

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Group Lease Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries as at 30 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements and have also reviewed the separate financial information of Group Lease Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 11 August 2016

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>30 June 2016</u>	<u>31 December 2015</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	2	2,890,600	1,044,886	1,919,243	552,224
Current portion of hire purchase and installment sales receivables	3, 16	3,147,270	3,198,880	2,019,327	2,095,264
Current portion of asset-backed loan receivables	4	173,798	113,093	-	-
Current portion of loans and interest receivables	5	2,328,646	2,152,934	8,428	18,780
Assets foreclosed	6	34,437	32,948	19,276	14,909
Short-term loans to and interest receivables from subsidiary	16	-	-	4,979,564	4,016,390
Other current assets	7, 16	332,334	227,410	101,254	109,574
Total current assets		8,907,085	6,770,151	9,047,092	6,807,141
Non-current assets					
Pledged fixed deposit at financial institution	8	334	329	334	329
Investment in subsidiary companies	9	-	-	1,476,281	1,200,117
Long-term portion of hire purchase and installment sales receivables	3, 16	3,070,717	2,848,471	1,782,810	1,786,822
Long-term portion of asset-backed loan receivables	4	40,305	28,057	-	-
Long-term portion of loans and interest receivables	5	805,401	604,588	-	-
Property, plant and equipment	10	111,069	115,982	73,174	73,824
Intangible assets	11	93,544	101,067	14,862	15,501
Goodwill		121,244	122,519	-	-
Deferred tax assets		54,178	62,868	46,928	51,324
Other non-current assets	14	117,062	111,084	79,521	74,089
Total non-current assets		4,413,854	3,994,965	3,473,910	3,202,006
Total assets		13,320,939	10,765,116	12,521,002	10,009,147

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	478,107	349,050	478,107	349,050
Trade accounts payable		30,884	46,446	15,060	5,098
Short-term loans from and interest payable to related parties	16	4,164	4,115	130,000	-
Current portion of long-term loans	17	1,482,425	1,557,854	1,384,280	1,522,177
Current portion of long-term loans from related parties	16	-	-	64,080	-
Current portion of debentures	18	496,361	-	496,361	-
Income tax payable		85,383	53,316	49,891	29,475
Insurance premium payables		10,415	11,211	8,223	7,011
Accrued expenses	16	90,105	77,724	78,072	74,244
Other current liabilities	16	125,978	76,077	73,123	49,387
Total current liabilities		2,803,822	2,175,793	2,777,197	2,036,442
Non-current liabilities					
Long-term portion of long-term loans	17	926,976	504,593	788,220	360,490
Long-term portion of long-term loans from related parties	16	-	-	15,920	-
Long-term portion of debentures	18	-	493,610	-	493,610
Advance received for issuance of convertible debentures	16, 19	1,829,368	-	1,829,368	-
Provision for long-term employee benefits		7,480	7,480	7,480	7,480
Cash guarantee for damage on hire purchase agreements		2,180	2,181	2,064	2,064
Total non-current liabilities		2,766,004	1,007,864	2,643,052	863,644
Total liabilities		5,569,826	3,183,657	5,420,249	2,900,086

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2016

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		<u>30 June 2016</u>	<u>31 December 2015</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Equity					
Share capital	20				
Registered					
1,810,435,251 ordinary shares of Baht 0.50 each					
(31 December 2015: 1,539,174,618 ordinary shares					
of Baht 0.50 each)		905,218	769,587	905,218	769,587
Issued and paid-up					
1,525,385,251 ordinary shares of Baht 0.50 each					
(31 December 2015: 1,427,285,251 ordinary shares					
of Baht 0.50 each)		762,693	713,643	762,693	713,643
Share premium	20	5,186,633	4,254,634	5,186,633	4,254,634
Share subscription received in advance		-	981,049	-	981,049
Retained earnings					
Appropriated - statutory reserve		90,522	76,959	90,522	76,959
Unappropriated		1,517,662	1,283,825	1,060,905	1,082,776
Exchange differences on translation of					
financial statements in foreign currency		100,124	271,349	-	-
Total shareholders' equity		7,657,634	7,581,459	7,100,753	7,109,061
Non-controlling interests of the subsidiary		93,479	-	-	-
Total equity		7,751,113	7,581,459	7,100,753	7,109,061
Total liabilities and equity		13,320,939	10,765,116	12,521,002	10,009,147
		-	-	-	-

