

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2015

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Group Lease Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries as at 31 March 2015, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements and have also reviewed the separate financial information of Group Lease Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 12 May 2015

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	2	1,386,109	357,446	517,537	71,159
Current portion of hire purchase and installment sales receivables	3	3,425,859	3,172,394	2,285,685	2,330,500
Assets foreclosed	4	28,282	23,597	19,545	14,070
Short-term loan and interest receivable	5	4,874	24,776	-	-
Short-term loan to and interest receivable from related parties	14	5,001	38,425	1,273,371	1,190,166
Other current assets	6, 14	179,246	142,305	132,769	115,224
Total current assets		5,029,371	3,758,943	4,228,907	3,721,119
Non-current assets					
Pledged fixed deposit at financial institution	7	329	324	329	324
Share subscription payment in advance	14	-	-	128,695	-
Investment in subsidiary company	8	-	-	1,071,209	1,071,209
Hire purchase and installment sales receivables - long-term portion	3	2,585,669	2,922,957	2,054,751	2,202,279
Property, plant and equipment	9	100,002	100,642	60,289	62,422
Intangible assets	10	117,413	127,693	2,881	6,450
Goodwill	1.3	90,848	91,420	-	-
Deferred tax assets		93,364	106,296	68,357	70,808
Other non-current assets	12, 14	287,141	162,345	561,819	63,005
Total non-current assets		3,274,766	3,511,677	3,948,330	3,476,497
Total assets		8,304,137	7,270,620	8,177,237	7,197,616

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 March 2015

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2015</u>	<u>31 December 2014</u>	<u>31 March 2015</u>	<u>31 December 2014</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	348,610	250,000	348,610	250,000
Trade accounts payable		3,230	9,075	1,261	6,351
Short-term loans from and interest payable to related party	14	35,832	19,797	-	-
Current portion of long-term loans	15	2,437,515	2,547,809	2,426,809	2,547,809
Income tax payable		15,079	-	14,747	-
Insurance premium payables		15,482	11,726	13,392	9,682
Accrued expenses	14	50,733	56,526	38,280	26,302
Other current liabilities		71,248	54,360	46,740	29,599
Total current liabilities		2,977,729	2,949,293	2,889,839	2,869,743
Non-current liabilities					
Long-term loans, net of current portion	15	1,142,536	1,312,047	1,120,958	1,312,047
Debentures	16	489,606	488,303	489,606	488,303
Advance received for issuance of convertible debentures	17	976,653	-	976,653	-
Provision for long-term liabilities					
Provision for long-term employee benefits		7,705	6,379	7,705	6,379
Cash guarantee for damage on hire purchase agreements		2,191	2,326	2,065	2,196
Total non-current liabilities		2,618,691	1,809,055	2,596,987	1,808,925
Total liabilities		5,596,420	4,758,348	5,486,826	4,678,668

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 March 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
Shareholders' equity					
Share capital	18				
Registered					
1,441,852,272 ordinary shares of Baht 0.50 each		720,926	720,926	720,926	720,926
Issued and paid-up					
1,090,769,632 ordinary shares of Baht 0.50 each (31 December 2014: 1,085,769,632 ordinary shares of Baht 0.50 each)		545,385	542,885	545,385	542,885
Share premium	18	1,131,754	1,084,254	1,131,754	1,084,254
Share subscription received in advance		50,007	-	50,007	-
Capital reserve for share-based payment transactions	19	3,920	3,584	3,920	3,584
Retained earnings					
Appropriated - statutory reserve		72,093	72,093	72,093	72,093
Unappropriated		883,444	773,206	887,252	816,132
Exchange differences on translation of financial statements in foreign currency		21,114	36,250	-	-
Total shareholders' equity		2,707,717	2,512,272	2,690,411	2,518,948
Total liabilities and shareholders' equity		8,304,137	7,270,620	8,177,237	7,197,616
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The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit or loss					
Revenues					
Hire purchase interest income		483,229	353,896	352,748	340,990
Other income		89,697	29,773	100,739	31,078
Total revenues		<u>572,926</u>	<u>383,669</u>	<u>453,487</u>	<u>372,068</u>
Expenses					
Services and administrative expenses		180,699	105,548	137,332	77,604
Bad debts and doubtful accounts		82,330	120,980	76,827	118,900
Loss on disposals of foreclosed assets		107,097	93,659	87,678	93,659
Total expenses		<u>370,126</u>	<u>320,187</u>	<u>301,837</u>	<u>290,163</u>
Profit before finance cost and income tax expenses					
		202,800	63,482	151,650	81,905
Finance cost	15	(63,466)	(46,068)	(62,635)	(46,068)
Profit before income tax expenses		<u>139,334</u>	<u>17,414</u>	<u>89,015</u>	<u>35,837</u>
Income tax expenses	11	(29,096)	(6,657)	(17,895)	(7,261)
Profit for the period		<u>110,238</u>	<u>10,757</u>	<u>71,120</u>	<u>28,576</u>
Other comprehensive income					
Exchange differences on translation of financial statements in foreign currency		(15,136)	(7,014)	-	-
Other comprehensive income for the period		<u>(15,136)</u>	<u>(7,014)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>95,102</u>	<u>3,743</u>	<u>71,120</u>	<u>28,576</u>
(Unit: Baht)					
Earnings per share					
20					
Basic earnings per share					
Profit for the period		0.1013	0.0105	0.0654	0.0279
Weighted average number of ordinary shares (thousand shares)		<u>1,087,992</u>	<u>1,025,064</u>	<u>1,087,992</u>	<u>1,025,064</u>
Diluted earnings per share					
Profit for the period		0.1006	0.0101	0.0649	0.0269
Weighted average number of ordinary shares (thousand shares)		<u>1,095,930</u>	<u>1,060,773</u>	<u>1,095,930</u>	<u>1,060,773</u>

