	2,794,000,000	2,837,000,000
Repayment of long-term loans	(2,021,690,000)	(1,461,436,664)	(2,021,690,000)	(1,461,436,664)
Repayment of short-term loan from financial institution as at acquisition date of subsidiary	(867,047,373)	-	-	-
Cash received from issuance of debentures	500,000,000	-	500,000,000	-
Cash paid for transaction costs of debentures	(16,980,780)	-	(16,980,780)	-
Cash paid for front end fees of short-term loan	(20,748,320)	-	(20,748,320)	-
Cash received from exercise of warrants	179,573,214	592,606,067	179,573,214	592,606,067
Cash received from share subscription received in advance	-	993,999	-	993,999
Dividend paid	(56,897,328)	(187,048,052)	(56,897,328)	(187,048,052)
Net cash flows from financing activities	<u>746,437,335</u>	<u>1,745,665,228</u>	<u>1,593,706,908</u>	<u>1,745,665,228</u>
Increase in translation adjustment	9,077,458	18,238,721	-	-
Net increase (decrease) in cash and cash equivalents	<u>36,900,342</u>	<u>306,184,637</u>	<u>(15,005,469)</u>	<u>75,272,277</u>
Cash and cash equivalents at beginning of year	<u>320,545,427</u>	<u>14,360,790</u>	<u>86,164,245</u>	<u>10,891,968</u>
Cash and cash equivalents at the end of year (Note 6)	<u><u>357,445,769</u></u>	<u><u>320,545,427</u></u>	<u><u>71,158,776</u></u>	<u><u>86,164,245</u></u>
	-	-	-	-

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Supplement cash flows information				
Non-cash items				
Transferred of share subscription received in advance during the period to ordinary shares and share premium	996,839	19,635,888	996,839	19,635,888
Transferred the exercise of warrants to share subscription received in advance	513,068	1,685,938	513,068	1,685,938
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
Transferred short-term loans to related party to share subscription payment in advance	-	-	-	330,815,218
Transferred share subscription payment in advance 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 2014

1. General information

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand.

The Company operates its business in Thailand and its subsidiaries operate their businesses in overseas. The Company is principally engaged in the hire purchase of motorcycles. The principal activities of the overseas subsidiaries are the hire purchase of motorcycles, while one overseas subsidiary is a financial advisory and investment holding company.

The Company’s registered address is 63 Soi 1, Tesabalnimitretai Road, Ladyao, Chatujak, Bangkok. The Company has 6 branches in Phra Nakhon Si Ayutthaya, Chon Buri (2 sub-branches), Rayong, Nakhon Ratchasima and Nonthaburi.

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). The parent company of the Group is Wedge Holdings Company Limited (incorporated in Japan).

In addition, during the current year, the Company invested in a new subsidiary in Thailand as described in Note 2.2. The principal activity of the subsidiary is the hire purchase of motorcycles.

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
		2014	2013	
Group Lease Holding Pte. Ltd.	Singapore	100	100	Financial advisory and investment holding company
GL Finance Plc. (shares held by Group Lease Holding Pte. Ltd.)	Cambodia	100	100	Hire purchase services for motorcycles
Thanaban Company Limited	Thailand	100	-	Hire purchase services for motorcycles
GL Leasing (Laos) Ltd. (shares held by Group Lease Holding Pte. Ltd.)	Loas	100	-	Hire purchase services for motorcycles

On 18 June 2014, a meeting of the Company's Board of Directors approved the acquisition of shares of Thanaban Company Limited ("TNB") from a financial institution. Thanaban Company Limited was incorporated in Thailand and its main activity is the hire purchase services for motorcycles.

On the same day, the Company and the seller entered into a sale and purchase agreement, whereby the Company purchased 5,650,000 shares of Thanaban Company Limited, equivalent to 100 % of the issued and paid up share capital. The total value of the agreement was Baht 629.7 million.

The Company paid the value of the shares per the sale and purchase agreement in cash, and on 2 July 2014 received the shares and registered the change in shareholder with the Ministry of Commerce.

These consolidated financial statements include the statement of financial position of Thanaban Company Limited as at 31 December 2014 and its profit or loss for the period from the investment date to 31 December 2014. 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 as a result of purchase price allocation. The Company is awaiting an independent appraiser in order to allocate the fair value associated with the assets. The Company expects to obtain the complete purchase price allocation appraisal report during the second quarter of 2015.

Details of the fair value of identifiable net assets of TNB, and their net book value, as of the acquisition date (before purchase price allocation appraisal) are as follows:

	(Unit: Million Baht)	
	<u>Fair value</u>	<u>Net book value</u>
Assets		
Cash and cash equivalents	27,804	27,804
Hire purchase and installment sales receivables	1,384,638	1,384,638
Assets foreclosed	8,856	9,066
Property, plant and equipment	6,247	6,247
Intangible assets (Note 14)	34,173	783
Deferred tax assets	23,572	30,208
Other assets	119,138	119,138
Total assets	<u>1,604,428</u>	<u>1,577,884</u>
Liabilities		
Long-term loans and accrued interest	867,047	867,047
Other liabilities	152,800	152,800
Total liabilities	<u>1,019,847</u>	<u>1,019,847</u>
Net assets value	<u>584,581</u>	<u>558,037</u>
Equity of the Company (%)	100	
Net asset value attributable to the company's investment	584,581	
Positive goodwill	45,160	
Purchase price	<u>629,741</u>	
Less: Cash and cash equivalents of subsidiary	<u>(27,804)</u>	
Cash paid for acquisition in subsidiary - the Group	<u>601,937</u>	

Details of acquisition of Thanaban Company Limited are as follows.

