

Group Lease Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2015

## **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 2015, 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 2015, 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: 15 February 2016

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
			(Restated)		
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	1,044,886,024	357,445,769	552,224,270	71,158,776
Current portion of hire purchase and installment sales receivables	9	3,198,880,188	3,172,393,481	2,095,264,423	2,330,499,874
Current portion of asset-backed loan receivables	10	113,093,494	-	-	-
Assets foreclosed	11	32,947,584	23,596,872	14,909,047	14,070,500
Short-term loan and interest receivables	12	2,152,933,578	24,776,473	18,780,000	-
Short-term loan to and interest receivables from related parties	22	-	38,424,749	4,016,390,195	1,190,165,904
Other current assets	13, 22	227,409,807	142,305,248	109,574,461	115,224,229
<b>Total current assets</b>		<b>6,770,150,675</b>	<b>3,758,942,592</b>	<b>6,807,142,396</b>	<b>3,721,119,283</b>
<b>Non-current assets</b>					
Pledged fixed deposit at financial institution	14	329,357	324,368	329,357	324,368
Investment in subsidiary companies	15	-	-	1,200,116,812	1,071,209,294
Long-term portion of hire purchase and installment sales receivables	9	2,848,471,416	2,922,957,101	1,786,822,120	2,202,279,224
Long-term portion of asset-backed loan receivables	10	28,057,347	-	-	-
Long-term loans	16	604,588,151	-	-	-
Property, plant and equipment	17	115,982,350	100,641,844	73,823,521	62,422,194
Intangible assets	18	101,066,818	95,922,057	15,501,349	6,450,000
Goodwill	5	122,518,835	118,132,325	-	-
Deferred tax assets	19	62,868,061	112,649,921	51,323,356	70,807,645
Other non-current assets	20, 22	111,083,572	162,345,120	74,088,855	63,004,536
<b>Total non-current assets</b>		<b>3,994,965,907</b>	<b>3,512,972,736</b>	<b>3,202,005,370</b>	<b>3,476,497,261</b>
<b>Total assets</b>		<b>10,765,116,582</b>	<b>7,271,915,328</b>	<b>10,009,147,766</b>	<b>7,197,616,544</b>

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 2015

(Unit: Baht)

	<u>Note</u>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
			(Restated)		
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	21	349,049,821	250,000,000	349,049,821	250,000,000
Trade accounts payable		46,446,506	9,075,132	5,097,900	6,350,905
Short-term loans from and interest payable to related parties	22	4,115,283	19,797,307	-	-
Current portion of long-term loans	23	1,557,853,528	2,547,808,506	1,522,177,013	2,547,808,506
Income tax payable		53,316,344	-	29,475,140	-
Insurance premium payables		11,211,418	11,725,774	7,011,366	9,682,314
Accrued expenses		77,724,014	56,526,476	74,244,259	26,302,045
Other current liabilities		76,076,543	54,359,411	49,387,435	29,598,922
<b>Total current liabilities</b>		<u>2,175,793,457</u>	<u>2,949,292,606</u>	<u>2,036,442,934</u>	<u>2,869,742,692</u>
<b>Non-current liabilities</b>					
Long-term portion of long-term loans	23	504,593,084	1,312,047,016	360,490,003	1,312,047,016
Debentures	24	493,610,396	488,303,334	493,610,396	488,303,334
Convertible debentures - liability component					
Provision for long-term liabilities					
Provision for long-term employee benefits	26	7,480,315	6,379,382	7,480,315	6,379,382
Cash guarantee for damage on hire purchase agreements		2,180,907	2,325,393	2,063,646	2,196,263
<b>Total non-current liabilities</b>		<u>1,007,864,702</u>	<u>1,809,055,125</u>	<u>863,644,360</u>	<u>1,808,925,995</u>
<b>Total liabilities</b>		<u>3,183,658,159</u>	<u>4,758,347,731</u>	<u>2,900,087,294</u>	<u>4,678,668,687</u>

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

**Group Lease Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
<b>Shareholders' equity</b>					
Share capital	27				
Registered					
1,539,174,618 ordinary shares of Baht 0.50 each (2014: 1,441,852,272 ordinary shares of Baht 0.50 each)		769,587,309	720,926,136	769,587,309	720,926,136
Issued and paid-up					
1,427,285,251 ordinary shares of Baht 0.50 each (2014: 1,085,769,632 ordinary shares of Baht 0.50 each)		713,642,626	542,884,816	713,642,626	542,884,816
Share premium	27	4,254,634,158	1,084,254,433	4,254,634,158	1,084,254,433
Share subscription received in advance	25	981,049,328	-	981,049,328	-
Capital reserve for share-based payment transactions	28	-	3,584,428	-	3,584,428
Retained earnings					
Appropriated - statutory reserve	30	76,958,731	72,092,614	76,958,731	72,092,614
Unappropriated		1,283,825,109	774,501,693	1,082,775,629	816,131,566
Exchange differences on translation of financial statements in foreign currency		271,348,471	36,249,613	-	-
<b>Total shareholders' equity</b>		<b>7,581,458,423</b>	<b>2,513,567,597</b>	<b>7,109,060,472</b>	<b>2,518,947,857</b>
<b>Total liabilities and shareholders' equity</b>		<b>10,765,116,582</b>	<b>7,271,915,328</b>	<b>10,009,147,766</b>	<b>7,197,616,544</b>
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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 2015

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014 (Restated)	2015	2014 (Restated)
<b>Profit or loss</b>					
<b>Revenues</b>					
Hire purchase interest income		1,898,441,467	1,676,419,961	1,332,835,932	1,389,653,953
Asset - backed loan interest income		25,484,564	-	-	-
Other income					
Interest income		175,567,505	4,937,895	147,215,074	66,448,823
Consultation service fee income		72,679,900	35,906,650	-	-
Others		316,529,767	145,086,111	309,956,550	150,268,584
<b>Total revenues</b>		<b>2,488,703,203</b>	<b>1,862,350,617</b>	<b>1,790,007,556</b>	<b>1,606,371,360</b>
<b>Expenses</b>					
Services and administrative expenses		784,371,371	547,642,716	476,319,784	353,957,557
Bad debts and doubtful accounts		356,566,970	494,857,518	322,570,895	441,370,653
Loss on disposals of foreclosed assets		355,030,334	431,819,548	309,197,903	377,812,551
<b>Total expenses</b>		<b>1,495,968,675</b>	<b>1,474,319,782</b>	<b>1,108,088,582</b>	<b>1,173,140,761</b>
<b>Profit before finance cost and income tax expenses</b>		<b>992,734,528</b>	<b>388,030,835</b>	<b>681,918,974</b>	<b>433,230,599</b>
Finance cost		(266,768,059)	(250,417,641)	(256,911,422)	(250,390,976)
<b>Profit before income tax expenses</b>		<b>725,966,469</b>	<b>137,613,194</b>	<b>425,007,552</b>	<b>182,839,623</b>
Income tax expenses	19	(143,075,473)	(19,888,714)	(84,795,909)	(36,889,291)
<b>Profit for the year</b>		<b>582,890,996</b>	<b>117,724,480</b>	<b>340,211,643</b>	<b>145,950,332</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		235,098,858	12,448,340	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	26	(2,028,643)	(1,725,353)	(2,028,643)	(1,725,353)
<b>Other comprehensive income for the year</b>		<b>233,070,215</b>	<b>10,722,987</b>	<b>(2,028,643)</b>	<b>(1,725,353)</b>
<b>Total comprehensive income for the year</b>		<b>815,961,211</b>	<b>128,447,467</b>	<b>338,183,000</b>	<b>144,224,979</b>
<b>Earnings per share</b>	32				
<b>Basic earnings per share</b>					
Profit for the year		0.489	0.112	0.286	0.139
Weighted average number of ordinary shares (shares)		1,190,878,781	1,052,988,458	1,190,878,781	1,052,988,458
<b>Diluted earnings per share</b>					
Profit for the year		0.464	0.109	0.271	0.135
Weighted average number of ordinary shares (shares)		1,256,644,934	1,077,369,449	1,256,644,934	1,077,369,449

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 2015

(Unit: Baht)