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

Consolidated financial statements											
	Note	Share subscription				Capital reserve for share-based payment transactions	Retained earnings		Other comprehensive income		Total shareholders' equity
		Issued and paid-up share capital	Share premium	received			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
				in advance	Warrants						
Balance as at 1 January 2014		512,354	933,680	997	536	2,223	72,093	715,400	23,801	23,801	2,261,084
Profit for the period		-	-	-	-	-	-	10,757	-	-	10,757
Other comprehensive income for the period		-	-	-	-	-	-	-	(7,014)	(7,014)	(7,014)
Total comprehensive income for the period		-	-	-	-	-	-	10,757	(7,014)	(7,014)	3,743
Issuance of ordinary shares during period											
from the exercise of warrants		168	829	(997)	-	-	-	-	-	-	-
Share subscription received in advance											
from the exercise of warrants		-	-	5,626	(16)	-	-	-	-	-	5,610
Capital reserve for share-based payment											
transactions		-	-	-	-	336	-	-	-	-	336
Balance as at 31 March 2014		512,522	934,509	5,626	520	2,559	72,093	726,157	16,787	16,787	2,270,773
Balance as at 1 January 2015		542,885	1,084,254	-	-	3,584	72,093	773,206	36,250	36,250	2,512,272
Profit for the period		-	-	-	-	-	-	110,238	-	-	110,238
Other comprehensive income for the period		-	-	-	-	-	-	-	(15,136)	(15,136)	(15,136)
Total comprehensive income for the period		-	-	-	-	-	-	110,238	(15,136)	(15,136)	95,102
Issuance of ordinary shares during period											
from the exercise of warrants	18	2,500	47,500	-	-	-	-	-	-	-	50,000
Share subscription received in advance											
from the exercise of warrants	18	-	-	50,007	-	-	-	-	-	-	50,007
Capital reserve for share-based payment											
transactions	19	-	-	-	-	336	-	-	-	-	336
Balance as at 31 March 2015		545,385	1,131,754	50,007	-	3,920	72,093	883,444	21,114	21,114	2,707,717

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 three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Separate financial statements								
	Note	Issued and paid-up		Share subscription received		Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
		share capital	Share premium	in advance	Warrants		Appropriated	Unappropriated	
Balance as at 1 January 2014		512,354	933,680	997	536	2,223	72,093	728,804	2,250,687
Profit for the period		-	-	-	-	-	-	28,576	28,576
Other comprehensive income for the period		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	28,576	28,576
Issuance of ordinary shares during period									
from the exercise of warrants		168	829	(997)	-	-	-	-	-
Share subscription received in advance									
from the exercise of warrants		-	-	5,626	(16)	-	-	-	5,610
Capital reserve for share-based payment transactions		-	-	-	-	336	-	-	336
Balance as at 31 March 2014		512,522	934,509	5,626	520	2,559	72,093	757,380	2,285,209
Balance as at 1 January 2015		542,885	1,084,254	-	-	3,584	72,093	816,132	2,518,948
Profit for the period		-	-	-	-	-	-	71,120	71,120
Other comprehensive income for the period		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	71,120	71,120
Issuance of ordinary shares during period									
from the exercise of warrants	18	2,500	47,500	-	-	-	-	-	50,000
Share subscription received in advance									
from the exercise of warrants	18	-	-	50,007	-	-	-	-	50,007
Capital reserve for share-based payment transactions	19	-	-	-	-	336	-	-	336
Balance as at 31 March 2015		545,385	1,131,754	50,007	-	3,920	72,093	887,252	2,690,411
		-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows****For the three-month period ended 31 March 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit before tax	139,334	17,414	89,015	35,837
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	6,471	3,323	2,465	2,233
Amortisation	5,820	4,904	-	-
Bad debts and doubtful accounts	82,315	120,980	76,827	118,900
Loss on disposals of assets foreclosed	107,097	93,659	87,678	93,659
Loss on diminution in value of assets foreclosed (reversal)	1,685	(6,929)	3,203	(6,929)
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	1,075	-
Unrealised exchange loss (gain)	847	(355)	42	30
Provision for long-term employee benefits	1,326	1,020	1,326	1,020
Capital reserve for share-based payment transactions	336	336	336	336
Interest income	(398)	(1,173)	(18,007)	(3,762)
Interest expenses	60,457	45,586	59,681	45,586
Amortised front end fees of loans	1,706	-	1,651	-
Amortised transaction cost of debentures	1,303	482	1,303	482
Profit from operating activities before changes in operating assets and liabilities	408,299	279,247	306,595	287,392
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	1,506	(217,353)	115,516	(94,275)
Assets foreclosed	(113,467)	(81,579)	(96,355)	(81,578)
Other current assets	(31,835)	6,433	(12,704)	8,301
Other non-current assets	(120,585)	60,898	(493,765)	(3,720)
Operating liabilities increase (decrease)				
Trade accounts payable	(5,845)	4,996	(5,090)	3,120
Insurance premium payables	3,756	165	3,710	(483)
Accrued expenses	(53)	5,044	17,801	181
Other current liabilities	14,718	14,188	17,142	12,512
Guarantee for damage from hire purchase agreements	(135)	(2)	(131)	(2)
Cash flows from (used in) operating activities	156,359	72,037	(147,281)	131,448
Cash paid for interest expenses	(67,578)	(44,057)	(66,893)	(44,057)
Cash paid for corporate income tax	(1,470)	(183)	(697)	(26)
Net cash flows from (used in) operating activities	<u>87,311</u>	<u>27,797</u>	<u>(214,871)</u>	<u>87,365</u>