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 three-month period ended 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Hire purchase interest income		492,282	471,484	297,981	336,477
Asset - backed loan interest income		26,960	1,342	-	-
Interest on loan receivables		115,720	-	-	-
Other income					
Interest income		6,054	10,458	80,089	23,664
Consulting service fee income		7,061	23,609	-	-
Management service fee income		-	-	21,000	21,000
Other income related to the activities of					
hire purchase	12	52,748	64,039	33,299	34,821
Others		3,403	35,537	5,697	32,422
Total revenues		704,228	606,469	438,066	448,384
Expenses					
Service and administrative expenses		217,306	184,459	122,084	110,521
Bad debts and doubtful accounts		82,875	112,573	64,204	98,080
Loss on disposals of foreclosed assets		52,370	82,161	51,058	71,657
Total expenses		352,551	379,193	237,346	280,258
Profit before finance cost and income					
tax expenses		351,677	227,276	200,720	168,126
Finance cost		(45,654)	(68,238)	(42,254)	(65,903)
Profit before income tax expenses		306,023	159,038	158,466	102,223
Income tax expenses	13	(50,173)	(29,568)	(31,869)	(20,507)
Profit for the period		255,850	129,470	126,597	81,716
Other comprehensive income:					
Exchange differences on translation					
of financial statements in foreign currency		(34,597)	60,192	-	-
Other comprehensive income for the period		(34,597)	60,192	-	-
Total comprehensive income for the period		221,253	189,662	126,597	81,716

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the three-month period ended 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		256,475	129,470	126,597	81,716
Non-controlling interests of the subsidiary		(625)	-		
		<u>255,850</u>	<u>129,470</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		221,368	189,662	126,597	81,716
Non-controlling interests of the subsidiary		(115)	-		
		<u>221,253</u>	<u>189,662</u>		

(Unit: Baht)

Earnings per share	21				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.1681	0.1173	0.0830	0.0741
Weighted average number of ordinary shares (thousand shares)		<u>1,525,385</u>	<u>1,103,313</u>	<u>1,525,385</u>	<u>1,103,313</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.1681	0.1116	0.0830	0.0705
Weighted average number of ordinary shares (thousand shares)		<u>1,525,385</u>	<u>1,159,873</u>	<u>1,525,385</u>	<u>1,159,873</u>

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

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income
For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Hire purchase interest income		976,984	954,713	600,401	689,225
Asset - backed loan interest income		48,553	1,342	-	-
Interest on loan receivables		229,237	-	-	-
Other income					
Interest income		7,132	10,887	155,477	41,678
Consulting service fee income		7,061	36,662	-	-
Management service fee income		-	-	42,000	42,000
Other income related to the activities of					
hire purchase	12	107,322	137,048	70,599	72,846
Others		7,722	38,743	11,458	37,266
Total revenues		<u>1,384,011</u>	<u>1,179,395</u>	<u>879,935</u>	<u>883,015</u>
Expenses					
Service and administrative expenses		453,209	365,158	293,843	228,997
Bad debts and doubtful accounts		154,055	194,903	119,384	174,907
Loss on disposals of foreclosed assets		109,621	189,258	105,861	159,335
Total expenses		<u>716,885</u>	<u>749,319</u>	<u>519,088</u>	<u>563,239</u>
Profit before finance cost and income tax expenses		<u>667,126</u>	<u>430,076</u>	<u>360,847</u>	<u>319,776</u>
Finance cost		(89,679)	(131,704)	(81,979)	(128,538)
Profit before income tax expenses		<u>577,447</u>	<u>298,372</u>	<u>278,868</u>	<u>191,238</u>
Income tax expenses	13	(99,432)	(58,664)	(55,936)	(38,402)
Profit for the period		<u>478,015</u>	<u>239,708</u>	<u>222,932</u>	<u>152,836</u>
Other comprehensive income:					
Exchange differences on translation					
of financial statements in foreign currency		(170,715)	45,056	-	-
Other comprehensive income for the period		<u>(170,715)</u>	<u>45,056</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>307,300</u>	<u>284,764</u>	<u>222,932</u>	<u>152,836</u>