	(Unit: Million Baht)
Purchase price	
Cash paid	629,741
Fair value of net assets received	<u>(584,581)</u>
Goodwill	<u>45,160</u>

The operating gain of subsidiary from the acquisition date to 31 December 2014 amounting to Baht 74.7 million is included in the consolidated financial statements.

- 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 financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in

the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

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 and its subsidiaries 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 and its subsidiaries provide 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	3, 10 years
Dealer network	10.5 years
Customer relationship	5.5 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 judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements 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 judgements 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	
	2014	2013	2014	2013
Cash	854	1,470	177	469
Bank deposits	356,592	319,075	70,982	85,695
Total	357,446	320,545	71,159	86,164

As at 31 December 2014 and 2013, bank deposits in saving accounts of the Company and its subsidiaries carried interest 0.30 - 0.85% per annum and 0.50% per annum, respectively (the Company only: 0.37 - 0.50% per annum and 0.50% per annum, respectively).

7. Hire purchase and installment sales receivables

7.1 As at 31 December 2014 and 2013, 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	
	2014	2013	2014	2013	2014	2013
Normal receivables						
Hire purchase and installment sales receivables	4,558,881	3,261,920	3,689,276	2,940,518	8,248,157	6,202,438
Accrued hire purchase and installment sales income	182,973	134,312	-	-	182,973	134,312
Less: Unearned hire purchase and installment sales income, net	(1,611,257)	(1,218,699)	(805,766)	(669,478)	(2,417,023)	(1,888,177)
Total normal receivable	3,130,597	2,177,533	2,883,510	2,271,040	6,014,107	4,448,573

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of		Long-term portion of		Total	
	hire purchase and installment		hire purchase and installment			
	sales receivables		sales receivables			
2014	2013	2014	2013	2014	2013	
Terminated agreements receivables						
Hire purchase and installment sales receivables	476,576	316,571	365,203	327,661	841,779	644,232
Accrued hire purchase and installment sales income	54,280	48,037	-	-	54,280	48,037
Less: Unearned hire purchase and installment sales income, net	(173,335)	(131,353)	(90,126)	(87,207)	(263,461)	(218,560)
Total terminated agreements receivables	357,521	233,255	275,077	240,454	632,598	473,709
Total receivables	3,488,118	2,410,788	3,158,587	2,511,494	6,646,705	4,922,282
Less: Allowance for doubtful accounts	(324,165)	(202,419)	(236,149)	(188,268)	(560,314)	(390,687)
Hire purchase and installment sales receivables, net	3,163,953	2,208,369	2,922,438	2,323,226	6,086,391	4,531,595

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of		Long-term portion of		Total	
	hire purchase and installment		hire purchase and installment			
	sales receivables		sales receivables			
2014	2013	2014	2013	2014	2013	
Normal receivables						
Hire purchase and installment sales receivables	3,391,811	3,183,459	2,804,616	2,863,467	6,196,427	6,046,926
Accrued hire purchase and installment sales income	134,927	132,083	-	-	134,927	132,083
Less: Unearned hire purchase and installment sales income, net	(1,233,609)	(1,202,291)	(633,937)	(639,736)	(1,867,546)	(1,842,027)
Total normal receivable	2,293,129	2,113,251	2,170,679	2,223,731	4,463,808	4,336,982
Terminated agreements receivables						
Hire purchase and installment sales receivables	381,251	316,571	284,834	327,661	666,085	644,232
Accrued hire purchase and installment sales income	47,983	48,037	-	-	47,983	48,037
Less: Unearned hire purchase and installment sales income, net	(138,708)	(131,353)	(73,942)	(87,207)	(212,650)	(218,560)
Total terminated agreements receivables	290,526	233,255	210,892	240,454	501,418	473,709
Total receivables	2,583,655	2,346,506	2,381,571	2,464,185	4,965,226	4,810,691
Less: Allowance for doubtful accounts	(253,155)	(201,022)	(179,292)	(188,268)	(432,447)	(389,290)
Hire purchase and installment sales receivables, net	2,330,500	2,145,484	2,202,279	2,275,917	4,532,779	4,421,401

7.2 As at 31 December 2014 and 2013, 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		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2014	2013	2014	2013	2014	2013
Hire purchase and installment sales receivables						
Not yet due	5,032,898	3,854,884	44,109	37,479	4,988,789	3,817,405
Past due:						
1 month	474,283	300,868	45,277	29,454	429,006	271,414
2 - 3 months	514,216	295,720	101,049	58,047	413,167	237,673
4 - 6 months	263,272	207,533	103,271	81,661	160,001	125,872
7 - 9 months	168,393	142,983	99,379	84,554	69,014	58,429
10 - 12 months	120,967	97,591	95,478	77,108	25,489	20,483
Over 12 months	72,676	22,703	71,751	22,384	925	319
Total	6,646,705	4,922,282	560,314	390,687	6,086,391	4,531,595

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2014	2013	2014	2013	2014	2013
Hire purchase and installment sales receivables						
Not yet due	3,884,740	3,746,064	38,197	36,441	3,846,543	3,709,623
Past due:						
1 month	295,458	298,632	29,145	29,231	266,313	269,401
2 - 3 months	298,133	295,325	58,895	57,967	239,238	237,358
4 - 6 months	176,842	207,394	69,911	81,605	106,931	125,789
7 - 9 months	119,887	142,983	71,178	84,554	48,709	58,429
10 - 12 months	118,492	97,591	93,992	77,108	24,500	20,483
Over 12 months	71,674	22,702	71,129	22,384	545	318
Total	4,965,226	4,810,691	432,447	389,290	4,532,779	4,421,401