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the three-month period ended 31 March 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(5)	(6)	(5)	(6)
Decrease (increase) in accounts receivable and loans to employees	(87)	53	(87)	53
Cash paid for acquisitions of equipment	(6,240)	(5,901)	(332)	(3,340)
Cash paid for acquisitions of intangible asset	(1,590)	(6,670)	(1,396)	(4,965)
Cash paid for short-term loan to related parties	(2,716)	-	(466,000)	(75,000)
Cash receipt from short-term loan to related parties	49,448	22,661	264,000	-
Interest received	6,912	92	4,840	115
Net cash flows from (used in) investing activities	<u>45,722</u>	<u>10,229</u>	<u>(198,980)</u>	<u>(83,143)</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	100,000	(13,550)	100,000	(13,550)
Cash received from short-term loans from related parties	133,476	-	-	-
Repayment of short-term loans from related parties	(117,443)	-	-	-
Cash received from long-term loans	526,555	70,000	494,000	70,000
Repayment of long-term loans	(807,740)	(461,270)	(807,740)	(461,270)
Cash received from issuance of debentures	-	500,000	-	500,000
Cash paid for transaction costs of debentures	(2,691)	(16,981)	(2,691)	(16,981)
Cash received from advance received for issuance of convertible debentures	976,653	-	976,653	-
Cash paid for front end fees of short-term loan	(326)	-	-	-
Cash received from exercise of warrants	50,000	-	50,000	-
Cash received from share subscription received in advance	50,007	5,610	50,007	5,610
Net cash flows from financing activities	<u>908,491</u>	<u>83,809</u>	<u>860,229</u>	<u>83,809</u>
Decrease in translation adjustment	(12,861)	(5,015)	-	-
Net increase in cash and cash equivalents	<u>1,028,663</u>	<u>116,820</u>	<u>446,378</u>	<u>88,031</u>
Cash and cash equivalents at beginning of period	<u>357,446</u>	<u>320,545</u>	<u>71,159</u>	<u>86,164</u>
Cash and cash equivalents at the end of period (Note 2)	<u>1,386,109</u>	<u>437,365</u>	<u>517,537</u>	<u>174,195</u>
	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Supplement cash flows information				
Non-cash items				
Transferred software under installation to other non-current asset:	4,965	-	4,965	-
Transferred of share subscription received in advance during the period to ordinary shares and share premium	-	997	-	997
Transferred the exercise of warrants to share subscription received in advance	-	16	-	16
Transferred short-term loans to related party to share subscription payment in advance	-	-	128,695	-
Transferred share subscription payment in advance to investment in subsidiary	-	-	-	330,815

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

Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2015

1. General information

1.1 Corporate information

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company and a subsidiary are principally engaged in the hire purchase of motorcycles. Another, overseas subsidiary is principally a financial advisory and other investment holding company.

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

The major shareholders of the Company are Engine Holdings Asia Pte. Ltd. (incorporated in Singapore) and A.P.F Holding Company Limited (incorporated in Thailand). The parent company of the Group is Wedge Holdings Company Limited (incorporated in Japan).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2014) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

The consolidated financial statements are prepared using the same basis as the consolidated financial statements for the year ended 31 December 2014 and include the interim financial statements for the three-month period ended 31 March 2015 of the Company and its subsidiaries. There is no change in the structure of shareholding in subsidiaries during the current period.

The acquisition of Thanaban Company Limited

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 March 2015 and its profit or loss for the three-month period ended 31 March 2015. 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:

(Unaudited but reviewed)

(Unit: Thousand 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 10)	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	629,741	
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 consolidated interim financial statements include the account balances of the Company and its subsidiaries. Material intercompany transactions and balances have been eliminated. The Company's holding in the subsidiaries is as follows:

(Unaudited but reviewed)

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		31 March 2015	31 December 2014	
Group Lease Holding Pte. Ltd.	Singapore	100	100	Financial advisory and other investment holding company
GL Finance Plc. (shares held by Group Lease Holding Pte. Ltd.)	Cambodia	100	100	Hire purchase services for motorcycles
Thanaban Co.,Ltd.	Thailand	100	100	Hire purchase services for motorcycles
GL Leasing (Laos) Ltd. (shares held by Group Lease Holding Pte. Ltd.)	Laos	100	100	Hire purchase services for motorcycles (Not yet commence operations)

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income. However, such change does not effect to the statement of comprehensive income for the three-month period ended 31 March 2014, presented as comparative information, because as at 31 March 2014, the Company and its subsidiaries did not re-evaluate the provision for long-term employee benefit. Therefore, there is no actuarial gain and loss occurred in that period.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This financial reporting 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This financial reporting standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This financial reporting 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 on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This financial reporting standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this financial reporting standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This financial reporting standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised financial reporting standards, as discussed in Note 1.4.

2. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Cash	1,203	854	247	177
Bank deposits	1,384,906	356,592	517,290	70,982
Total	1,386,109	357,446	517,537	71,159

As at 31 March 2015 and 31 December 2014, bank deposits in saving accounts carried interest 0.10 - 0.70% per annum and 0.30 - 0.85% per annum, respectively (the Company only: 0.37 - 0.50% per annum and 0.37 - 0.50% per annum).