Consolidated financial statements													
									Other comprehensive income				
		Issued and paid-up		Share subscription received		Capital reserve for share-based payment	Retained earnings		Exchange differences on translation of financial statements		Convertible debentures	Total other components of shareholders' equity	Total shareholders' equity
Note	share capital	Share premium	in advance	Warrants	transactions	Appropriated	Unappropriated	in foreign currency	- equity component				
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
Profit for the year (restated)		-	-	-	-	-	-	117,724,480	-	-		-	117,724,480
Other comprehensive income for the year (restated)		-	-	-	-	-	-	(1,725,353)	12,448,340	-		12,448,340	10,722,987
Total comprehensive income for the year (restated)		-	-	-	-	-	-	115,999,127	12,448,340	-		12,448,340	128,447,467
Issuance of ordinary shares during year													
from the exercise of warrants		30,531,337	150,551,783	(996,839)	(513,067)	-	-	-	-	-		-	179,573,214
Transferred of the expired warrants to share premium		-	22,622	-	(22,622)	-	-	-	-	-		-	-
Capital reserve for share-based payment		-	-	-	-	1,361,411	-	-	-	-		-	1,361,411
Dividend paid	29	-	-	-	-	-	-	(56,897,328)	-	-		-	(56,897,328)
Balance as at 31 December 2014 - as restated		542,884,816	1,084,254,433	-	-	3,584,428	72,092,614	774,501,693	36,249,613	-		36,249,613	2,513,567,597
Balance as at 31 December 2014 - as previously reported		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
Cumulative effect of the business purchase price allocation	5	-	-	-	-	-	-	1,295,203	-	-		-	1,295,203
Balance as at 31 December 2014 - as restated		542,884,816	1,084,254,433	-	-	3,584,428	72,092,614	774,501,693	36,249,613	-		36,249,613	2,513,567,597
Profit for the year		-	-	-	-	-	-	582,890,996	-	-		-	582,890,996
Other comprehensive income for the year		-	-	-	-	-	-	(2,028,643)	235,098,858	-		235,098,858	233,070,215
Total comprehensive income for the year		-	-	-	-	-	-	580,862,353	235,098,858	-		235,098,858	815,961,211
Issuance of ordinary shares during year													
from the exercise of warrants	27.3, 28	170,757,810	3,170,379,725	-	-	(4,084,234)	-	-	-	-		-	3,337,053,301
Capital reserve for share-based payment													
transactions	28	-	-	-	-	499,806	-	-	-	-		-	499,806
Issue convertible debentures - equity component	25	-	-	-	-	-	-	-	-	268,410		268,410	268,410
Transferred of convertible debentures to share subscription received in advance	25	-	-	981,049,328	-	-	-	-	-	(268,410)		(268,410)	980,780,918
Dividend paid	29	-	-	-	-	-	-	(66,672,820)	-	-		-	(66,672,820)
Appropriated to statutory reserved	30	-	-	-	-	-	4,866,117	(4,866,117)	-	-		-	-
Balance as at 31 December 2015		713,642,626	4,254,634,158	981,049,328	-	-	76,958,731	1,283,825,109	271,348,471	-		271,348,471	7,581,458,423
		-	-	-	-	-	-	-	-	-		-	-
		-	-	-	-	-	-	-	-	-		-	-

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 2015

(Unit: Baht)

Separate financial statements										
	Note	Issued and paid-up share capital	Share premium	Share subscription received in advance	Warrants	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity Convertible debentures - equity component	Total shareholders' equity
							Appropriated	Unappropriated		
<b>Balance as at 1 January 2014</b>		512,353,479	933,680,028	996,839	535,689	2,223,017	72,092,614	728,803,915	-	2,250,685,581
Profit for the year (restated)		-	-	-	-	-	-	145,950,332	-	145,950,332
Other comprehensive income for the year (restated)		-	-	-	-	-	-	(1,725,353)	-	(1,725,353)
Total comprehensive income for the year (restated)		-	-	-	-	-	-	144,224,979	-	144,224,979
Issuance of ordinary shares during year										
from the exercise of warrants		30,531,337	150,551,783	(996,839)	(513,067)	-	-	-	-	179,573,214
Transferred of the expired warrants to share premium		-	22,622	-	(22,622)	-	-	-	-	-
Capital reserve for share-based payment transactions		-	-	-	-	1,361,411	-	-	-	1,361,411
Dividend paid	29	-	-	-	-	-	-	(56,897,328)	-	(56,897,328)
<b>Balance as at 31 December 2014</b>		<b>542,884,816</b>	<b>1,084,254,433</b>	<b>-</b>	<b>-</b>	<b>3,584,428</b>	<b>72,092,614</b>	<b>816,131,566</b>	<b>-</b>	<b>2,518,947,857</b>
<b>Balance as at 1 January 2015</b>		542,884,816	1,084,254,433	-	-	3,584,428	72,092,614	816,131,566	-	2,518,947,857
Profit for the year		-	-	-	-	-	-	340,211,643	-	340,211,643
Other comprehensive income for the year		-	-	-	-	-	-	(2,028,643)	-	(2,028,643)
Total comprehensive income for the year		-	-	-	-	-	-	338,183,000	-	338,183,000
Issuance of ordinary shares during year										
from the exercise of warrants	27.3, 28	170,757,810	3,170,379,725	-	-	(4,084,234)	-	-	-	3,337,053,301
Capital reserve for share-based payment transactions	28	-	-	-	-	499,806	-	-	-	499,806
Issue convertible debentures - equity component	25	-	-	-	-	-	-	-	268,410	268,410
Transferred of convertible debentures to share subscription received in advance	25	-	-	981,049,328	-	-	-	-	(268,410)	980,780,918
Divident paid	29	-	-	-	-	-	-	(66,672,820)	-	(66,672,820)
Appropriated to statutory reserved	30	-	-	-	-	-	4,866,117	(4,866,117)	-	-
<b>Balance as at 31 December 2015</b>		<b>713,642,626</b>	<b>4,254,634,158</b>	<b>981,049,328</b>	<b>-</b>	<b>-</b>	<b>76,958,731</b>	<b>1,082,775,629</b>	<b>-</b>	<b>7,109,060,472</b>
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-

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 2015**

(Unit: Baht)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	725,966,469	137,613,194	425,007,552	182,839,623
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	28,422,704	17,168,127	10,873,145	9,444,964
Amortisation	19,354,827	19,636,931	596,950	-
Bad debts and doubtful accounts	357,322,921	626,315,816	322,570,895	441,370,653
Loss (gain) on disposal/write-off of equipment	186,970	(364,213)	50,464	(384,247)
Loss on write-off of intangible assets	-	47,222	-	-
Loss on disposals of assets foreclosed	355,030,334	431,819,548	309,197,902	377,812,551
Reversal of loss on diminution in value of assets foreclosed	(7,575,560)	(13,198,121)	(2,334,698)	(10,654,575)
Exchange loss from transfer loan to subsidiary to investment in subsidiaries	-	-	1,074,541	-
Unrealised exchange loss (gain)	662,547	1,802,758	(20,814,961)	(3,305)
Provision for long-term employee benefits	425,130	812,684	425,130	812,684
Capital reserve for share-based payment transactions	499,806	1,361,411	499,806	1,361,411
Interest income	(175,543,203)	(4,242,337)	(147,215,074)	(66,111,095)
Interest expenses	248,140,221	234,359,688	238,702,840	234,333,023
Amortised front end fees of loans	11,547,089	10,773,839	11,547,089	10,773,839
Amortised transaction cost of debentures	7,080,748	5,284,114	6,661,494	5,284,114
Profit from operating activities before changes in operating assets and liabilities	1,571,521,003	1,469,190,661	1,156,843,075	1,186,879,640
<b>Operating assets (increase) decrease</b>				
Hire purchase and installment sales receivables	(309,323,943)	(796,473,206)	328,121,659	(552,748,666)
Asset - backed loan receivables	(141,150,841)	-	-	-
Assets foreclosed	(356,805,486)	(412,210,322)	(307,701,751)	(360,076,700)
Other current assets	(64,639,174)	50,199,533	7,871,888	9,538,526
Other non-current assets	50,742,376	(30,671,686)	(6,034,448)	(12,572,496)
<b>Operating liabilities increase (decrease)</b>				
Trade accounts payable	37,371,374	4,758,106	(1,253,005)	3,131,855
Insurance premium payables	(514,357)	1,626,639	(2,670,948)	468,246
Accrued expenses	20,713,122	19,768,973	47,649,863	(4,096,388)
Provision for long-term employee benefits	(1,860,000)	(746,910)	(1,860,000)	(746,910)
Other current liabilities	10,802,355	(23,060,962)	19,552,864	7,818,176
Guarantee for damage from hire purchase agreements	(144,486)	23,523	(132,617)	(105,608)
Cash flows from operating activities	816,711,943	282,404,349	1,240,386,580	277,489,675
Cash paid for interest expenses	(247,613,418)	(226,513,810)	(239,309,622)	(226,506,652)
Cash paid for corporate income tax	(50,488,927)	(95,672,347)	(35,300,512)	(92,959,304)
<b>Net cash flows from (used in) operating activities</b>	<b>518,609,598</b>	<b>(39,781,808)</b>	<b>965,776,446</b>	<b>(41,976,281)</b>