7.3 As at 31 December 2014 and 2013, 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			
	2014		2013	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	5,272,710	3,488,118	3,760,840	2,410,788
After one year but not more than five years	4,054,479	3,158,587	3,268,179	2,511,494
Total	9,327,819	6,646,705	7,029,019	4,922,282
Less: Amounts representing finance charges	(2,680,484)		(2,106,737)	
Present value of minimum lease payments	6,646,705		4,922,282	

(Unit: Thousand Baht)

	Separate financial statements			
	2014		2013	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,955,972	2,583,655	3,680,150	2,346,506
After one year but not more than five years	3,089,450	2,381,571	3,191,128	2,464,185
Total	7,045,422	4,965,226	6,871,278	4,810,691
Less: Amounts representing finance charges	(2,080,196)		(2,060,587)	
Present value of minimum lease payments	4,965,226		4,810,691	

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 2014 and 2013, there are outstanding hire purchase receivable amounting to approximately Baht 635.3 million and Baht 497.4 million, respectively (the Company only: Baht 512.7 million and Baht 497.4 million, respectively), 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 2014 and 2013 would be reduced by Baht 24.1 million and Baht 21.7 million, respectively (the Company only: Baht 21.8 million and Baht 21.7 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 2014 and 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 5,895 million and Baht 4,845 million, respectively (the Company only: Baht 5,048 million and Baht 4,845 million, respectively), in order to secure credit facilities granted by commercial banks as discussed in Notes 17 and 19.

8. Assets foreclosed

As at 31 December 2014 and 2013, assets foreclosed are presented as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Reposessed assets	41,305	42,990	25,254	42,990
Less: Allowance for diminution in value of assets foreclosed	(17,708)	(21,838)	(11,183)	(21,838)
Assets foreclosed, net	<u>23,597</u>	<u>21,152</u>	<u>14,071</u>	<u>21,152</u>

9. Short-term loan and interest receivable

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 2014, the outstanding balance of short-term loan and interest receivable amounted to JPY 11.3 million and USD 0.7 million (2013: JPY 10.6 million and USD 0.6 million).

10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accrued income	8,291	7,797	10,950	3,357
Prepaid expenses	101,043	100,573	85,715	96,191
Other receivable - sales of assets foreclosed	15,014	17,539	12,419	17,539
Other receivables	25,193	5,661	4,150	4,924
Undue input tax	1,295	2,272	1,295	2,272
Others	2,955	1,816	3,221	1,816
Total	<u>153,791</u>	<u>135,658</u>	<u>117,750</u>	<u>126,099</u>
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current assets, net	<u>151,265</u>	<u>133,132</u>	<u>115,224</u>	<u>123,573</u>

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 30.4.

12. Investment in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholdings percentage		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
Thanaban Company Limited	629,696	-	100	-	629,696	-	-	-
Group Lease Holding Pte. Ltd. and its subsidiaries.	441,513	110,698	100	100	441,513	110,698	-	10,000
					<u>1,071,209</u>	<u>110,698</u>	<u>-</u>	<u>10,000</u>

The Company

On 16 December 2013, a meeting of the Board of Directors of the Company approved an additional investments in Group Lease Holding Pte. Ltd. ("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 2014, investment in GLH in the separate financial statements amounted to SGD 17.70 million (2013: investment in GLH and share subscription payment in advance represented SGD 4.61 million and SGD 13.09 million).

During the current year the Company purchased 5.65 million ordinary shares of Thanaban Company Limited ("TNB") at a price of Baht 111.46 per share, or for a total of Baht 629.7 million. As at 31 December 2014, the Company held 5.65 million ordinary shares of TNB or 100% of the total issued and paid up shares of TNB.

Group Lease Holding Pte. Ltd. and its subsidiaries

During May 2013, GLH entered into an agreement to lend GL Finance Plc. (“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 increase in its registered share capital with the Accounting and Corporate Regulatory Authority in Cambodia on 9 July 2014.

On 22 May 2014, a meeting of the Board of Directors of GLH approved an additional investment in 15,000 ordinary shares of GLF (or 100% of the shares of the subsidiary in issue) at a price equal to the par value of USD 200 per share, or a total of USD 3 million. GLH approved the conversion of the loan, amounting to USD 3 million, to equity in GLF, as stipulated in the loan capitalisation agreement. GLF received approval to register the increase in share capital from the National Bank of Cambodia on 2 October 2014. However, the registration of the increase of shares with the Accounting and Corporate Regulatory Authority in Cambodia is currently in progress, and the GLH's management expect the transaction to be completed during the second quarter of 2015.

As at 31 December 2014, GLH held 16,500 ordinary shares of GLF (or 100% of the total issued and paid up shares) or a total of investment of USD 3.3 million and share subscription payment in advance of USD 3.0 million, respectively.

On 5 February 2014, Board of Directors meeting of the Company's subsidiary passed a resolution to establish GL Leasing (Laos) Company Limited, which is to be incorporated and domiciled in Laos. This company was incorporated with the Ministry of Industry and Commerce in Laos on 21 April 2014 and is currently in the process of applying for a license to operate a motorcycle leasing business in Laos.