3. Hire purchase and installment sales receivables

3.1 As at 31 March 2015 and 31 December 2014, 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	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Normal receivables						
Hire purchase and installment sales receivables	4,749,252	4,558,881	3,363,486	3,689,276	8,112,738	8,248,157
Accrued hire purchase and installment sales income	183,288	182,973	-	-	183,288	182,973
Less: Unearned hire purchase and installment sales income, net	(1,543,565)	(1,604,012)	(810,584)	(804,051)	(2,354,149)	(2,408,063)
Total normal receivable	3,388,975	3,137,842	2,552,902	2,885,225	5,941,877	6,023,067
Terminated agreements receivables						
Hire purchase and installment sales receivables	445,593	476,576	324,415	365,203	770,008	841,779
Accrued hire purchase and installment sales income	50,320	54,280	-	-	50,320	54,280
Less: Unearned hire purchase and installment sales income, net	(158,275)	(173,335)	(81,676)	(90,126)	(239,951)	(263,461)
Total terminated agreements receivables	337,638	357,521	242,739	275,077	580,377	632,598
Total receivables	3,726,613	3,495,363	2,795,641	3,160,302	6,522,254	6,655,665
Less: Allowance for doubtful accounts	(300,754)	(322,969)	(209,972)	(237,345)	(510,726)	(560,314)
Hire purchase and installment sales receivables, net	3,425,859	3,172,394	2,585,669	2,922,957	6,011,528	6,095,351

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Normal receivables						
Hire purchase and installment sales receivables	3,287,484	3,391,811	2,604,007	2,804,616	5,891,491	6,196,427
Accrued hire purchase and installment sales income	132,813	134,927	-	-	132,813	134,927
Less: Unearned hire purchase and installment sales income, net	(1,168,711)	(1,233,609)	(577,656)	(633,937)	(1,746,367)	(1,867,546)
Total normal receivable	2,251,586	2,293,129	2,026,351	2,170,679	4,277,937	4,463,808
Terminated agreements receivables						
Hire purchase and installment sales receivables	344,606	381,251	260,195	284,834	604,801	666,085
Accrued hire purchase and installment sales income	42,103	47,983	-	-	42,103	47,983
Less: Unearned hire purchase and installment sales income, net	(126,250)	(138,708)	(67,751)	(73,942)	(194,001)	(212,650)
Total terminated agreements receivables	260,459	290,526	192,444	210,892	452,903	501,418
Total receivables	2,512,045	2,583,655	2,218,795	2,381,571	4,730,840	4,965,226
Less: Allowance for doubtful accounts	(226,360)	(253,155)	(164,044)	(179,292)	(390,404)	(432,447)
Hire purchase and installment sales receivables, net	2,285,685	2,330,500	2,054,751	2,202,279	4,340,436	4,532,779

3.2 As at 31 March 2015 and 31 December 2014, the balances of hire purchase and installment sales receivables (net of unearned hire purchase income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Hire purchase and installment sales receivables						
Not yet due	5,101,995	5,041,858	42,511	44,109	5,059,484	4,997,749
Past due:						
1 month	417,564	474,283	39,758	45,277	377,806	429,006
2 - 3 months	429,198	514,216	84,489	101,049	344,709	413,167
4 - 6 months	227,192	263,272	89,429	103,271	137,763	160,001
7 - 9 months	153,859	168,393	90,946	99,379	62,913	69,014
10 - 12 months	132,332	120,967	104,505	95,478	27,827	25,489
Over 12 months	60,114	72,676	59,088	71,751	1,026	925
Total	6,522,254	6,655,665	510,726	560,314	6,011,528	6,095,351

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	Hire purchase and installment sales receivables					
Not yet due	3,729,848	3,884,740	36,734	38,197	3,693,114	3,846,543
Past due:						
1 month	292,333	295,458	28,885	29,145	263,448	266,313
2 - 3 months	270,357	298,133	53,511	58,895	216,846	239,238
4 - 6 months	164,944	176,842	65,300	69,911	99,644	106,931
7 - 9 months	113,744	119,887	67,594	71,178	46,150	48,709
10 - 12 months	101,014	118,492	80,170	93,992	20,844	24,500
Over 12 months	58,600	71,674	58,210	71,129	390	545
Total	4,730,840	4,965,226	390,404	432,447	4,340,436	4,532,779

3.3 As at 31 March 2015 and 31 December 2014, 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			
	31 March 2015		31 December 2014	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	5,428,453	3,726,613	5,272,710	3,495,363
After one year but not more than five years	3,687,901	2,795,641	4,054,479	3,160,302
Total minimum lease payments receivable	9,116,354	6,522,254	9,327,189	6,655,665
Less: Amounts representing finance charges	(2,594,100)		(2,671,524)	
Present value of minimum lease payments	6,522,254		6,655,665	

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2015		31 December 2014	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,807,006	2,512,045	3,955,972	2,583,655
After one year but not more than five years	2,864,202	2,218,795	3,089,450	2,381,571
Total minimum lease payments receivable	6,671,208	4,730,840	7,045,422	4,965,226
Less: Amounts representing finance charges	(1,940,368)		(2,080,196)	
Present value of minimum lease payments	4,730,840		4,965,226	

3.4 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 March 2015 and 31 December 2014, there are outstanding hire purchase receivable amounting to approximately Baht 570.3 million and Baht 635.3 million, respectively (the Company only: Baht 467.5 million and Baht 512.7 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 and its subsidiaries had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2015 and 2014 would be reduced by Baht 7.7 million and Baht 5.9 million, respectively (the Company only: Baht 6.7 million and Baht 5.9 million, respectively).

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

3.6 As at 31 March 2015 and 31 December 2014, the Company and its subsidiaries had transferred rights of claim under hire purchase agreements with outstanding balances (before net of unearned hire purchase interest income) of Baht 6,239 million and Baht 5,895 million, respectively (the Company only: Baht 5,660 million and Baht 5,048 million, respectively), in order to secure credit facilities granted by commercial banks as discussed in Notes 13 and 15.