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 2015**

(Unit: Baht)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
<b>Cash flows from investing activities</b>				
Increase in pledged fixed deposits at financial institution	(4,989)	(6,313)	(4,989)	(6,313)
Cash paid for acquisition of investment in subsidiary (Note 5)	-	(601,936,567)	-	(629,696,415)
Repayment to former shareholder of subsidiary	-	(46,956,326)	-	-
Decrease (increase) in accounts receivable and loans to employees	(69,629)	40,058	(69,629)	40,058
Proceeds from sales of equipment	-	444,579	-	444,579
Cash paid for acquisitions of equipment	(35,467,280)	(43,307,953)	(14,375,985)	(10,910,274)
Cash paid for acquisitions of intangible asset	(27,601,682)	(6,646,429)	(22,562,250)	(6,450,000)
Cash paid for short-term loan to related parties	-	(3,287,093)	(4,102,717,335)	(1,401,909,495)
Cash receipt from short-term loan to related parties	31,680,508	22,661,084	1,253,270,795	445,159,495
Cash paid for short-term loan	(2,192,927,692)	-	(20,700,000)	-
Cash receipt from short-term loan	170,394,737	-	1,920,000	-
Cash paid for long-term loans	(607,372,320)	-	-	-
Interest received	75,061,762	162,317	59,239,707	36,592,269
<b>Net cash flows used in investing activities</b>	<b>(2,586,306,585)</b>	<b>(678,832,643)</b>	<b>(2,845,999,686)</b>	<b>(1,566,736,096)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	100,000,000	236,450,122	100,000,000	236,450,122
Cash received from short-term loans from related parties	151,469,042	19,777,800	-	-
Repayment of short-term loan from related parties	(167,991,332)	-	-	-
Cash received from long-term loans	1,024,330,200	2,794,000,000	834,000,000	2,794,000,000
Repayment of long-term loans	(2,836,034,788)	(2,021,690,000)	(2,817,850,000)	(2,021,690,000)
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 receipt from issuance of convertible debentures	981,000,000	-	981,000,000	-
Cash paid for transaction costs of convertible debentures	(6,241,747)	-	(6,241,747)	-
Cash paid for front end fees of short-term loan	(1,001,087)	(20,748,320)	-	(20,748,320)
Cash received from exercise of warrants	3,337,053,300	179,573,214	3,337,053,300	179,573,214
Dividend paid	(66,672,819)	(56,897,328)	(66,672,819)	(56,897,328)
<b>Net cash flows from financing activities</b>	<b>2,515,910,769</b>	<b>746,437,335</b>	<b>2,361,288,734</b>	<b>1,593,706,908</b>
Increase in translation adjustment	239,226,473	9,077,458	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>687,440,255</b>	<b>36,900,342</b>	<b>481,065,494</b>	<b>(15,005,469)</b>
Cash and cash equivalents at beginning of year	357,445,769	320,545,427	71,158,776	86,164,245
<b>Cash and cash equivalents at the end of year (Note 8)</b>	<b>1,044,886,024</b>	<b>357,445,769</b>	<b>552,224,270</b>	<b>71,158,776</b>
	-	-	-	-

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 2015**

(Unit: Baht)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
<b>Supplement cash flows information</b>				
Non-cash items				
Transferred of share subscription received in advance to ordinary shares and share premium	-	239,405,360	-	996,839
Transferred the exercise of warrants to share subscription received in advance	-	513,068	-	513,068
Transferred share subscription payment in advance to investment in subsidiary	128,695,411	-	128,695,411	330,815,218
Transfer capital reserve for share-based payment transactions to share premium	4,084,234	-	4,084,234	-
Transfer convertible debentures to share subscription received in advance	981,049,328	-	981,049,328	-

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 2015**

#### **1. General information**

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the hire purchase and asset-backed loan. Another, overseas subsidiary is principally a business management, consulting including financing services to the corporates and other investment holding company.

The Company’s registered address is 63 Soi 1, Thetsabannimit Road, Ladyao, Chatuchak, Bangkok.

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

#### **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
		2015	2014	
Group Lease Holdings Pte. Ltd. ("GLH")	Singapore	100	100	Business management and consulting services, financing to corporates and investment holding
GL Finance Plc. (shares held by Group Lease Holding Pte. Ltd.) ("GLF")	Cambodia	100	100	Hire purchase services (motorcycles, agricultural machinery and equipment)
Thanaban Company Limited ("TNB")	Thailand	100	100	Hire purchase services & Asset-backed Loans to Consumers
GL Leasing (Lao) Ltd. (shares held by Group Lease Holding Pte. Ltd.) ("GLL")	Laos	100	100	Hire purchase services (motorcycles, agricultural machinery and equipment)

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies 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.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

- g) 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 present investments in subsidiaries under the cost method.

### **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 year**

The Company and its subsidiaries adopted the revised (revised 2014) 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 recognise actuarial gains and losses immediately in other comprehensive income while the former accounting standard allowed 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 and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4.

## **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 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.

### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.



#### 4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards. The cumulative effect of the change has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)	
	For the year ended 31 December 2014	
	Consolidated financial statements	Separate financial statements
<b>Statements of comprehensive income</b>		
<b>Profit or loss:</b>		
Decrease in administrative expense	(2,156)	(2,156)
Increase in corporate income tax	431	431
<b>Other comprehensive income:</b>		
Increase in actuarial losses	(1,725)	(1,725)
<b>Earnings per share (Baht):</b>		
Increase in basic earnings per share	0.002	0.002
Increase in diluted earnings per share	0.001	0.001

#### 5. Cumulative effect of the business purchase price allocation

In the third quarter of 2014, the Company acquired a 100% interest in TNB. The Company paid approximately Baht 629.7 million for the business acquisition.

During 2015, the Company assessed the fair value of the assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items. The process was completed in the second quarter of 2015, within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No. 3 (revised 2012), Business Combinations. The Company has therefore retrospectively adjusted the assets acquired and liabilities assumed at the acquisition date (2 July 2014), and the adjustments caused intangible assets to decrease by approximately Baht 33.4 million, goodwill to increase by approximately Baht 26.7 million and deferred tax assets to increase by approximately Baht 6.7 million.

The financial statements of TNB have been included in the consolidated financial statements of the Company since the Company gained control, on 2 July 2014. The details of the acquisition are as follows:

(Unit: Thousand Baht)

Cash paid for acquisition of the subsidiary company	629,741
Less: Net assets from acquisition of subsidiary company	(557,869)
Goodwill	<u>71,872</u>

Cash paid for acquisition of the subsidiary company	629,741
Less: Cash and cash equivalents of subsidiary	(27,804)
Cash paid for acquisition of the subsidiary company - net of cash and cash equivalent received	<u>601,937</u>

Details of the fair value of identifiable net assets of TNB, and their net book value, as of the acquisition date (2 July 2015) are as follows:

(Unit: Thousand Baht)

	<u>Fair value</u>	<u>Net book value</u>
<b>Assets</b>		
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 18)	783	783
Deferred tax assets	30,250	30,208
Other assets	119,138	119,138
Total assets	<u>1,577,716</u>	<u>1,577,884</u>
<b>Liabilities</b>		
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>557,869</u>	<u>558,037</u>
Equity of the Company (%)	100	
Net asset value attributable to the company's investment	557,869	
Positive goodwill	<u>71,872</u>	
Purchase price	629,741	
Less: Cash and cash equivalents of subsidiary	(27,804)	
Cash paid for acquisition in subsidiary - the Group	<u>601,937</u>	

The cumulative effect of the business purchase price allocation has been separately presented in the consolidated statements of changes in shareholders' equity. The amounts of adjustments affecting the consolidated statements of financial position and the consolidated statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2015	2014
<b>Statements of financial position</b>		
Decrease in intangible assets - net	(31,771)	(31,771)
Increase in goodwill	26,712	26,712
Increase in deferred tax assets	6,354	6,354
Increase in unappropriated retained earnings	(1,295)	(1,295)

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	
<b>Statements of comprehensive income</b>		
<b>Profit or loss:</b>		
Decrease in service and administrative expenses		(1,619)
Increase in income tax expenses		324
Increase in profit for the year		1,295
<b>Earnings per share (Baht)</b>		
Increase in basic earnings per share		0.0012
Increase in diluted earnings per share		0.0012

Such adjustments had not any impact on the consolidated statements of financial position as at 1 January 2014 because the Company gained controlling authority in TNB on 2 July 2014.

## 6. Significant accounting policies

### 6.1 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) Asset - backed loans interest income

Asset - backed loans 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.

c) Penalty income

Penalty income is recognised when received.

d) Consultation service fee income

Consultation service fee income is recognised when services have been rendered taking into account the stage of completion.

e) Other fee income

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

f) Interest income

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

g) Dividends

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

## **6.2 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.

## **6.3 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.

#### **6.4 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.

#### **6.5 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.

#### **6.6 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.

#### **6.7 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.

## **6.8 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

## **6.9 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.

### **6.10 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.

### **6.11 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.

### **6.12 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 other comprehensive income.

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

### **6.13 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.

### **6.14 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.

### **6.15 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.

### **6.16 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.

### **6.17 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.

## **6.18 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.

## **6.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **7. 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:

### **7.1 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.

### **7.2 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.

### **7.3 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.

### **7.4 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.

### **7.5 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.

## 7.6 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.

## 7.7 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.

## 8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cash	1,415	854	190	177
Bank deposits	1,043,471	356,592	552,034	70,982
Total	1,044,886	357,446	552,224	71,159

As at 31 December 2015 and 2014, bank deposits in saving accounts of the Company and its subsidiaries carried interest 0.05% - 0.70% per annum and 0.30% - 0.85% per annum, respectively (the Company only: 0.05% - 0.37% per annum and 0.50% per annum, respectively).