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 2013	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
Additions	-	-	1,510	4,010	11,745	5,703	20,340	43,308
Disposals/Write-off	-	-	(7)	(2,045)	(1,211)	(484)	-	(3,747)
Transfer in (out)	-	-	10,219	2,364	5,068	44	(20,544)	(2,849)
Increase from acquisition of TNB	-	-	-	10,865	3,971	-	-	14,836
Exchange differences on translation of Financial statements in foreign currency	-	-	22	47	129	100	204	502
31 December 2014	35,983	45,553	24,898	40,444	38,271	31,092	-	216,241
Accumulated depreciation								
1 January 2013	-	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
Depreciation for the year	-	354	1,438	3,034	6,640	5,702	-	17,168
Depreciation on disposals/Write-off	-	-	(7)	(2,023)	(1,192)	(444)	-	(3,666)
Increase from acquisition of TNB	-	-	-	6,476	2,112	-	-	8,588
Exchange differences on translation of Financial statements in foreign currency	-	-	1	12	132	48	-	193
31 December 2014	-	40,124	6,838	26,627	21,253	20,757	-	115,599
Net book value								
31 December 2013	35,983	5,783	7,748	6,075	5,008	10,278	-	70,875
31 December 2014	35,983	5,429	18,060	13,817	17,018	10,335	-	100,642
Depreciation for the year								
2014								17,168
2013								10,601

(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 2013	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
Additions	-	-	1,385	1,413	5,608	2,503	10,909
Disposals/Write-off	-	-	(7)	(1,159)	(1,135)	(484)	(2,785)
31 December 2014	35,983	45,553	14,381	23,618	19,722	20,158	159,415
Accumulated depreciation							
1 January 2013	-	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/ write-off	-	-	-	(610)	(582)	-	(1,192)
31 December 2013	-	39,770	5,396	18,843	12,373	13,892	90,274
Depreciation for the year	-	354	1,273	1,367	3,464	2,987	9,445
Depreciation on disposals/ write-off	-	-	(7)	(1,140)	(1,134)	(445)	(2,726)
31 December 2014	-	40,124	6,662	19,070	14,703	16,434	96,993
Net book value							
31 December 2013	35,983	5,783	7,607	4,521	2,876	4,247	61,017
31 December 2014	35,983	5,429	7,719	4,548	5,019	3,724	62,422
Depreciation for the year							
2014							9,445
2013							9,028

As at 31 December 2014 and 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 71.9 million and Baht 32.9 million, respectively (the Company only: Baht 70.7 million and Baht 32.9 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2014 of Baht 21.4 million (2013: Baht 21.4 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

(Unit: Thousand Baht)

		Consolidated financial statements					
	Exclusive right agreement	Computer software	Leasehold	Software under development	Dealer network	Customer relationship	Total
Cost							
1 January 2013	-	-	-	-	-	-	-
Acquisitions during the year - at cost	-	582	-	1,290	-	-	1,872
Increase from acquisition of GLF	109,281	-	-	-	-	-	109,281
Transfer in	-	863	-	-	-	-	863
Exchange differences on translation of financial statements in foreign currency	5,921	70	-	48	-	-	6,039
31 December 2013	115,202	1,515	-	1,338	-	-	118,055
Acquisitions during the year - at cost	-	91	-	6,555	-	-	6,646
Increase from acquisition of TNB	-	1,007	150	-	32,720	670	34,547
Write-off	-	-	(150)	-	-	-	(150)
Transfer in (out)	-	4,182	-	(1,332)	-	-	2,850
Exchange differences on translation of financial statements in foreign currency	524	90	-	(6)	-	-	608
31 December 2014	115,726	6,885	-	6,555	32,720	670	162,556
Amortisation							
1 January 2013	-	-	-	-	-	-	-
Amortisation for the year	9,246	179	-	-	-	-	9,424
Increase from acquisition of GLF	3,036	-	-	-	-	-	3,036
Exchange differences on translation of financial statements in foreign currency	518	6	-	-	-	-	524
31 December 2013	12,800	185	-	-	-	-	12,985
Amortisation for the year	19,005	619	13	-	1,558	61	21,256
Increase from acquisition of TNB	-	284	90	-	-	-	374
Write-off	-	-	(103)	-	-	-	(103)
Exchange differences on translation of financial statements in foreign currency	341	10	-	-	-	-	351
31 December 2014	32,146	1,098	-	-	1,558	61	34,863
Net book value							
31 December 2013	102,402	1,330	-	1,338	-	-	105,070
31 December 2014	83,580	5,787	-	6,555	31,162	609	127,693

	(Unit: Thousand Baht)
	<u>Separate financial statement</u>
	<u>Software under development</u>
Cost	
1 January 2014	-
Acquisitions during the year - at cost	6,450
31 December 2014	<u>6,450</u>
Amortisation	
1 January 2014	-
Amortisation for the year	-
31 December 2014	<u>-</u>
Net book value	
31 December 2014	<u><u>6,450</u></u>

Exclusive right agreement

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

As at 31 December 2014, the fair value of exclusive right in consolidated financial statement amounted to USD 2.54 million (2013: USD 3.12 million).

Acquisition during the year

Dealer network and customer relationship included intangible assets acquired through business combinations. These dealer network and customer relationship have been granted for approximately 10.5 years and 5.5 years, respectively.

15. Income tax expenses/deferred tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	41,533	104,060	46,288	102,803
Deferred tax:				
Relating to origination and reversal of temporary differences	(45,971)	(39,351)	(9,830)	(40,004)
Temporary differences from purchase of GLF	-	(56)	-	-
Temporary differences from purchase of TNB	23,572	-	-	-
Income tax expense reported in the statement of comprehensive income	19,134	64,653	36,458	62,799

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 is as follows.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Accounting profit before tax	133,837	304,966	180,683	320,655
Applicable tax rate	20%, 17%	20%, 17%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	25,109	69,329	36,137	64,131
Effects of non-taxable income and expenses	200	(2,827)	321	(1,332)
Effects of temporary difference from appraisal fair value of exclusive right agreement	(788)	(1,849)	-	-
Effects of temporary difference from appraisal fair value of intangible assets	(324)	-	-	-
Others	(5,063)	-	-	-
Total income tax expenses reported in the statement of comprehensive income	19,134	64,653	36,458	62,799