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		478,640	239,708	222,932	152,836
Non-controlling interests of the subsidiary		(625)	-		
		<u>478,015</u>	<u>239,708</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		307,415	284,764	222,932	152,836
Non-controlling interests of the subsidiary		(115)	-		
		<u>307,300</u>	<u>284,764</u>		

(Unit: Baht)

Earnings per share	21				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.3138	0.2188	0.1461	0.1395
Weighted average number of ordinary shares (thousand shares)		<u>1,525,385</u>	<u>1,095,694</u>	<u>1,525,385</u>	<u>1,095,694</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.3138	0.2146	0.1461	0.1368
Weighted average number of ordinary shares (thousand shares)		<u>1,525,385</u>	<u>1,117,076</u>	<u>1,525,385</u>	<u>1,117,076</u>

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of changes in equity

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
Other components of equity								Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total equity		
Other comprehensive income												
Exchange differences on translation of financial statements												
in foreign currency												
Note	Issued and paid-up share capital	Share premium	Share subscription received in advance	Capital reserve for share-based payment transactions	Retained earnings		Convertible debentures - equity component	Total other components of owners of the Company				
	share capital	Share premium	in advance	transactions	Appropriated	Unappropriated						
Balance as at 1 January 2015	542,885	1,084,254	-	3,584	72,093	774,501	36,250	-	36,250	2,513,567	-	2,513,567
Profit for the period	-	-	-	-	-	239,708	-	-	-	239,708	-	239,708
Other comprehensive income for the period	-	-	-	-	-	-	45,056	-	45,056	45,056	-	45,056
Total comprehensive income for the period	-	-	-	-	-	239,708	45,056	-	45,056	284,764	-	284,764
Issuance of ordinary shares during period												
from the exercise of warrants	11,204	138,856	-	(4,084)	-	-	-	-	-	145,976	-	145,976
Share subscription received in advance												
from the exercise of warrants	-	-	180,000	-	-	-	-	-	-	180,000	-	180,000
Capital reserve for share-based payment												
transactions	-	-	-	500	-	-	-	-	-	500	-	500
Issue convertible debentures - equity component	-	-	-	-	-	-	-	268	268	268	-	268
Dividend paid	22	-	-	-	-	(66,673)	-	-	-	(66,673)	-	(66,673)
Balance as at 30 June 2015	554,089	1,223,110	180,000	-	72,093	947,536	81,306	268	81,574	3,058,402	-	3,058,402
Balance as at 1 January 2016	713,643	4,254,634	981,049	-	76,959	1,283,825	271,349	-	271,349	7,581,459	-	7,581,459
Profit for the period	-	-	-	-	-	478,640	-	-	-	478,640	(625)	478,015
Other comprehensive income for the period	-	-	-	-	-	-	(171,225)	-	(171,225)	(171,225)	510	(170,715)
Total comprehensive income for the period	-	-	-	-	-	478,640	(171,225)	-	(171,225)	307,415	(115)	307,300
Issuance of ordinary shares during period												
from transferring of share subscription												
received in advance	20	49,050	931,999	(981,049)	-	-	-	-	-	-	-	-
Dividend paid	22	-	-	-	-	(231,240)	-	-	-	(231,240)	-	(231,240)
Acquisition of investment in subsidiary		-	-	-	-	-	-	-	-	-	93,594	93,594
Appropriate to statutory reserve	23	-	-	-	-	13,563	(13,563)	-	-	-	-	-
Balance as at 30 June 2016	762,693	5,186,633	-	-	90,522	1,517,662	100,124	-	100,124	7,657,634	93,479	7,751,113
	-	-	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Separate financial statements								
Note	Issued and paid-up share capital	Share premium	Share subscription received in advance	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
					Appropriated	Unappropriated	Convertible debentures - equity component	
Balance as at 1 January 2015	542,885	1,084,254	-	3,584	72,093	816,132	-	2,518,948
Profit for the period	-	-	-	-	-	152,836	-	152,836
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	152,836	-	152,836
Issuance of ordinary shares during period								
from the exercise of warrants	11,204	138,856	-	(4,084)	-	-	-	145,976
Share subscription received in advance								
from the exercise of warrants	-	-	180,000	-	-	-	-	180,000
Capital reserve for share-based payment transactions	-	-	-	500	-	-	-	500
Issue convertible debentures - equity component	-	-	-	-	-	-	268	268
Dividend paid	22	-	-	-	-	(66,673)	-	(66,673)
Balance as at 30 June 2015	554,089	1,223,110	180,000	-	72,093	902,295	268	2,931,855
Balance as at 1 January 2016	713,643	4,254,634	981,049	-	76,959	1,082,776	-	7,109,061
Profit for the period	-	-	-	-	-	222,932	-	222,932
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	222,932	-	222,932
Issuance of ordinary shares during period								
from transferring of share subscription received in advance	20	49,050	931,999	(981,049)	-	-	-	-
Dividend paid	22	-	-	-	-	(231,240)	-	(231,240)
Appropriate to statutory reserve	23	-	-	-	13,563	(13,563)	-	-
Balance as at 30 June 2016	762,693	5,186,633	-	-	90,522	1,060,905	-	7,100,753