## 9. Hire purchase and installment sales receivables

9.1 As at 31 December 2015 and 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	
	2015	2014	2015	2014	2015	2014
<b>Normal receivables</b>						
Hire purchase and installment sales receivables	4,511,899	4,558,881	3,716,413	3,689,276	8,228,312	8,248,157
Accrued hire purchase and installment sales income	177,116	182,973	-	-	177,116	182,973
Less: Unearned hire purchase and installment sales income, net	(1,517,253)	(1,604,012)	(872,735)	(804,051)	(2,389,988)	(2,408,063)
<b>Total normal receivable</b>	<b>3,171,762</b>	<b>3,137,842</b>	<b>2,843,678</b>	<b>2,885,225</b>	<b>6,015,440</b>	<b>6,023,067</b>

(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	
	2015	2014	2015	2014	2015	2014
<b>Terminated agreements receivables</b>						
Hire purchase and installment sales receivables	317,815	476,576	189,981	365,203	507,796	841,779
Accrued hire purchase and installment sales income	36,425	54,280	-	-	36,425	54,280
Less: Unearned hire purchase and installment sales income, net	(103,989)	(173,335)	(47,491)	(90,126)	(151,480)	(263,461)
<b>Total terminated agreements receivables</b>	<b>250,251</b>	<b>357,521</b>	<b>142,490</b>	<b>275,077</b>	<b>392,741</b>	<b>632,598</b>
<b>Total receivables</b>	<b>3,422,013</b>	<b>3,495,363</b>	<b>2,986,168</b>	<b>3,160,302</b>	<b>6,408,181</b>	<b>6,655,665</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(223,133)</b>	<b>(322,969)</b>	<b>(137,697)</b>	<b>(237,345)</b>	<b>(360,830)</b>	<b>(560,314)</b>
<b>Hire purchase and installment sales receivables, net</b>	<b>3,198,880</b>	<b>3,172,394</b>	<b>2,848,471</b>	<b>2,922,957</b>	<b>6,047,351</b>	<b>6,095,351</b>

(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	
	2015	2014	2015	2014	2015	2014
<b>Normal receivables</b>						
Hire purchase and installment sales receivables	2,976,575	3,391,811	2,255,932	2,804,616	5,232,507	6,196,427
Accrued hire purchase and installment sales income	112,322	134,927	-	-	112,322	134,927
Less: Unearned hire purchase and installment sales income, net	(1,026,751)	(1,233,609)	(486,474)	(633,937)	(1,513,225)	(1,867,546)
<b>Total normal receivable</b>	<b>2,062,146</b>	<b>2,293,129</b>	<b>1,769,458</b>	<b>2,170,679</b>	<b>3,831,604</b>	<b>4,463,808</b>
<b>Terminated agreements receivables</b>						
Hire purchase and installment sales receivables	267,337	381,251	181,155	284,834	448,492	666,085
Accrued hire purchase and installment sales income	31,915	47,983	-	-	31,915	47,983
Less: Unearned hire purchase and installment sales income, net	(93,148)	(138,708)	(46,148)	(73,942)	(139,296)	(212,650)
<b>Total terminated agreements receivables</b>	<b>206,104</b>	<b>290,526</b>	<b>135,007</b>	<b>210,892</b>	<b>341,111</b>	<b>501,418</b>
<b>Total receivables</b>	<b>2,268,250</b>	<b>2,583,655</b>	<b>1,904,465</b>	<b>2,381,571</b>	<b>4,172,715</b>	<b>4,965,226</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(172,986)</b>	<b>(253,155)</b>	<b>(117,643)</b>	<b>(179,292)</b>	<b>(290,629)</b>	<b>(432,447)</b>
<b>Hire purchase and installment sales receivables, net</b>	<b>2,095,264</b>	<b>2,330,500</b>	<b>1,786,822</b>	<b>2,202,279</b>	<b>3,882,086</b>	<b>4,532,779</b>

9.2 As at 31 December 2015 and 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)

Consolidated financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2015	2014	2015	2014	2015	2014
<b>Hire purchase and installment sales receivables</b>						
Not yet due	5,318,370	5,041,858	38,847	44,109	5,279,523	4,997,749
Past due:						
1 month	379,728	474,283	31,801	45,277	347,927	429,006
2 - 3 months	322,027	514,216	62,104	101,049	259,923	413,167
4 - 6 months	142,406	263,272	55,231	103,271	87,175	160,001
7 - 9 months	118,566	168,393	69,909	99,379	48,657	69,014
10 - 12 months	118,198	120,967	94,057	95,478	24,141	25,489
Over 12 months	8,886	72,676	8,881	71,751	5	925
Total	6,408,181	6,655,665	360,830	560,314	6,047,351	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	
	2015	2014	2015	2014	2015	2014
<b>Hire purchase and installment sales receivables</b>						
Not yet due	3,359,815	3,884,740	33,147	38,197	3,326,668	3,846,543
Past due:						
1 month	269,183	295,458	26,684	29,145	242,499	266,313
2 - 3 months	229,607	298,133	45,580	58,895	184,027	239,238
4 - 6 months	113,826	176,842	45,216	69,911	68,610	106,931
7 - 9 months	99,914	119,887	59,596	71,178	40,318	48,709
10 - 12 months	97,912	118,492	77,953	93,992	19,959	24,500
Over 12 months	2,458	71,674	2,453	71,129	5	545
Total	4,172,715	4,965,226	290,629	432,447	3,882,086	4,532,779

9.3 As at 31 December 2015 and 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			
	2015		2014	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	5,043,255	3,422,013	5,272,710	3,495,363
After one year but not more than five years	3,906,394	2,986,168	4,054,479	3,160,302
Total	8,949,649	6,408,181	9,327,819	6,655,665
Less: Amounts representing finance charges	(2,541,468)		(2,671,524)	
Present value of minimum lease payments	6,408,181		6,655,665	

(Unit: Thousand Baht)

	Separate financial statements			
	2015		2014	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,388,149	2,268,250	3,955,972	2,583,655
After one year but not more than five years	2,437,087	1,904,465	3,089,450	2,381,571
Total	5,825,236	4,172,715	7,045,422	4,965,226
Less: Amounts representing finance charges	(1,652,521)		(2,080,196)	
Present value of minimum lease payments	4,172,715		4,965,226	

- 9.4 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 2015 and 2014, there are outstanding hire purchase receivable amounting to approximately Baht 395.2 million and Baht 635.3 million, respectively (the Company only: Baht 349.4 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 had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2015 and 2014 would be reduced by Baht 14.0 million and Baht 24.1 million, respectively (the Company only: Baht 13.1 million and Baht 21.8 million, respectively).

- 9.5 The Company's hire purchase agreements have terms of 1 - 4 years and require settlement in equal installments.
- 9.6 As at 31 December 2015 and 2014, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before net of unearned hire purchase interest income) of Baht 3,615 million and Baht 5,895 million, respectively (the Company only: Baht 3,373 million and Baht 5,048 million, respectively), in order to secure credit facilities granted by commercial banks as discussed in Notes 21 and 23.

## 10. Asset - backed loan receivables

10.1 As at 31 December 2015 and 2014, the balances of asset - backed loan receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of		Long-term portion of		Total	
	asset - backed loan receivables		asset - backed loan receivables			
	2015	2014	2015	2014	2015	2014
<b>Normal receivables</b>						
Asset - backed loan receivables	158,325	-	35,280	-	193,605	-
Interest receivables	5,136	-	-	-	5,136	-
Less: Unearned interest income, net	(47,878)	-	(6,669)	-	(54,547)	-
<b>Total normal receivables</b>	<b>115,583</b>	<b>-</b>	<b>28,611</b>	<b>-</b>	<b>144,194</b>	<b>-</b>
<b>Terminated agreements receivables</b>						
Asset - backed on receivables	782	-	194	-	976	-
Interest receivables	114	-	-	-	114	-
Less: Unearned interest income, net	(253)	-	(44)	-	(297)	-
<b>Total terminated agreements receivables</b>	<b>643</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>793</b>	<b>-</b>
<b>Total receivables</b>	<b>116,226</b>	<b>-</b>	<b>28,761</b>	<b>-</b>	<b>144,987</b>	<b>-</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(3,133)</b>	<b>-</b>	<b>(704)</b>	<b>-</b>	<b>(3,837)</b>	<b>-</b>
<b>Asset - backed on receivables, net</b>	<b>113,093</b>	<b>-</b>	<b>28,057</b>	<b>-</b>	<b>141,150</b>	<b>-</b>

10.2 As at 31 December 2015 and 2014, the balances of asset - backed loan receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Asset - backed loan receivables		Allowance for doubtful accounts		Asset - backed loan receivables, net	
	2015	2014	2015	2014	2015	2014
<b>Loan receivables</b>						
Not yet due	127,330	-	1,273	-	126,057	-
Past due:						
1 month	11,419	-	1,142	-	10,277	-
2 - 3 months	5,445	-	1,089	-	4,356	-
4 - 6 months	714	-	285	-	429	-
7 - 9 months	79	-	48	-	31	-
10 - 12 months	-	-	-	-	-	-
Over 12 months	-	-	-	-	-	-
<b>Total</b>	<b>144,987</b>	<b>-</b>	<b>3,837</b>	<b>-</b>	<b>141,150</b>	<b>-</b>



10.3 As at 31 December 2015 and 2014, the future minimum loan payment receivable under loan agreements together with the present value of the net minimum loan payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2015		2014	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	164,357	116,226	-	-
After one year but not more than five years	35,474	28,761	-	-
Total	199,831	144,987	-	-
Less: Amounts representing finance charges	(54,844)		-	
Present value of minimum loan payments	144,987		-	

10.4 The subsidiary's loan agreements have terms of 1 - 3 years and require settlement in equal installment.

## 11. Assets foreclosed

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Reposessed assets	43,080	41,305	23,758	25,254
Less: Allowance for diminution in value of assets foreclosed	(10,132)	(17,708)	(8,849)	(11,183)
Assets foreclosed, net	32,948	23,597	14,909	14,071

## 12. Short-term loans and interest receivable

During the year 2015, the Company's Singapore subsidiary (GLH) entered into Master dealership, financing services and other services agreement. This agreement grants GLH sole and exclusive rights to provide sales, financing, marketing, consultancy, SME finance, project finance, inventory finance, refinance, factoring and other relevant services to strategic partners and its affiliates. This description corresponds to what is to be defined as SME.