As of 31 December 2014 and 2013, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	115,621	80,083	88,714	80,083
Allowance for diminution of value foreclosed assets	3,542	4,368	2,237	4,368
Reserve for employee benefits	1,276	831	1,276	831
Loss brought forward	12,213	-	-	-
Others	2,734	-	-	-
Prepaid commission expenses	(17,085)	(24,304)	(17,085)	(24,304)
Accumulated depreciation and amortisation	(1,317)	-	-	-
Dealer network	(6,232)	-	-	-
Customer relationship	(122)	-	-	-
Amortised transaction cost of debentures	(2,339)	-	(2,339)	-
Amortised front end fees of short-term loan	(1,995)	-	(1,995)	-
Total	<u>106,296</u>	<u>60,978</u>	<u>70,808</u>	<u>60,978</u>
<u>Deferred tax liabilities</u>				
Fair value on exclusive right agreement	-	653	-	-
Total	<u>-</u>	<u>653</u>	<u>-</u>	<u>-</u>

The above deferred tax liabilities included the deferred tax liabilities of Baht 6.35 million from the appraised value of fair value of intangible assets at acquisition date as described in Note 2.2.

16. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax and value added tax refundable	67,266	48,995	60,485	48,995
Deposits	93,740	80,863	1,445	709
Others	1,339	770	1,075	770
Total other non-current assets	<u>162,345</u>	<u>130,628</u>	<u>63,005</u>	<u>50,474</u>

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

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated/Separate financial statements	
		2014	2013
Short-term loans	5.00 - 8.00	250,000	-
Bank overdraft	MOR	-	13,550
Total		<u>250,000</u>	<u>13,550</u>

On July 2014, the Company entered into a loan agreement with a financial institution, granting a 3-month credit facility of Baht 1,424 million subject to interest at MLR + 1.25% per annum. The loan is to be used to pay for the shares acquired under the sales and purchase agreement for the ordinary shares of Thanaban Company Limited, and to settle loans of Thanaban Limited with the seller, as described in Note 2.2.

As at 31 December 2014, short-term loans of the Company from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, motorcycle registrations as notified by the lender of the Company and its subsidiary, and the pledge of all shares of the subsidiary.

As at 31 December 2013, bank overdraft from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future and motorcycle registrations as requested by the lender. The Company had repaid this loan at full amount during the current period.

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		
	2014	2013	2014	2013	
Transactions with subsidiary company:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	126	28	Contract rate
Interest income	-	-	66,111	10,750	7% per annum
Dividend income	-	-	-	10,000	As per declaration
Other income	-	-	37,703	-	Contract rate
Transactions with related parties:					
Interest income	2,544	3,628	-	103	6% - 9% per annum
Interest expense	19	-	-	-	6% per annum

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
Thanaban Company Limited	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 2014 and 2013, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements	statements	statements	statements
	2014	2013	2014	2013
Hire purchase and installment sales receivables				
Subsidiary company				
GL Finance Plc.	-	-	1,159	-
Total	-	-	1,159	-
Short-term loans to and interest receivable from related parties				
Subsidiary companies				
Group Lease Holding Pte. Ltd.	-	-	764,515	200,499
Thanaban Co.,Ltd.	-	-	422,254	-
GL Finance Plc.	-	-	3,397	3,383
Related parties				
Director of subsidiary	2,293	-	-	-
Devenco Management and Consulting Co., Ltd.	31,083	51,341	-	-
Tennis Federation of Cambodia	5,049	3,821	-	-
Total	38,425	55,162	1,190,166	203,882
Other current assets				
Subsidiary companies				
Group Lease Holding Pte. Ltd.	-	-	297	-
Thanaban Co.,Ltd.	-	-	7,569	-
Total	-	-	7,866	-
Share subscription payment in advance - related parties				
Group Lease Holding Pte. Ltd.	-	-	-	330,815
Total	-	-	-	330,815
Deposit - related party (presented as part of other non-current assets)				
A.P.F. Group Co., Ltd.	70,217	65,627	-	-
Total	70,217	65,627	-	-
Short-term loans from and interest payable to related party				
Related party				
A.P.F. Group Co., Ltd.	19,797	-	-	-
Total	19,797	-	-	-
Accrued expenses				
Subsidiary company				
GL Finance Plc.	-	-	1,057	-
Total	-	-	1,057	-

As at 31 December 2014, deposits as presented under the caption of non-current assets in the consolidated financial statements, totaling Baht 70.2 million, represented a deposit of GLH that has been pledged as collateral with a related party who assisted with procurement of debentures from a financial institution. In the first quarter of 2015, GLH cancelled the debentures arrangement and, as a result, the related party returned the deposit to GLH in February 2015.

As at 31 December 2013, deposits as presented under the caption of non-current assets in the consolidated financial statements, totaling 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. In the current period, GLH cancelled the loan arrangement and, as a result, the related party returned the deposit to GLH in January 2014.

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	Balance as at
	1 January			from	on translation of	31 December
	2014	Increase	Decrease	exchange rate	financial statement	2014
				in foreign		
				currency		
Short-term loans to and interest receivable from related parties						
Director of subsidiary Devenco Management and Consulting Co., Ltd.	-	2,264	-	-	29	2,293
Tennis Federation of Cambodia	51,341	2,216	(22,661)	23	164	31,083
Total	3,821	1,370	(162)	-	20	5,049
	55,162	5,850	(22,823)	23	213	38,425

Group Lease Holding Pte. Ltd. entered into the agreements with related parties to obtain unsecured loan facility with interest rate charged at the cost of funds rates of lender plus 6.75 - 7.50% per annum (2013: 6.75 - 7.50% per annum).