4. Assets foreclosed

As at 31 March 2015 and 31 December 2014, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Repossessed assets	47,675	41,305	33,931	25,253
Less: Allowance for diminution in value of assets foreclosed	(19,393)	(17,708)	(14,386)	(11,183)
Assets foreclosed, net	<u>28,282</u>	<u>23,597</u>	<u>19,545</u>	<u>14,070</u>

5. Short-term loan and interest receivable

The subsidiary company entered into USD 0.1 million short-term loan agreement with an overseas company. The loan has a term of 1 year and the interest charge is 7.5% per annum. As at 31 March 2015, the outstanding balance of short-term loan and interest receivable amounted to USD 0.1 million (31 December 2014: JPY 11.3 million and USD 0.7 million).

6. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Accrued income	29,465	8,291	32,249	10,950
Prepaid expenses	99,505	92,083	81,682	85,715
Other receivable - sales of assets				
foreclosed	13,939	15,014	10,361	12,419
Other receivable	31,399	25,193	4,239	4,150
Undue input tax	1,861	1,295	1,161	1,295
Others	5,603	2,955	5,603	3,221
Total	181,772	144,831	135,295	117,750
Less: Allowance for				
doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current assets, net	179,246	142,305	132,769	115,224

7. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company, as discussed in Note 22.4.

8. Investments 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						Dividend received during the three-month periods ended	
	Paid-up capital		Shareholdings percentage		Cost		31 March	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	2015	2014
			(%)	(%)				
Thanaban Company Limited	629,696	629,696	100	100	629,696	629,696	-	-
Group Lease Holding Pte. Ltd. and its subsidiaries.	441,513	441,513	100	100	441,513	441,513	-	-
					<u>1,071,209</u>	<u>1,071,209</u>	<u>-</u>	<u>-</u>

The Company

On 12 December 2014, a meeting of the Board of Directors of the Company approved an additional investments in Group Lease Holding Pte. Ltd. ("GLH") totaling 5.22 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 5.22 million (equivalent to Baht 128.70 million). The Company approved the conversion of the loan and interest payable, amounting to Baht 129.74 million, to equity in GLH as stipulated in the loan capitalisation agreement. On 10 April 2015, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 31 March 2015, investment in GLH in the separate financial statements amounted to SGD 17.70 million and share subscription payment in advance amounted to SGD 5.22 million (31 December 2014: investment in GLH amounted SGD 17.70 million).

Group Lease Holding Pte. Ltd. and its subsidiaries

During May 2014, GLH entered into an agreement to lend GLF USD 2.1 million, interest-free and due at call. On 19 June 2014, 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. On 5 January 2015, GLF registered the increase in its paid up share capital with the Ministry of Commerce in Cambodia.

On 2 January 2015, a meeting of the Board of Directors of GLH approved and additional investments in GLF totaling USD 4.0 million (equivalent to Baht 131.25 million). The subsidiary approved the conversion of the loan and interest payable to equity in GLF. Currently, GLH is still in the progress of approval with the Bank of Cambodia and in the progress of registering the increase in its registered share capital with the Ministry of Commerce in Cambodia. The management of the subsidiary expects the transaction to be completed during the second quarter of 2015.

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. The management of the subsidiary expects the operating to be launched during the second quarter of 2015.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statement</u>	<u>financial statement</u>
Net book value as at 1 January 2015	100,642	62,422
Acquisitions during the period - at cost	6,240	332
Depreciation for the period	(6,471)	(2,465)
Exchange differences on translation of financial statements in foreign currency	(409)	-
Net book value as at 31 March 2015	<u>100,002</u>	<u>60,289</u>

As at 31 March 2015 and 31 December 2014, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 74.1 million and Baht 71.9 million, respectively (the Company only: Baht 72.9 million and Baht 70.7 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 March 2015 of Baht 21.4 million (31 December 2014: Baht 21.4 million) as collateral for long-term credit facilities as discussed in Note 15.

10. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statement</u>	<u>financial statement</u>
Net book value as at 1 January 2015	127,693	6,450
Acquisitions during the period - at cost	1,590	1,396
Transfer out during the period	(4,965)	(4,965)
Amortisation for the period	(5,820)	-
Exchange differences on translation of financial statements in foreign currency	(1,085)	-
Net book value as at 31 March 2015	<u>117,413</u>	<u>2,881</u>

During the current period, the Company transferred software under development to other receivables as presented under the caption of non-current assets.

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 March 2015, the fair value of exclusive right in consolidated financial statement amounted to USD 2.39 million (31 December 2014: USD 2.54 million).

11. Corporate income tax

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

Income tax expenses for the three-month periods ended 31 March 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	16,165	25,300	15,444	25,251
Deferred tax:				
Relating to origination of temporary differences	12,931	(18,643)	2,451	(17,990)
Income tax expense reported in profit or loss	<u>29,096</u>	<u>6,657</u>	<u>17,895</u>	<u>7,261</u>

12. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Income tax and value added tax				
refundable	68,283	67,266	61,613	60,485
Deposits	212,664	93,740	494,020	1,445
Other receivable	4,965	-	4,965	-
Others	1,229	1,339	1,221	1,075
Total other non-current assets	<u>287,141</u>	<u>162,345</u>	<u>561,819</u>	<u>63,005</u>

13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated/Separate financial statements	
		31 March	31 December
		2015	2014
Short-term loans	5.00 - 8.00	<u>348,610</u>	<u>250,000</u>
Total		<u>348,610</u>	<u>250,000</u>

As at 31 March 2015, short-term loans from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future and motorcycle registrations as requested by the lender of the Company and its subsidiary, and the pledge of all shares of the subsidiary.