During the year 2015 and 2014, GLH provided financing to SME and other companies, which are partially under above agreement.

Short-term loans and interest receivable have terms during 3-12 months and the interest rate charges are between 10%-17% per annum. These loans are secured by individual, hire purchase receivables, guarantee agreement, the ordinary share of a local company and assets of the borrowers.

As at 31 December 2015, the outstanding balance of short-term loans and interest receivables amounted to Baht 363.61 million and USD 48.81 million. (2014: JPY 11.3 million and USD 0.7 million) (The Company only: Baht 18.78 million (2014: Nil)).

## 13. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accrued income	7,567	8,291	2,793	10,950
Prepaid expenses	135,765	92,083	67,348	85,715
Other receivable - sales of assets				
foreclosed	12,569	15,014	11,308	12,419
Other receivables - related party	-	-	13,314	-
Other receivables - financial advisory	7,218	5,015	-	-
Other receivables	43,705	20,178	5,216	4,150
Undue input tax	1,106	1,295	1,036	1,295
Others	22,006	2,955	11,085	3,221
Total	229,936	144,831	112,100	117,750
Less: Allowance for				
doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current assets, net	227,410	142,305	109,574	115,224

#### 14. 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 35.4.

#### 15. Investment in subsidiaries

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Thanaban Company Limited	565,000	565,000	100	100	629,696	629,696	-	-
	Thousand Baht	Thousand Baht						
Group Lease Holdings Pte. Ltd.	22,912	17,694	100	100	570,208	441,513	-	-
	Thousand SGD	Thousand SGD						
GL Leasing (Lao) Company Limited	1,040,000	-	5	-	213	-	-	-
	Thousand LAK							
					1,200,117	1,071,209	-	-

On 12 December 2014, a meeting of the Board of Directors of the Company approved an additional investments in 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.

On 5 February 2014, Board of Directors meeting of the Company's subsidiary passed a resolution to establish GLL, which is to be incorporated and domiciled in Laos with registered share capital of LAK 1,040 million, or approximately Baht 4.2 million. This company was incorporated with the Ministry of Industry and Commerce in Laos on 21 April 2014.

The Company and GLH invested in 5% and 95%, respectively, of the registered capital of GLL. Since the Company holds investment in GLL through GLH, the Company recorded the investment in GLL as investment in subsidiary in the separate financial statements.

In May 2015, GLL was granted permission to operate a leasing business in Laos and launched its business operations during the second quarter of 2015.

Details of investments in subsidiaries which are held by the Company's subsidiary are as follows:

Company's name	Paid-up capital		Shareholdings percentage		Cost		(Unit: Thousand Baht) Dividend received during the	
							year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<b><u>Held by Group Lease Holdings Pte. Ltd.</u></b>								
GL Finance Plc.	10,300	3,300	100	100	359,470	102,717	-	-
	Thousand	Thousand						
	USD	USD						
GL Leasing (Lao)	1,040,000	-	95	-	4,030	-	-	-
Company Limited	Thousand							
	LAK							
					<u>363,500</u>	<u>102,717</u>	<u>-</u>	<u>-</u>

During May 2014, GLH entered into an agreement to lend GLF USD 2.1 million, interest-free and due at call. On 19 September 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. On 28 September 2015, GLF registered the increase in its paid up share capital with the Ministry of Commerce in Cambodia.

On 7 September 2015, a meeting of the Board of Directors of GLH passed a resolution to establish a subsidiary domiciled in Indonesia with a registered share capital of IDR 100 billion. The deed of establishment was signed on 23 December 2015. GLH is investing together with J Trust Asia Pte. Ltd. and PT Wijaya Infrastruktur Indonesia, with GLH holding 65% of the shares. The establishment of the subsidiary is currently in the process of being registered.

## 16. Long-term loans

During the year 2015, the Company's Singapore subsidiary (GLH) entered into Master dealership, financing services and other services agreement. This agreement grants GLH sole and exclusive rights to provide sales, financing, marketing, consultancy, SME finance, project finance, inventory finance, refinance, factoring and other relevant services to strategic partners and its affiliates. This description corresponds to what is to be defined as SME.

During the year 2015 and 2014, GLH provided financing to SME and other companies, which are partially under above agreement.

Long-term loans have terms during 2-3 years and the interest rate charges are between 6%-25% per annum. These loans are secured by individual, the ordinary share of a local company and assets of the borrowers.

As at 31 December 2015, the outstanding balance of long-term loans and amounted to USD 16.75 million.

## 17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	
<b>Cost</b>								
1 January 2014	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
<b>Additions</b>								
Disposals/Write-off	-	-	892	6,399	14,951	5,386	7,839	35,467
Transfer in (out)	-	-	(15)	(5,772)	(2,268)	(455)	-	(8,510)
Increase from acquisition of TNB	-	-	4,945	189	8,186	-	(8,143)	5,177
Exchange differences on translation of Financial statements in foreign currency	-	-	1,090	678	1,702	1,044	413	4,927
31 December 2015	35,983	45,553	31,810	41,938	60,842	37,067	109	253,302

(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
<b>Accumulated depreciation</b>								
1 January 2014	-	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
Depreciation for the year	-	354	3,975	5,094	13,737	5,263	-	28,423
Depreciation on disposals/Write-off	-	-	(12)	(5,590)	(2,266)	(454)	-	(8,322)
Increase from acquisition of TNB	-	-	-	-	-	-	-	-
Exchange differences on translation of Financial statements in foreign currency	-	-	153	159	741	567	-	1,620
31 December 2015	-	40,478	10,954	26,290	33,465	26,133	-	137,320
<b>Net book value</b>								
31 December 2014	35,983	5,429	18,060	13,817	17,018	10,335	-	100,642
31 December 2015	35,983	5,075	20,856	15,648	27,377	10,934	109	115,982
<b>Depreciation for the year</b>								
2014								17,168
2015								28,423

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Total
<b>Cost</b>							
1 January 2014	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	-	-	(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
Additions	-	-	409	2,543	7,772	3,652	14,376
Write-off	-	-	(14)	(4,872)	(2,244)	(455)	(7,585)
Transfer in/out	-	-	-	-	7,949	-	7,949
31 December 2015	35,983	45,553	14,776	21,289	33,199	23,355	174,155

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Total
<b>Accumulated depreciation</b>							
1 January 2014	-	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
Depreciation for the year	-	354	1,461	1,552	5,061	2,445	10,873
Depreciation on disposals/ write-off	-	-	(12)	(4,827)	(2,242)	(454)	(7,535)
31 December 2015	-	40,478	8,111	15,795	17,522	18,425	100,331
<b>Net book value</b>							
31 December 2014	35,983	5,429	7,719	4,548	5,019	3,724	62,422
31 December 2015	35,983	5,075	6,665	5,494	15,677	4,930	73,824
<b>Depreciation for the year</b>							
2014							9,445
2015							10,873

As at 31 December 2015 and 2014, 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 76.4 million and Baht 71.9 million, respectively (the Company only: Baht 72.2 million and Baht 70.7 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2015 of Baht 21.4 million (2014: 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 21 and 23.

## 18. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Exclusive right agreement	Computer software	Leasehold	Software under development	Total
<b>Cost</b>					
1 January 2014	115,202	1,515	-	1,338	118,055
Acquisitions during the year - at cost	-	91	-	6,555	6,646
Increase from acquisition of TNB (restated)	-	1,007	150	-	1,157
Write off	-	-	(150)	-	(150)
Transfer in	-	4,182	-	(1,332)	2,850
Exchange differences on translation of financial statements in foreign currency	524	90	-	(6)	608
31 December 2014 (restated)	115,726	6,885	-	6,555	129,166
Acquisitions during the year - at cost	-	10,793	19	16,790	27,602
Transfer in (out)	-	3,918	-	(14,060)	(10,142)
Exchange differences on translation of financial statements in foreign currency	10,973	181	-	32	11,186
31 December 2015	126,699	21,777	19	9,317	157,812
<b>Amortisation</b>					
1 January 2014	12,800	185	-	-	12,985
Amortisation for the year	19,005	619	13	-	19,637
Increase from acquisition of TNB (restated)	-	284	90	-	374
Write off	-	-	(103)	-	(103)
Exchange differences on translation of financial statements in foreign currency	341	10	-	-	351
31 December 2014 (restated)	32,146	1,098	-	-	33,244
Amortisation for the year	17,756	1,597	2	-	19,355
Exchange differences on translation of financial statements in foreign currency	4,054	92	-	-	4,146
31 December 2015	53,956	2,787	2	-	56,745
<b>Net book value</b>					
31 December 2014	83,580	5,787	-	6,555	95,922
31 December 2015	72,743	18,990	17	9,317	101,067



(Unit: Thousand Baht)

	Separate financial statement		
	Computer software	Software under development	Total
<b>Cost</b>			
1 January 2014	-	-	-
Acquisition during the year - at cost	-	6,450	6,450
31 December 2014	-	6,450	6,450
Acquisitions during the year - at cost	10,000	12,562	22,562
Transferred in/out	1,146	(14,060)	(12,914)
31 December 2015	11,146	4,952	16,098
<b>Amortisation</b>			
1 January 2014	-	-	-
Amortisation for the year	-	-	-
31 December 2014	-	-	-
Amortisation for the year	597	-	597
31 December 2015	597	-	597
<b>Net book value</b>			
31 December 2014	-	6,450	6,450
31 December 2015	10,549	4,952	15,501

### 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.

In 2015, GLF has met its sales target and has thus recorded a refund of the deposit equal to the proportion amount set in the agreement. The fair value of the exclusive right in consolidated financial statements was adjusted accordingly.