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year		Gain from	Balance as at
	1 January 2014	Increase	Decrease	exchange rate	31 December 2014
Short-term loans to and interest receivable from related parties					
Group Lease Holding Pte. Ltd.	200,499	564,016	-	-	764,515
Thanaban Co.,Ltd.	-	903,778	(481,524)	-	422,254

GL Finance Plc.	3,383	227	(228)	15	3,397
Total	203,882	1,468,021	(481,752)	15	1,190,166

These loans to subsidiaries are unsecured loans with interest rate charged at the rates of 7.00 - 11.00% per annum (2013: 7.00% per annum).

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

(Unit: Thousand Baht)

Consolidated financial statements					
Balance as at 1 January 2014	During the year		Gain (loss) from exchange rate	Exchange differences on translation of financial statement in foreign currency	Balance as at 31 December 2014
	Increase	Decrease			
Short-term loans from and interest payable to related party					
A.P.F. Group Co., Ltd.	-	19,797	-	-	19,797
Total	-	19,797	-	-	19,797

These loans from related party are unsecured loans with interest rate charged at the rates of 6.00 per annum.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2013	2013
Short-term employee benefits	39,373	37,386	37,490	37,386
Post-employment benefits	932	1,076	932	1,076
Total	40,305	38,462	38,422	38,462

Warrants for directors and management

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 2014, there are outstanding warrants (GL-WD and GL-W3) to subscribe to the Company's ordinary shares, to be allotted to existing directors and management totaling 219,500 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
	2014	2013	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	2,384,890	2,184,260	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	233,110	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	279,830	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.
<u>Loan agreement dates 26 December 2014</u>				
Credit facility No. 1	972,000	-	At the rate of MLR - 2.25% per annum	Eighteen equal installment, with first installment due on the second interest payment date after drawing down loans under credit facility.
Less: Deferred front end fees	(9,974)	-		
Total	3,859,856	3,097,520		
Less: Current portion	(2,547,809)	(1,808,590)		
Long-term loans, net of current portion	1,312,047	1,288,930		

Movements in the long-term loans account during the year ended 31 December 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements
Balance as at 1 January 2014	3,097,520
Add: Addition borrowings	2,794,000
Less: Repayment	(2,021,690)

Deferred front end fees	(9,974)
Balance as at 31 December 2014	<u>3,859,856</u>

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

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

On 21 June 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose of such loans are to repay the existing short-term loan and for use in the expansion of business. In order to reduce the fluctuation of interest rate risk, the Company has entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.00% per annum.

On 17 September 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose of such loans are to repay the existing short-term loan and for use in the expansion of business. In order to reduce the fluctuation of interest rate risk, the Company has entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.00% per annum.

On 26 December 2014, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 972 million. The purpose of such loans are to repay the existing short-term loan and for use in the expansion of business.

The loan agreements contains covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, and maintenance of a certain debt to equity ratio, ratio of hire purchase receivables more than three months' past due to total hire purchase receivables, ratio of total hire purchase receivables to loans, prohibition of disposal of assets or rights of claim under hire purchase agreements. 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 2014, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 115.1 million (2013: Baht 315.7 million).

20. Debentures

The Company has issued partially secured, unsubordinated, registered debentures, as detailed below.

Debentures	Interest rate	Terms	Due date	(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
				2014	2013
Debentures 1/2014	As detail in table below	3 years	27 February 2017	500,000	-
Less: Unamortised portion of deferred transaction costs				(11,697)	-
Debentures - net				488,303	-

Details of the Company's debentures are as follows:

The Unsubordinated and partially secured Debentures of Group Lease Public Company Limited. No. 1/2014, due 2017.

Name of debentures	"The Unsubordinated and partial secured Debentures of Group Lease Plc. No. 1/2014, due 2017"
Amount	Baht 500 million
Term	3 years, starting from date of issuance
Issued date	27 February 2014
Interest rate	From 27 August 2014 to 29 September 2014, interest rate at 4.17% p.a. from 30 September 2014 to the redemption date, interest rate at 4.55% p.a.
Interest payment schedule	Twice a year on 27 February and 27 August, starting from 27 August 2014
Principal repayment	On the redemption date of 27 February 2017
Covenants	Maintenance of debt to equity ratio, hire purchase receivable ratio and restriction on dividend payment and disposal and transfer of assets
Guarantee	Partial guaranteed by a financial institution as disclosed in Note 30.4

21. 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	
	2014	2013
Defined benefit obligation at beginning of year	4,157	2,774
Current service cost	630	1,081
Interest cost	182	117
Benefits paid during the year	(747)	(360)
Actuarial loss	2,157	545
Provisions for long-term employee benefits at end of year	<u>6,379</u>	<u>4,157</u>

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

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2014	2013
Current service cost	630	1,081
Interest cost	182	117
Actuarial loss recognised during the year	2,157	545
Total expense recognised in profit or loss	<u>2,969</u>	<u>1,743</u>
Line items under which such expenses are included in profit or loss:		
Services and administrative expenses	2,969	1,743

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated / Separate financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	3.6	4.4
Future salary increase rate (depending on age)	7.0	7.0
Staff turnover rate	15.88	15.88

Amounts of defined benefit obligation for the current and previous four 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 2014	6,379	1,912
Year 2013	4,157	510
Year 2012	2,774	(104)
Year 2011	1,735	(1,127)
Year 2010	3,519	-

22. Treasury stocks

The Share Repurchase Program for the purpose of financial management

On 30 April 2014, the annual general meeting of the Company's shareholders approved the Share Repurchase Program for the purpose of financial management. However, the Company did not buy back any of its ordinary shares during that period, and there were no treasury shares as of 31 December 2014.

On 6 May 2014, the Company amended Article 12 of the Company's Articles of Association, to enable the Company to repurchase its shares.