14. Related party transactions

During the periods, 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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	27	35	Contract rate
Interest income	-	-	18,007	3,762	5.50 - 7.00% per annum (2014: 7% per annum)
Other income	-	-	22,673	-	Contract rate
Administrative expense	-	-	18,856	-	Contract rate
Transactions with related parties:					
Interest income	171	750	-	-	6.75 - 7.50% per annum (2014: 6.00 - 9.00% per annum)
Interest expense	25	-	-	-	6.00 - 10.00% 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
GL Finance Plc.	Subsidiary (held by a subsidiary)
Thanaban Co.,Ltd.	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
Engine Holdings Asia Pte. Ltd.	Company's director is major shareholders of that company / Common director
Cambodian People Micro Insurance PLC.	Common director with the Company and GLF
Tennis Federation of Cambodia	GLF's director is general secretary of the Federation (GLF's director is resigned from the federation during the period)

As at 31 March 2015 and 31 December 2014, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Hire purchase and installment sales receivables				
GL Finance Plc.	-	-	1,186	1,159
Total	-	-	1,186	1,159
Short-term loans to and interest receivable from related parties				
Subsidiary companies				
Group Lease Holding Pte. Ltd.	-	-	1,021,959	764,515
Thanaban Co.,Ltd.	-	-	248,000	422,254
GL Finance Plc.	-	-	3,412	3,397
Related parties				
Director of subsidiary Devenco Management and Consulting Co., Ltd.	5,001	2,293	-	-
Tennis Federation of Cambodia	-	5,049	-	-
Total	5,001	38,425	1,273,371	1,190,166
Other current assets				
Subsidiary companies				
Group Lease Holding Pte. Ltd.	-	-	4,096	297
Thanaban Co.,Ltd.	-	-	7,464	7,569
Related parties				
A.P.F. Group Co., Ltd.	1,953	-	-	-
Cambodian People Micro Insurance Plc.	995	-	-	-
Engine Holdings Asia Pte. Ltd	1,166	-	-	-
Total	4,114	-	11,560	7,866
Share subscription payment in advance - subsidiary				
Group Lease Holding Pte. Ltd.	-	-	128,695	-
Total	-	-	128,695	-
Deposit - related party (presented as part of other non-current assets)				
Subsidiary company				
Group Lease Holding Pte. Ltd.	-	-	488,327	-
Related party				
A.P.F. Group Co., Ltd.	55,036	70,217	-	-
Total	55,036	70,217	488,327	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Short-term loans from and interest payable to related parties				
Director of the Company and its subsidiary	32,555	-	-	-
A.P.F. Group Co., Ltd.	-	19,797	-	-
Cambodian People Micro Insurance Plc.	3,277	-	-	-
Total	<u>35,832</u>	<u>19,797</u>	<u>-</u>	<u>-</u>
Accrued expenses				
Subsidiaries company				
Group Lease Holding Pte. Ltd.	-	-	18,856	-
GL Finance Plc.	-	-	280	1,057
Related party				
Director of the Company and its subsidiary	92	-	-	-
Total	<u>92</u>	<u>-</u>	<u>19,136</u>	<u>1,057</u>

As at 31 March 2015, deposits as presented under the caption of non-current assets in the consolidated financial statements, totaling Baht 55.0 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.

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 March 2015, deposits as presented under the caption of non-current assets in the separate financial statements, totaling Baht 488.3 million, represented a deposit that has been pledged as collateral with a related party who assisted with procurement of loans from an overseas financial institution.

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

(Unit: Thousand Baht)

Consolidated financial statements					
Balance as at	During the period		Exchange differences on translation of financial statement in foreign currency	Balance as at	
	1 January 2015	Increase			
Short-term loans to and interest receivable from related parties					
Director of subsidiary Devenco Management and Consulting Co., Ltd.	2,293	2,728	-	(20)	5,001
Tennis Federation of Cambodia	5,049	-	(5,049)	-	-
Total	38,425	2,887	(36,291)	(20)	5,001

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 (2014: 6.75% - 9.00% per annum).

(Unit: Thousand Baht)

Separate financial statements					
Balance as at	During the period		Loss on	Balance as at	
	1 January 2015	Increase			
Short-term loans to and interest receivable from subsidiaries					
Group Lease Holding Pte. Ltd.	764,515	479,364	(221,920)	-	1,021,959
Thanaban Co.,Ltd.	422,254	4,586	(178,840)	-	248,000
GL Finance Plc.	3,397	56	-	(41)	3,412
Total	1,190,166	484,006	(400,760)	(41)	1,273,371

These loans to subsidiaries are unsecured loans with interest rate charged at the rate of 5.50% - 7.00% per annum (2014: 7.00% per annum).

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
	Balance as at	During the year		Balance as at
	1 January	Increase	Decrease	31 March
	2015			2015
Short-term loans from and interest payable to related party				
Director of the Company				
and its subsidiary	-	130,220	(97,665)	32,555
A.P.F. Group Co., Ltd.	19,797	-	(19,797)	-
Cambodian People Micro				
Insurance PLC.	-	3,277	-	3,277
Total	19,797	133,497	(117,462)	35,832

These loans from related parties are unsecured loans with interest rate charged at the rate of 6.00% - 10.00% per annum (2014: 6.00% per annum).

Directors and management's benefits

During the three-month periods ended 31 March 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Short-term employee benefits	9,482	9,098	9,036	9,098
Post-employment benefits	468	889	468	889
Total	9,950	9,987	9,504	9,987

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 2 December 2014, 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 March 2015, 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.

15. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance		Interest rate per annum	Repayment condition
	31 March 2015	31 December 2014		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	2,333,230	2,384,890	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	183,070	233,110	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	229,790	279,830	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	810,000	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.
<u>Loan agreement dates 20 December 2014</u>				
Credit facility No. 1	32,555	-	At the rate of 10.00% per annum	Thirty-six equal installment, with first installment due on six months after drawing down loans under credit facility and repayment every six months.
Less: Deferred front end fees	(8,594)	(9,974)		
Total	3,580,051	3,859,856		
Less: Current portion	(2,437,515)	(2,547,809)		
Long-term loans, net of current portion	1,142,536	1,312,047		

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance		Interest rate	Repayment condition
	31 March 2015	31 December 2014	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	2,333,230	2,384,890	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	183,070	233,110	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	229,790	279,830	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	810,000	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	(8,323)	(9,974)		
Total	3,547,767	3,859,856		
Less: Current portion	(2,426,809)	(2,547,809)		
Long-term loans, net of current portion	1,120,958	1,312,047		

Movements in the long-term loans account during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	3,859,856	3,859,856
Add: Addition borrowings	526,555	494,000
Deferred front end fees	1,706	1,651
Less: Repayment	(807,740)	(807,740)
Deferred front end fees	(326)	-
Balance as at 31 March 2015	3,580,051	3,547,767

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

During the year 2012 upto the first quarter of 2014, 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 2014, 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 2014, 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.

On 20 December 2014, the subsidiary entered into a loan agreement with an overseas commercial bank to obtain long-term loan facilities of USD 1 million, the purpose of such loan is for use in its operating.

The loan agreements contains covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, and maintenance of a certain debt to equity ratio, ratio of hire purchase receivables more than three months' past due to total hire purchase receivables, ratio of total hire purchase receivables to loans, prohibition of disposal of assets or rights of claim under hire purchase agreements and prohibition of entering into new loan agreements.

The loans are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and construction thereon and/or to be constructed thereon in the future, and motorcycle registrations as requested by the commercial banks.

As at 31 March 2015, the long-term credit facilities of the Company and its subsidiaries which have not yet drawn down amount to Baht 166.8 million (31 December 2014: Baht 115.1 million).

16. Debentures

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

(Unit: Thousand Baht)

Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				31 March 2015	31 December 2014
Debentures 1/2014	As detail in table below	3 years	27 February 2017	500,000	500,000
Less: Unamortised portion of deferred transaction costs				(10,394)	(11,697)
Debentures - net				<u>489,606</u>	<u>488,303</u>

Details of the Company's debentures are as follows:

1. 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 22.4.

17. Advance received for issuance of convertible debentures

The balance as at 31 March 2015 is an advance received from an overseas investor amounting to USD 30 million (equivalent to Baht 976.65 million) for purchase of convertible debentures which the Company will issue, as details discussed in Note 24. The Company is in the process of preparing for the issuance and offering of the convertible debentures.

18. Share capital**18.1 Additional share subscription from the exercise of warrants**

During the current period, the Company received additional share subscription totaling Baht 100.0 million from the exercise of warrants, as detailed below.

	Warrant (units)	Ordinary share (shares)	Exercise price (Baht/share)	Amount (Million Baht)
GL-W3	10,000,734	10,000,734	10	100.0

As at 31 March 2015, the Company had share premium amounting to Baht 1,131.75 million as a result of the capital increases (31 December 2014: Baht 1,084.25 million).

As at 31 March 2015, the Company had share subscription received in advance amounting Baht 50.0 million in its paid up share capital from the exercise of GL-W3 totaling 5,000,734 units. The Company registered the increase in its paid up share capital from the exercise of such warrants with the Ministry of Commerce 2 April 2015.

18.2 Reconciliation of number of ordinary shares

During the current period, the movements of paid-up capital and premium on ordinary shares of the Company 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 period	1,085,770	542,885	1,084,254
Increase in capital from exercising of the rights of the warrants	5,000	2,500	47,500
At the end of the period	1,090,770	545,385	1,131,754

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

As at 31 March 2015, details of outstanding warrants, which were issued by the Company, are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants original issued	Warrant offer price	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
GL-W3	Existing shareholders	2 December 2014	332,783,154	-	2 years	Baht 10	1 ordinary share
GL-WD	Directors and employees	15 May 2012	1,000,000	-	3 years	Baht 1.65766	11.8360 ordinary share

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

Type of warrant	Number of warrants outstanding as at 1 January 2015	Number of warrants exercised during the period	Number of warrant expired/cancelled during the period	Number of warrants outstanding as at 31 March 2015
GL-W3	332,783,154	(10,000,734)	-	322,782,420
GL-WD	808,300	-	(17,300)	791,000

Up to 31 March 2015, the Company cancelled a total of 218,000 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 2014 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 three-month period ended 31 March 2015, the Company recorded expenses of the GL-WD plan amounting to Baht 0.3 million as personnel expenses (2014: Baht 0.3 million).

20. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the 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						
For the three-month periods ended 31 March						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	110,238	10,757	1,087,992	1,025,064	0.1013	0.0105
Effect of dilutive potential ordinary shares						
GL-W2	-	-	-	27,827		
GL-WD	-	-	7,938	7,882		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	110,238	10,757	1,095,930	1,060,773	0.1006	0.0101

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 31 March						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the period	71,120	28,576	1,087,992	1,025,064	0.0654	0.0279
Effect of dilutive potential ordinary shares						
GL-W2	-	-	-	27,827		
GL-WD	-	-	7,938	7,882		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	71,120	28,576	1,095,930	1,060,773	0.0649	0.0269

However, no calculation of diluted earnings per share for the three-month period ended 31 March 2015 was required for warrant (GL-W3), as disclosed in Note 19, 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.

21. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and loss information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2015 and 2014, respectively.

(Unit: Thousand Baht)

For the three-month period ended 31 March 2015					
	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	483,229	-	483,229	-	483,229
Other income	76,246	13,451	89,697	-	89,697
Inter-segment	40,706	45,916	86,622	(86,622)	-
Total revenue	600,181	59,367	659,548	(86,622)	572,926
Finance expense	(80,110)	(13,329)	(93,439)	29,973	(63,466)
Bad debts and doubtful accounts	(82,330)	-	(82,330)	-	(82,330)
Loss on disposals of foreclosed assets	(107,097)	-	(107,097)	-	(107,097)
Services and administrative expenses	(217,869)	(18,170)	(236,039)	55,340	(180,699)
Income tax expense	(29,258)	-	(29,258)	162	(29,096)
Segment profit	83,517	27,868	111,385	(1,147)	110,238

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 31 March 2014

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	353,896	-	353,896	-	353,896
Other income	28,599	1,174	29,773	-	29,773
Inter-segment	3,797	5,054	8,851	(8,851)	-
Total revenue	386,292	6,228	392,520	(8,851)	383,669
Finance expense	(51,212)	(3,704)	(54,916)	8,848	(46,068)
Bad debts and doubtful accounts	(120,980)	-	(120,980)	-	(120,980)
Loss on disposals of foreclosed assets	(93,659)	-	(93,659)	-	(93,659)
Services and administrative expenses	(95,542)	(8,372)	(103,914)	(1,634)	(105,548)
Income tax expense	(7,446)	-	(7,446)	789	(6,657)
Segment profit	17,453	(5,848)	11,605	(848)	10,757

Segment assets of the Company and its subsidiaries as at 31 March 2015 and 31 December 2014 are as follows:

(Unit: Thousand Baht)

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Unallocated assets	Consolidated
Segment assets					
At 31 March 2015	7,995,187	308,950	8,304,137	-	8,304,137
At 31 December 2014	6,905,033	365,587	7,270,620	-	7,270,620

Geographic information

Revenue from external customers is based on locations of the customers for the periods of three months ended 31 March 2015 and 2014, respectively.

(Unit: Thousand Baht)

For the three-month period
ended 31 March

	2015	2014
Revenue from external customers		
Thailand	489,566	368,271
Cambodia	69,909	14,224
Singapore	13,451	1,174
Total	572,926	383,669

22. Commitments

22.1 Capital commitments

As at 31 March 2015, the Company had capital commitments of approximately Baht 2.04 million, relating to the purchase of software license (31 December 2014: Baht 14.26 million).

22.2 Rental and service commitments

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

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

	Consolidated financial statement			
	31 March 2015		31 December 2014	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Payable:				
In up to 1 year	9,462	4	10,342	14
In over 1 and up to 5 years	8,160	-	9,291	-
	Separate financial statement			
	31 March 2015		31 December 2014	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Payable:				
In up to 1 year	6,798	4	7,644	14
In over 1 and up to 5 years	6,003	-	6,769	-

22.3 Service commitments

As at 31 March 2015, the Company is required to pay fees of USD 0.03 million, JPY 0.50 million and THB 0.82 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (31 December 2014: USD 0.10 million, JPY 0.50 million and THB 0.70 million per month).

22.4 Guarantees

As at 31 March 2015 and 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.

23. Contingent liabilities

Interest Rate Swap Transaction Agreements

The Company has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 March 2015 is amounting to Baht 412.86 million. The contracts are for a period of 30 periods, maturing in June 2016. At each of the maturity dates, the Company is required to pay interest to the bank based at fixed rate stipulated in the agreements (6.00% p.a.) and the bank is required to pay interest to the Company at the floating rate plus stipulated rate. The agreement contains other conditions. The Company would have had unrealised loss of approximately Baht 7.09 million, if it had recorded the above contracts at fair value.

24. Events after the reporting period

Resolutions of the Annual General Meeting of the shareholders

On 27 April 2015, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

- 1) Approved the payment of dividend from the operating results of the year 2014 totaling no more than Baht 68.72 million, or Baht 0.048 - 0.063 per share to the Company's shareholders. Dividend will be paid to the shareholders on 26 May 2015.
- 2) Approved the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) (J Trust Asia Pte. Ltd.) in the amount not exceeding USD 30 million or an equivalent amount in other currencies.
- 3) To decrease the registered capital of the Company from Baht 720.93 million to Baht 719.59 million by cancelling the registered ordinary shares to the unpaid registered ordinary shares totaling to 2.68 million shares. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 28 April 2015.
- 4) To increase the registered capital from the previous registered capital of Baht 719.59 million to be the new registered capital of Baht 769.59 million by issuing and additional 100 million ordinary shares at the par value of Baht 0.50 each to be reserved for the exercise of conversion rights by holder of convertible debentures. The Company registered the increase in its registered share capital with the Ministry of Commerce on 29 April 2015.
- 5) Approved the allocation of newly issued ordinary shares of the Company in the amount up to 100 million shares with the par value of Baht 0.50, in order to reserve for the exercise of conversion rights by holder of convertible debentures with the conversion price of Baht 10 per share.

25. Reclassification

Certain amounts in the statement of financial position as at 31 December 2014 and the statement of comprehensive income for the three-month period ended 31 March 2014 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As reclassified	As previously reported
Current portion of hire purchase and installment sales receivables	3,172,394	3,163,953
Hire purchase and installment sales receivables - long-term portion	2,922,957	2,922,438
Other current assets	142,305	151,265
Hire purchase interest income	353,896	353,279
Other income	29,773	31,104
Services and administrative expenses	105,548	106,262

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 May 2015.