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 six-month period ended 30 June 2016

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	577,447	298,372	278,868	191,238
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	27,118	23,189	8,682	4,886
Bad debts and doubtful accounts	154,055	195,060	119,384	174,907
Loss on disposals of assets foreclosed	109,621	189,258	105,861	159,334
Loss on diminution in value of foreclosed assets	108	138	936	1,841
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	7,436	1,075
Unrealised exchange (gain) loss	(3,432)	5,803	41,262	(78)
Provision for long-term employee benefits	-	1,581	-	1,581
Capital reserve for share-based payment transactions	-	500	-	500
Interest income	(236,369)	(10,602)	(155,477)	(41,467)
Interest expenses	83,378	125,343	75,915	122,334
Amortised front end fees of loans	3,550	3,470	3,313	3,313
Amortised transaction cost of debentures	2,751	2,657	2,751	2,657
Amortised transaction cost of convertible debentures	-	225	-	225
Amortised discount on convertible debentures	-	9	-	9
Profit from operating activities before changes in operating assets and liabilities	718,227	835,003	488,931	622,355
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(319,725)	(6,387)	(39,435)	147,263
Asset - backed loan receivables	(77,918)	(32,229)	-	-
Assets foreclosed	(111,316)	(197,118)	(111,164)	(167,176)
Other current assets	(90,411)	(89,229)	8,253	(30,171)
Other non-current assets	(5,735)	6,088	(5,622)	(6,349)
Operating liabilities increase (decrease)				
Trade accounts payable	(15,563)	(2,402)	9,962	(1,425)
Insurance premium payable	(796)	(1,213)	1,212	(1,674)
Accrued expenses	11,654	7,820	4,640	38,434
Other current liabilities	50,625	25,437	23,736	36,429
Guarantee for damage from hire purchase agreements	-	(140)	-	(133)
Cash flows from operating activities	159,042	545,630	380,513	637,553
Cash paid for interest expenses	(83,888)	(126,440)	(77,671)	(123,739)
Cash paid for corporate income tax	(72,241)	(5,706)	(31,124)	(1,384)
Net cash flows from operating activities	2,913	413,484	271,718	512,430

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 six-month period ended 30 June 2016