As at 31 December 2015, the fair value of exclusive right in consolidated financial statement amounted to USD 2.02 million (2014: USD 2.54 million).

## 19. Income tax expenses/deferred tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
<b>Current income tax:</b>				
Current income tax charge	92,786	41,533	64,805	46,288
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	50,289	(45,216)	19,991	(9,830)
Temporary differences from purchase of TNB	-	23,572	-	-
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>143,075</b>	<b>19,889</b>	<b>84,796</b>	<b>36,458</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
Deferred tax on actuarial loss	507	431	507	431
Total	507	431	507	431

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2015 and 2014 is as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)		(Restated)	
Accounting profit before tax	725,966	137,613	425,008	180,683
Applicable tax rate	20%, 17%	20%, 17%	20%, 17%	20%
Accounting profit before tax multiplied by applicable tax rate	166,871	25,540	85,002	36,137
Effects of non-taxable income and expenses	(33,542)	200	(206)	321
Effects of temporary difference from appraisal fair value of exclusive right agreement	-	(788)	-	-
Others	9,746	(5,063)	-	-
Total income tax expenses reported in the statement of comprehensive income	143,075	19,889	84,796	36,458

As of 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)		(Restated)	
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	71,562	115,621	60,351	88,714
Allowance for diminution of value foreclosed assets	2,027	3,542	1,770	2,237
Reserve for employee benefits	1,496	1,276	1,496	1,276
Loss brought forward	-	12,213	-	-
Others	77	2,734	-	-
Prepaid commission expenses	(10,353)	(17,085)	(10,353)	(17,085)
Accumulated depreciation and amortisation	-	(1,317)	-	-
Amortised transaction cost of debentures	(1,278)	(2,339)	(1,278)	(2,339)
Amortised front end fees of short-term loan	(663)	(1,995)	(663)	(1,995)
Total	62,868	112,650	51,323	70,808

## 20. Other non-current assets

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Income tax and value added tax				
refundable	70,220	67,266	66,482	60,485
Deposits	34,689	93,740	1,519	1,445
Others	6,175	1,339	6,088	1,075
Total other non-current assets	111,084	162,345	74,089	63,005

## 21. Short-term loans from financial institutions

	Consolidated/Separate financial statements			
	Interest rate			
	2015	2014	2015	2014
	(% per annum)	(% per annum)	(Thousand Bath)	(Thousand Bath)
Short-term loans	5.25 - 7.00	5.00 - 8.00	349,050	250,000
Total			349,050	250,000

As at 31 December 2015 and 2014, short-term loans of the Company from financial institutions were 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.

## 22. 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		Separate		
	financial statements		financial statements		Pricing policy
	2015	2014	2015	2014	
Transactions with subsidiary company:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	93	126	Contract rate
Interest income	-	-	145,953	66,111	7% per annum
Other income	-	-	91,684	37,703	Contract rate
Transactions with related parties:					
Interest income	247	2,544	-	-	6% - 9% per annum
Other income - financial support	13,130	-	-	-	Contract rate
Interest expense	550	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 Holdings Pte Ltd.	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
GL Leasing (Lao) Company Limited	Subsidiary (held by a subsidiary)
Thanaban Company Limited	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 (the director resigned from GLF during the year)
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 (the director resigned from GLF during the year)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Hire purchase and installment sales receivables</b>				
<b>Subsidiary company</b>				
GL Finance Plc.	-	-	1,031	1,159
Total	-	-	1,031	1,159
<b>Short-term loans to and interest receivable from related parties</b>				
<b>Subsidiary companies</b>				
Group Lease Holdings Pte. Ltd.	-	-	4,016,390	764,515
Thanaban Co.,Ltd.	-	-	-	422,254
GL Finance Plc.	-	-	-	3,397
<b>Related parties</b>				
Director of subsidiary	-	2,293	-	-
Devenco Management and Consulting Co., Ltd.	-	31,083	-	-
Tennis Federation of Cambodia	-	5,049	-	-
Total	-	38,425	4,016,390	1,190,166
<b>Other current assets</b>				
<b>Subsidiary companies</b>				
Group Lease Holdings Pte. Ltd.	-	-	4,096	297
GL Finance Plc.	-	-	359	-
Thanaban Co.,Ltd.	-	-	8,859	7,569
<b>Related parties</b>				
Director of the Company and subsidiary	11,275	-	-	-
A.P.F. Group Co., Ltd.	4,872	-	-	-
Engine Holdings Asia Pte. Ltd	2,813	-	-	-
Total	18,960	-	13,314	7,866

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Deposit - related party (presented as part of other non-current assets)</b>				
<b>Related party</b>				
A.P.F. Group Co., Ltd.	-	70,217	-	-
Total	-	70,217	-	-
<b>Short-term loans from and interest payable to related parties</b>				
<b>Related parties</b>				
Director of the Company and subsidiary	250	-	-	-
A.P.F. Group Co., Ltd.	-	19,797	-	-
Cambodian People Micro Insurance PLC	3,865	-	-	-
Total	4,115	19,797	-	-
<b>Accrued expenses</b>				
<b>Subsidiary companies</b>				
Group Lease Holdings Pte. Ltd.	-	-	49,826	-
GL Finance Plc.	-	-	334	1,057
GL Leasing (Lao) Company Limited	-	-	77	-
Total	-	-	50,237	1,057
<b>Other current assets</b>				
<b>Subsidiary company</b>				
Group Lease Holdings Pte. Ltd.	-	-	236	-
Thanaban Co.,Ltd.	-	-	1,571	-
<b>Related party</b>				
Director of the Company and subsidiary	92	-	-	-
Total	92	-	1,807	-

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.

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		Balance as at
	1 January			31 December
	2015	Increase	Decrease	2015
<b>Short-term loans to and interest receivable from related parties</b>				
Director of subsidiary	2,293	2,728	(5,021)	-
Devenco Management and Consulting Co., Ltd.	31,083	158	(31,241)	-
Tennis Federation of Cambodia	5,049	89	(5,138)	-
Total	38,425	2,975	(41,400)	-

GLH 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% - 7.50% per annum).

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year		Gain (loss) from	Balance as at
	1 January 2015	Increase	Decrease	exchange rate	31 December 2015
<b>Short-term loans to and interest receivable from related parties</b>					
Group Lease Holdings Pte. Ltd.	764,515	4,240,572	(1,009,524)	20,827	4,016,390
Thanaban Co.,Ltd.	422,254	7,957	(430,211)	-	-
GL Finance Plc.	3,397	141	(3,536)	(2)	-
Total	1,190,166	4,248,670	(1,443,271)	20,825	4,016,390

These loans to subsidiaries are unsecured loans with interest rate charged at the rates of 5.50% - 7.00% per annum (2014: 7.00% - 11.00% 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	During the year		Gain (loss)	Balance as at
	1 January			from	31 December
	2015	Increase	Decrease	exchange rate	2015
Short-term loans from and interest payable to related party					
Director of the Company					
and subsidiary	-	130,481	(130,220)	(11)	250
A.P.F. Group Co., Ltd.	19,797	9,996	(29,793)	-	-
Cambodian People					
Micro Insurance PLC	-	3,545	-	320	3,865
Engine Holdings Asia					
Pte. Ltd	-	7,998	(7,998)	-	-
Total	19,797	152,020	(168,011)	309	4,115

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

#### **Directors and management's benefits**

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements			
	2015		2014	
	Thousand	Thousand	Thousand	Thousand
	Baht	USD	Baht	USD
Short-term employee benefits	54,613	342	37,490	347
Post-employment benefits	1,800	-	932	-
Total	56,413	342	38,422	347

(Unit: Thousand Baht)

	Separate financial statements	
	2015	2014
Short-term employee benefits	52,573	37,490
Post-employment benefits	1,800	932
Total	54,373	38,422

### **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 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.

### **23. Long-term loans**

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

(Unit: Thousand Baht)

Consolidated financial statements				
	Balance		Interest rate	Repayment condition
			per annum	
	2015	2014		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	1,449,160	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	33,150	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	79,670	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	324,000	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	30,074	-	At the rate of 10.00% per annum	Six equal installment, with first installment due on six months after drawing down loans under credit facility and repayment every six months

(Unit: Thousand Baht)