23. Share capital

23.1 Resolutions of the Annual General Meeting of the shareholders

On 30 April 2014, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

- 1) Approved the following allocation of the Company's legal reserve and payment of dividend from the operating results of the year 2013:
 - Allocation of 10% of registered capital, amounting to Baht 15.05 million, to the legal reserve.

- Payment of dividend totaling no more than Baht 167.91 million to the Company's shareholders. During the year 2013, the Company paid an interim dividend to the shareholders, in the form of a cash dividend totaling Baht 109.48 million, or Baht 0.11 per share. The interim dividend was paid on 27 August 2013 and, as a result, a dividend of Baht 0.0409 - 0.0570 per share, amounting to Baht 58.43 million, is be paid to the shareholders from the 2013 operating results on 28 May 2014.
- 2) Approved the amendment of Article 12 of the Company's Articles of Association, to enable the Company to repurchase its shares.
- 3) Acknowledged a treasury stock program for the purpose of financial management. The details are as follow:
- The repurchase period is to be set after a meeting of the shareholders has passed a resolution approving the amendment of the Articles of Association to enable the Company to repurchase its shares.
 - The maximum budget for the share repurchase is Baht 330 million.
 - 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.
 - 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.
 - 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.
 - The treasury stocks carry no rights to receive dividend.

23.2 Additional share subscription received from the exercise of warrants

During the current year, the Company received additional share subscription totaling Baht 180.6 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)	5,159,075	61,062,674	2.95708	180.6

As at 31 December 2014, the Company had share premium amounting to Baht 1,084.3 million as a result of the capital increases (2013: Baht 933.7 million).

23.3 Reconciliation of number of ordinary shares

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

	Number of ordinary shares (Thousand Shares)	Paid-up capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	1,024,707	512,353	933,680
Increase in capital from exercising of the rights of the warrants	61,063	30,532	150,552
Transfer warrants to share premium	-	-	22
At the end of the year	<u>1,085,770</u>	<u>542,885</u>	<u>1,084,254</u>

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

As at 31 December 2014, 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 unit	Baht 0.10	2 years	Baht 2.95708	11.8360 ordinary share
GL-W3	Existing shareholders	2 December 2013	332,783,154 unit	-	2 years	Baht 10	1 ordinary share
GL-WD	Directors and employees	15 May 2012	1,000,000 unit	-	3 years	Baht 1.65766	11.8360 ordinary share

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 2014	Number of warrants exercised during the year	Number of warrant expired/cancelled during the year	Number of warrants outstanding as at 31 December 2014
GL-W2	5,356,893	(5,130,675)	(226,218)	-
GL-W3	332,783,154	-	-	332,783,154
GL-WD	872,400	-	(64,100)	808,300

On 1 November 2014, 226,218 GL-W2 warrants which had not been exercised by the warrant holders and already expired. The Company therefore transferred the outstanding balance of warrants of Baht 0.02 million to share premium in the statement of financial position.

Up to 31 December 2014, the Company cancelled a total of 200,700 warrants (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 in the year 2013 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 2014, the Company recorded expenses of the GL-WD plan amounting to Baht 1.36 million as personnel expenses (2013: Baht 1.36 million).

25. Dividends/stock dividends

Dividends and stock dividends declared in the year 2014 consist of the following:

Dividends/stock dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 30 April 2014	56,897	0.0568
Total dividends and stock dividends for the year 2014		<u>56,897</u>	<u>0.0568</u>

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		259,369	2.13

26. 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.

27. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salary and wages and other employee benefits	297,125	181,166	216,952	166,646
Service agreement expenses	38,851	40,904	37,531	40,825
Debt following expenses	24,426	21,136	22,854	21,136
Depreciation	17,168	10,601	9,445	9,028
Amortisation	21,256	9,425	-	-
Registration fee	5,526	7,785	2,652	7,785
Professional fee	7,216	4,816	2,998	2,427

28. 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.

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	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the year	114,704	240,313	1,052,988	953,579	<u>0.109</u>	<u>0.252</u>
Effect of dilutive potential ordinary shares						
GL-W2	-	-	17,059	91,829		
GL-WC	-	-	-	771		
GL-WD	-	-	7,322	9,241		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>114,704</u>	<u>240,313</u>	<u>1,077,369</u>	<u>1,055,420</u>	<u>0.106</u>	<u>0.228</u>

Separate financial statements						
Profit for the year		Weighted average		Earnings per share		
		number of ordinary shares		2014	2013	
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit for the year	144,225	257,856	1,052,988	953,579	0.137	0.270
Effect of dilutive potential						
ordinary shares						
GL-W2	-	-	17,059	91,829		
GL-WC	-	-	-	771		
GL-WD	-	-	7,322	9,241		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	144,225	257,856	1,077,369	1,055,420	0.134	0.244

However, no calculation of diluted earnings per share for the year ended 31 December 2014 was required for warrant (GL-W3), as disclosed in Note 24, 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.

29. 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 2014 and 2013, the Company contributed Baht 5.3 million and Baht 2.6 million, respectively to the fund.

30. Commitments

30.1 Capital commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 14.26 million, relating to the purchase of software license (2013: Baht 16.55 million).

30.2 Operating lease commitments

The Company and its subsidiaries have 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.

	Consolidated financial statement			
	2014		2013	
	<u>Thousand Baht</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:				
In up to 1 year	10,342	14	3,586	11
In over 1 and up to 5 years	9,291	-	2,075	-

	Separate financial statement			
	2014		2013	
	<u>Thousand Baht</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:				
In up to 1 year	7,644	14	3,586	11
In over 1 and up to 5 years	6,769	-	2,075	-

30.3 Service commitments

As at 31 December 2014, the Company is required to pay fees of USD 0.10 million, JPY 0.50 million and THB 0.70 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (2013: USD 0.04 million, JPY 0.20 million and THB 0.90 million per month).