Consolidated financial statements				
	Balance		Interest rate	Repayment condition
			per annum	
	2015	2014		
<u>Loan agreement dates 25 March 2015</u>				
Credit facility No. 1	60,148	-	At the rate of 10.00% per annum	Six equal installment, with first installment due on six months after drawing down loans under credit facility and repayment every six months
<u>Promissory note dates 23 October 2015</u>				
Promissory note No. 1	36,088	-	At the rate of 8.72% per annum	Repayment all principle after 2 years from agreement date
Promissory note No. 2	54,133	-	At the rate of 8.72% per annum	Repayment all principle after 2 years from agreement date
Less: Deferred front end fees	(3,976)	(9,974)		
Total	2,062,447	3,859,856		
Less: Current portion	(1,557,854)	(2,547,809)		
Long-term loans, net of current portion	504,593	1,312,047		

(Unit: Thousand Baht)

Separate financial statements				
	Balance		Interest rate	Repayment condition
			per annum	
	2015	2014		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	1,449,160	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	33,150	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	79,670	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	324,000	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	(3,313)	(9,974)		
Total	1,882,667	3,859,856		
Less: Current portion	(1,522,177)	(2,547,809)		
Long-term loans, net of current portion	360,490	1,312,047		

Movements in the long-term loans account during the year ended 31 December 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	1,024,330	834,000
Amortisation of deferred front end fees	7,081	6,661
Less: Repayment	(2,836,035)	(2,817,850)
Deferred front end fees	(1,001)	-
Exchange differences on translation of financial statements in foreign currency	8,216	-
Balance as at 31 December 2015	<u>2,062,447</u>	<u>1,882,667</u>

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 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.

During the year 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities total to Baht 1,000 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 to settle loan of Thanaban Co., Ltd. as at the acquisition date.

During the year 2015 and 2014, the subsidiary entered into loan agreements with overseas financial institutions to obtain long-term loan facilities total to USD 5.5 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, other practice comply with loan 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, corporate guarantee by GLH and total assets of GLF. As at 31 December 2015, GLF had total assets to mortgage such loans amounting to USD 2.51 million.

As at 31 December 2015, the long-term credit facilities of the Company and its subsidiaries which have not yet drawn down amount to Baht 1,050.8 million (2014: Baht 115.1 million).

## 24. Debentures

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

(Unit: Thousand Baht)					
				Consolidated /	
				Separate financial statements	
Debentures	Interest rate	Terms	Due date	2015	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				(6,390)	(11,697)
Debentures - net				493,610	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 34.4

## 25. Convertible debentures / Share subscription received in advance

On 27 April 2015, the Annual General Meeting of Shareholders of the Company approved the issue and offering of convertible debentures in an amount not exceeding USD 30 million or totaling Baht 981 million (32.7 Baht per 1 USD), or the equivalent in other currencies. The Meeting also approved an increase in the Company's registered capital to support the conversion of the convertible debentures, as described in Note 27. On 22 May 2015, the Company issued convertible debentures to a specific foreign investor (a private placement), J Trust Asia Pte. Ltd. Key terms and conditions of the convertible debentures are as follow:

Amount of unit	300 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	22 May 2015
Term	3 years since the date of issuance (22 May 2015 to 22 May 2018)
Interest rate	5.0% per annum
Interest payment	2 times a year on every 22 May and 22 November throughout the term of debentures 95 specified in the terms and conditions If these fall on a holiday, the next business day
Redemption at maturity date	Holders have 2 options: a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,270,000 Baht) can be redeemed by converting it to 327,000 shares of common stock
Conversion price	Baht 10 per share
Date of conversion	Last business day of each quarter

The convertible debentures agreement contains requirements and restrictions with which the Company must comply, as specified in the debentures' offering circular.

On 30 December 2015, a holder of convertible bonds (J Trust Asia Pte. Ltd.) notified the Company of its intention to exercise its right to convert all 300 units of the convertible bonds, at an exercise price of Baht 10 per share, to 98,100,000 shares of the Company with a par value of Baht 0.50 each. The Company registered the resulting Baht 49.05 million increase in its paid-up capital, from Baht 713.64 million to Baht 762.69 million, with the Ministry of Commerce on 6 January 2016. The exercise of rights to convert the bonds is in accordance with a resolution of the Extraordinary General Meeting of the Company's shareholders held on 27 April 2015.

Because the registration of the increase in capital with Ministry of Commerce is an event after the reporting period, as at 31 December 2015, the Company transferred both the liability and equity components of the convertible debentures, amounting to Baht 981.05 million, to share subscription received in advance.

Movements of the convertible bond account during the year ended 31 December 2015 are summarised below.

	(Unit: Thousand Baht)
Nominal value of issue of convertible debentures	981,000
Transaction costs	(6,242)
<b>Net proceeds</b>	<b>974,758</b>
Interest upto 30 December 2015	51
Amortisation of transaction cost	6,240
Transferred convertible bond to share subscription received in advance	(981,049)
<b>Balance as at 31 December 2015</b>	<b>-</b>

## 26. 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	
	2015	2014
		(Restated)
<b>Provision for long-term employee benefits at beginning of year</b>	6,379	4,157
Included in profit or loss:		
Current service cost	197	630
Interest cost	228	182
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(421)	-
Financial assumptions changes	129	236
Experience adjustments	2,828	1,921
Benefits paid during the year	(1,860)	(747)
<b>Provisions for long-term employee benefits at end of year</b>	<b>7,480</b>	<b>6,379</b>



Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2015	2014
Administrative expenses	425	812

The Company expects to be liable to the amount of Baht 1.83 million of long-term employee benefits during the next year (2014: Baht 1.89 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 22.25 years (2014: 22.44 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated/Separate	
	financial statements	
	2015	2014
Discount rate	3.3	3.6
Salary increase rate	7.0	7.0
Turnover rate	16.63	15.88

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: million Baht)	
	Consolidated /Separate	
	financial statements	
	Increase	Decrease
	0.5%	0.5%
Discount rate	(0.18)	0.19
Salary increase rate	0.19	(0.18)
Turnover rate	(0.19)	0.20

## **27. Share capital**

### **27.1 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 Baht 66.7 million, or Baht 0.0625 per share to the Company's shareholders. Dividend was 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.

### **27.2 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-WD	791,000	9,362,228	1.65766	15.52
GL-W3	332,153,391	332,153,391	10.00	3,321.53

As at 31 December 2015, the Company had share premium amounting to Baht 4,254.63 million as a result of the capital increases (2014: Baht 1,084.25 million).

### 27.3 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)	Registered capital (Thousand Baht)
<u>Registered share capital</u>		
At the beginning of the year	1,441,852	720,926
Increase in capital from exercising of the rights of the warrants	100,000	50,000
Decrease	(2,677)	(1,339)
At the end of the year	<u>1,539,175</u>	<u>769,587</u>

	Number of ordinary shares (Thousand shares)	Paid-up capital (Thousand Baht)	Share premium (Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	1,085,770	542,885	1,084,254
Increase in capital from exercising of the rights of the warrants	341,515	170,758	3,170,380
At the end of the year	<u>1,427,285</u>	<u>713,643</u>	<u>4,254,634</u>

### 28. Warrants/Capital reserve for share-based payment transactions

As at 31 December 2015, 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-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 2015	Number of warrants exercised during the year	Number of warrant expired/cancelled during the year	Number of warrants outstanding as at 31 December 2015
GL-W3	332,783,154	(332,153,391)	(629,763)	-
GL-WD	808,300	(791,000)	(17,300)	-

Up to 31 December 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 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 2015, the Company recorded expenses of the GL-WD plan amounting to Baht 0.5 million as personnel expenses (2014: Baht 1.4 million).

## 29. Dividends

Dividends and stock dividends declared in the year 2015 consist of the following:

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2014 operations	Annual General Meeting of the shareholders on 27 April 2015	66,673	0.0625
		<u>66,673</u>	<u>0.0625</u>

Dividends declared during the year 2014 consist of the following:

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

### 30. 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.

### 31. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
Salary and wages and other employee benefits	455,767	294,968	309,895	214,795
Service agreement expenses	33,965	38,851	31,600	37,531
Debt following expenses	24,238	24,426	20,453	22,854
Depreciation	28,423	17,168	10,873	9,445
Amortisation	19,355	21,256	597	-
Registration fee	12,689	5,526	5,950	2,652
Professional fee	22,661	7,216	8,675	2,998

### 32. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the exercise of the right to convert debentures to 98.1 million shares on 30 December 2015 as if the issue of the shares to support the conversion of the debentures had occurred since the date the debentureholder announced its intention to convert all of its debentures.

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		
2015	2014	2015	2014	2015	2014	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
<b>Basic earnings per share</b>						
Profit for the year	582,891	117,724	1,190,879	1,052,988	0.489	0.109
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>						
GL-W2	-	-	-	17,059		
GL-W3	-	-	62,725	-		
GL-WD	-	-	3,041	7,322		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	582,891	117,724	1,256,645	1,077,369	0.464	0.106
<b>Separate financial statements</b>						
Profit for the year		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)	
<b>Basic earnings per share</b>						
Profit for the year	340,212	145,950	1,190,879	1,052,988	0.286	0.137
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>						
GL-W2	-	-	-	17,059		
GL-W3	-	-	62,725	-		
GL-WD	-	-	3,041	7,322		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	340,212	145,950	1,256,645	1,077,369	0.271	0.134

### 33. 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 2015 and 2014, the Company contributed Baht 7.5 million and Baht 5.3 million, respectively to the fund.

### 34. Commitments

#### 34.1 Capital commitments

As at 31 December 2015, the Company had capital commitments of approximately Baht 0.44 million, relating to the purchase of software license (2014: Baht 14.26 million).

#### 34.2 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				
	2015			2014	
	<u>Thousand Baht</u>	<u>Thousand LAK</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:					
In up to 1 year	12,131	237,757	173	10,342	14
In over 1 and up to 5 years	9	-	102	9,291	-

  

	Separate financial statement			
	2015		2014	
	<u>Thousand Baht</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:				
In up to 1 year	7,000	-	7,644	14
In over 1 and up to 5 years	3,409	-	6,769	-

### **34.3 Service commitments**

As at 31 December 2015, the Company and its subsidiaries is required to pay fees of USD 0.03 million, JPY 1.50 million and THB 0.70 million per month (the Company only: USD 0.03 million, JPY 0.50 million and Baht 0.70 million) to individuals who are employees of related party, for consultancy relating to overseas investment (2014: USD 0.10 million, JPY 0.50 million and THB 0.70 million per month).

### **34.4 Guarantees**

As at 31 December 2015 and 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 0.29 million in respect of electricity and use of post services guarantees.

## **35. 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 2015 and 2014, respectively.



(Unit: Thousand Baht)

## For the year ended 31 December 2015

	Business management and consulting services, financing to corporates				
	Hire Purchase service	and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,898,441	-	1,898,441	-	1,898,441
Loan interest income	25,485	-	25,485	-	25,485
Interest income	2,103	173,465	175,568	-	175,568
Consultation service fee income	-	72,680	72,680	-	72,680
Others	323,702	(7,173)	316,529	-	316,529
Inter-segment revenue	215,579	241,777	457,356	(457,356)	-
Total revenue	2,465,310	480,749	2,946,059	(457,356)	2,488,703
Financial cost	(356,011)	(137,659)	(493,670)	226,902	(266,768)
Bad debts and doubtful accounts	(356,567)	-	(356,567)	-	(356,567)
Loss on disposals of foreclosed assets	(355,030)	-	(355,030)	-	(355,030)
Services and administrative expenses	(833,959)	(64,693)	(898,652)	114,280	(784,372)
Income tax expense or income	(130,533)	(12,542)	(143,075)	-	(143,075)
<b>Segment profit</b>	<b>433,210</b>	<b>265,855</b>	<b>699,065</b>	<b>(116,174)</b>	<b>582,891</b>
<b>Segment total assets</b>					
Additions to non-current assets other than financial instruments and deferred tax assets	38,458	(56,350)	(17,892)	(16,287)	(34,179)
<b>Segment total liabilities</b>	<b>1,101</b>	<b>-</b>	<b>1,101</b>	<b>-</b>	<b>1,101</b>

(Unit: Thousand Baht)

## For the year ended 31 December 2014

	Hire Purchase service	Business management and consulting services, financing to corporates and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated (Restated)
Hire purchase interest income	1,676,420	-	1,676,420	-	1,676,420
Interest income	676	4,262	4,938	-	4,938
Consultation service fee income	-	35,907	35,907	-	35,907
Others	145,080	6	145,086	-	145,086
Inter-segment revenue	105,030	51,063	156,093	(156,093)	-
Total revenue	1,927,206	91,238	2,018,444	(156,093)	1,862,351
Financial cost	(316,620)	(29,333)	(345,953)	95,535	(250,418)
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	(533,631)	(48,998)	(582,629)	34,986	(547,643)
Income tax expense or income	(24,804)	3,803	(21,001)	1,112	(19,889)
<b>Segment profit</b>	<b>125,474</b>	<b>16,710</b>	<b>142,184</b>	<b>(24,460)</b>	<b>117,724</b>
<b>Segment total assets</b>					
Additions to non-current assets other than financial instruments and deferred tax assets	46,806	5,339	52,145	60,857	113,002
<b>Segment total liabilities</b>	<b>2,222</b>	<b>-</b>	<b>2,222</b>	<b>-</b>	<b>2,222</b>

## Geographic information

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

(Unit: Thousand Baht)

	2015	2014 (Restated)
Revenue from external customers		
Thailand	1,825,920	1,704,426
Cambodia	398,554	117,750
Singapore	238,972	40,175
Laos	25,257	-
Total	2,488,703	1,862,351

	(Unit: Thousand Baht)	
	2015	2014
		(Restated)
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	170,940	149,292
Cambodia	181,959	184,618
Singapore	18,176	74,526
Laos	3,182	-
Total	374,257	408,436

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

### 36. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Interest rate swap contracts	-	(1)	-	(1)
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	521	-	521

### 37. Financial instruments

#### 37.1 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, asset-backed loan 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 2015 and 2014 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 2015				
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within	1 - 5			
	1 year	years			
<b>Financial assets</b>					
Cash and cash equivalent	-	-	557.65	487.23	1,044.88
Hire purchase and installment sales receivables, net	3,198.88	2,848.47	-	-	6,047.35
Asset - backed loan receivables - net	113.09	28.06	-	-	141.15
Short-term loans and interest receivable	2,152.93	-	-	-	2,152.93
Deposits at bank with restrictions	0.33	-	-	-	0.33
Receivables and loans to employees	-	-	-	0.27	0.27
Long-term loans	604.59	-	-	-	604.59
	<u>6,069.82</u>	<u>2,876.53</u>	<u>557.65</u>	<u>487.50</u>	<u>9,991.50</u>

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2015

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within	1 - 5			
	1 year	years			
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	349.05	-	-	-	349.05
Trade and other payables	-	-	-	46.45	46.45
Short-term loans from and interest payable to related party	4.12	-	-	-	4.12
Long-term loans	148.91	144.35	1,769.18	-	2,062.44
Debentures	-	493.61	-	-	493.61
	<u>502.08</u>	<u>637.96</u>	<u>1,769.18</u>	<u>46.45</u>	<u>2,955.67</u>

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2014

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within	1 - 5			
	1 year	years			
<b>Financial assets</b>					
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>
<b>Financial liabilities</b>					
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)

## Separate financial statements as at 31 December 2015

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalent	-	-	1.84	550.39	552.23
Hire purchase and installment sales receivables, net	2,095.26	1,786.82	-	-	3,882.08
Short-term loans to and interest receivable from related parties	3,977.66	-	-	-	3,977.66
Deposits at bank with restrictions	0.33	-	-	-	0.33
Receivables and loans to employees	-	-	-	0.27	0.27
	<u>6,073.25</u>	<u>1,786.82</u>	<u>1.84</u>	<u>550.66</u>	<u>8,412.57</u>
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	349.05	-	349.05
Trade and other payables	-	-	-	5.10	5.10
Long-term loans	112.82	-	1,769.85	-	1,882.67
Debentures	-	493.61	-	-	493.61
	<u>112.82</u>	<u>493.61</u>	<u>2,118.90</u>	<u>5.10</u>	<u>2,730.43</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			
<b>Financial assets</b>					
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>
<b>Financial liabilities</b>					
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>

### 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.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities as at		Financial assets		Financial liabilities as at			
	as at		as at		as at		as at			
	31 December		31 December		31 December		31 December			
	2015	2014	2015	2014	2015	2014	2015	2014		
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)
US Dollar	2.04	-	-	-	28.65	0.22	0.01	-	36.0886	32.9630
JPY	10.00	21.33	-	-	-	-	-	-	0.2996	0.2738
SGD	0.40	0.04	0.02	0.01	-	-	-	-	25.5195	24.6613
HKD	0.01	0.01	-	-	-	-	-	-	4.6579	4.2516
EUR	0.04	-	-	-	-	-	-	-	39.4388	40.0503

### 37.2 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.

The carrying value and fair value of long-term financial liabilities and the fair value of derivative instruments as at 31 December 2015 and 2014 are presented below.

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	2015		2014	
	Carrying		Carrying	
	value	Fair value	value	Fair value
<b>Unhedged</b>				
Thai Baht debentures	494	521	488	535
<b>Derivative instruments</b>				
Interest rate swaps	-	(1)	-	(10)

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.

As discussed in Note 23, the Company has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 December 2015 amounts to Baht 112.82 million. The contracts have 24 - 30 installments and mature in February - 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 0.84 million, if it had recorded the above contracts at fair value.

- d) For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the bonds with similar terms and conditions.

### **38. 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 2015, the Group's debt-to-equity ratio was 0.42:1 (2014: 1.89:1) and the Company's was 0.41:1 (2014: 1.86:1).



### 39. Reclassification

In addition to the restatement of the prior year's financial statements, as disclosed in Note 4 and 5, certain amounts in the statement of financial position as at 31 December 2014 and the statement of comprehensive income for the year then ended have been reclassified to conform to the current year'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
Long-term portion of hire purchase and Installment sales receivables	2,922,957	2,922,438
Other current assets	142,305	151,265

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As reclassified and restated	As previously reported
Hire purchase interest income	1,676,420	1,666,739
Other income	-	205,335
Interest income	4,938	-
Consultation service fee income	35,907	-
Others	145,086	-
Services and administrative expenses	547,643	561,142

### 40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2016.