30.4 Guarantees

As at 31 December 2014, there was outstanding bank guarantee of approximately Baht 300 million issued by the bank on behalf of the Company in respect of debentures guarantee and amounting to Baht 0.3 million in respect of electricity and use of post services guarantees (2013: Baht 0.3 million).

31. 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 2014 and 2013, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2014				
	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,666,739	-	1,666,739	-	1,666,739
Other income	165,160	40,175	205,335	-	205,335
Inter-segment revenue	105,030	51,063	156,093	(156,093)	-
Total revenue	1,936,929	91,238	2,028,167	(156,093)	1,872,074
Financial cost	(316,620)	(29,333)	(345,953)	95,535	(250,418)
Depreciation and amortisation	(18,340)	-	(18,340)	(20,084)	(38,424)
Bad debts and doubtful accounts	(494,857)	-	(494,857)	-	(494,857)
Loss on disposals of foreclosed assets	(431,820)	-	(431,820)	-	(431,820)
Services and administrative expenses	(528,789)	(48,998)	(577,787)	55,070	(522,717)
Income tax expense or income	(24,049)	3,803	(20,246)	1,112	(19,134)

Segment profit	122,454	16,710	139,164	(24,460)	114,704
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(Unit: Thousand Baht)

For the year ended 31 December 2014

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	46,806	5,339	52,145	60,857	113,002
Segment total liabilities	2,222	-	2,222	-	2,222

(Unit: Thousand Baht)

For the year ended 31 December 2013

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,258,280	-	1,258,280	-	1,258,280
Other income	173,531	39,729	213,260	-	213,260
Inter-segment revenue	20,778	5,733	26,511	(26,511)	-
Total revenue	1,452,589	45,462	1,498,051	(26,511)	1,471,540
Financial cost	(151,576)	(10,565)	(162,141)	16,433	(145,708)
Depreciation and amortisation	(11,042)	-	(11,042)	(8,983)	(20,025)
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	(330,314)	(5,863)	(336,177)	(6,642)	(342,819)
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
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	127,800	69,187	196,987	47,682	244,669
Segment total liabilities	1,383	-	1,383	-	1,383

Geographic information

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

	(Unit: Thousand Baht)	
	2014	2013
Revenue from external customers		
Thailand	1,704,426	1,420,887
Cambodia	127,473	10,925
Singapore	40,175	39,729
Total	<u>1,872,074</u>	<u>1,471,541</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	154,351	61,727
Cambodia	184,618	169,579
Singapore	74,526	69,187
Total	<u>413,495</u>	<u>300,493</u>

32. Financial instruments

32.1 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 2014 and 2013 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 2014					
	Fixed interest rates		Floating	Non-	
	Within	1 - 5	Floating	interest	
	1 year	years	interest rate	bearing	Total
Financial assets					
Cash and cash equivalent	-	-	51.28	306.17	357.45
Hire purchase and installment sales receivables, net	3,163.95	2,922.44	-	-	6,086.39
Short-term loans and interest receivable	24.78	-	-	-	24.78
Short-term loans and interest receivable from related parties	38.42	-	-	-	38.42
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.45	0.45
	<u>3,227.47</u>	<u>2,922.44</u>	<u>51.28</u>	<u>306.62</u>	<u>6,507.81</u>
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	250.00	-	250.00
Trade and other payables	-	-	-	9.08	9.08
Short-term loans from and interest payable to related party	19.80	-	-	-	19.80
Long-term loans	395.80	115.00	3,349.06	-	3,859.86
Debentures	-	488.30	-	-	488.30
	<u>415.60</u>	<u>603.30</u>	<u>3,599.06</u>	<u>9.08</u>	<u>4,627.04</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2013

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	1 - 5 years			
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>
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
	<u>-</u>	<u>-</u>	<u>3,111.07</u>	<u>4.32</u>	<u>3,115.39</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2014

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalent	-	-	0.31	70.85	71.16
Hire purchase and installment sales receivables, net	2,330.50	2,202.28	-	-	4,532.78
Short-term loans to and interest receivable from related parties	1,190.17	-	-	-	1,190.17
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.20	0.20
	<u>3,520.99</u>	<u>2,202.28</u>	<u>0.31</u>	<u>71.05</u>	<u>5,794.63</u>
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	250.00	-	250.00
Trade and other payables	-	-	-	6.35	6.35
Long-term loans	395.80	115.00	3,349.06	-	3,859.86
Debentures	-	488.30	-	-	488.30
	<u>395.80</u>	<u>603.30</u>	<u>3,599.06</u>	<u>6.35</u>	<u>4,604.51</u>

(Unit: Million Baht)

Separate 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	-	-	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 and interest receivable from 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>

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 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December		Financial assets as at 31 December		Financial liabilities as at 31 December			
	2014	2013	2014	2013	2014	2013	2014	2013		
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Foreign currency										
US Dollar	-	1.04	-	-	0.22	0.11	-	0.04	32.9630	32.8136
JPY	21.33	20.56	-	-	-	-	-	-	0.2738	0.3130
SGD	0.04	-	0.01	-	-	-	-	-	24.6613	25.8826
HKD	0.01	-	-	-	-	-	-	-	4.2516	4.2316

32.2 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:

- a) 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.
- b) For hire purchase and installment sales receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- c) 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 2014 amounts to Baht 512.94 million. 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 10.11 million, if it had recorded the above contracts at fair value.

33. 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 2014, the Group's debt-to-equity ratio was

1.89:1 (2013: 1.43:1) and the Company's was 1.86:1 (2013: 1.43:1).

34. Approval of financial statements

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