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(5)	(5)	(5)	(5)
Decrease (increase) in accounts receivable and loans to employees	185	(90)	185	(90)
Cash paid for acquisitions of equipment	(13,705)	(12,972)	(7,393)	(2,638)
Cash paid for acquisitions of intangible assets	(2,812)	(12,812)	-	(12,363)
Cash paid for short-term loan to related parties	-	-	(1,133,468)	(1,020,300)
Cash received from short-term loan to related parties	-	31,680	-	477,000
Cash paid for short-term loan	(112,801)	(147,604)	-	(2,000)
Cash received from short-term loan	10,881	168,216	10,352	-
Cash paid for long-term loan	(216,060)	(506,652)	-	-
Interest receipt	113,895	7,161	982	7,300
Net cash flows used in investing activities	(220,422)	(473,078)	(1,129,347)	(553,096)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	130,000	100,000	130,000	100,000
Cash received from short-term loans from related parties	-	133,476	130,000	-
Repayment of short-term loans from related parties	-	(149,998)	-	-
Cash received from long-term loans from related parties	-	-	80,000	-
Cash received from long-term loans	1,535,000	934,109	1,455,000	834,000
Repayment of long-term loans	(1,186,665)	(1,538,360)	(1,168,480)	(1,538,360)
Cash paid for front end fees of long-term loans	-	(1,001)	-	-
Cash received from issuance of convertible debentures	-	981,000	-	981,000
Cash received from advance received for				
issuance of convertible debentures	1,829,368	-	1,829,368	-
Cash paid for transaction costs of convertible debentures	-	(6,242)	-	(6,242)
Cash received from exercise of warrants	-	145,975	-	145,975
Cash received from share subscription received in advance	-	180,000	-	180,000
Cash paid for transaction front-end fee	(1,000)	-	-	-
Cash received from non-controlling interests in respect				
of establishing new subsidiary	93,594	-	-	-
Dividend paid	(231,240)	(66,673)	(231,240)	(66,673)
Net cash flows from financing activities	2,169,057	712,286	2,224,648	629,700
Exchange differences on translation of financial				
statements in foreign currency	(105,834)	44,674	-	-
Net increase in cash and cash equivalents	1,845,714	697,366	1,367,019	589,034
Cash and cash equivalents at beginning of period	1,044,886	357,446	552,224	71,159
Cash and cash equivalents at the end of period (Note 2)	2,890,600	1,054,812	1,919,243	660,193
	-	-	-	-

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 six-month period ended 30 June 2016**

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Supplemental cash flows information				
Non-cash item				
Transferred assets foreclosed to equipment	99	-	-	-
Transferred of share subscription received in advance during the period to ordinary shares and share premium	981,049	997	981,049	997
Tranferred of share subscription payment in advance to investment in subsidiary company	-	-	-	128,695
Transferred capital reserve for share-based payment transaction to share premium	-	4,084	-	4,084
Transferred short-term loans to subsidiary to share subscription payment in advance	-	-	276,164	-

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

Group Lease Public Company Limited and its subsidiaries

Interim financial statements

For the three-month and six-month periods ended 30 June 2016

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Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2016

1. General information

1.1 Corporate information

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the activity of 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).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2015) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated interim financial statements include the financial statements of Group Lease Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015. There has been no significant change in the composition of the group of companies during the current period, except for the investment in PT. Group Lease Finance Indonesia (subsidiary of GLH) as discussed in Note 9.

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

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		30 June 2016	31 December 2015	
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 Holdings 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 Holdings Pte. Ltd.) ("GLL")	Laos	100	100	Hire purchase services (motorcycles, agricultural machinery and equipment)
PT. Group Lease Finance Indonesia (shares held by Group Lease Holdings Pte. Ltd.) ("GLFI")	Indonesia	65	-	Hire purchase services for agricultural equipment (the process of establishment has been completed in the second quarter of 2016)

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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's and its subsidiaries financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015 with the following additional accounting policies adopted:

Loan receivables

Loan receivables are stated at the principal amount net of allowance for doubtful accounts (if any).

Interest on loan receivables

Interest on loan receivables is recognised as income on an accrual basis, based on the effective interest rate.

2. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Cash	9,090	1,415	326	190
Bank deposits	2,881,510	1,043,471	1,918,917	552,034
Total	<u>2,890,600</u>	<u>1,044,886</u>	<u>1,919,243</u>	<u>552,224</u>

As at 30 June 2016 and 31 December 2015, bank deposits in saving accounts and fixed deposits carried interest between 0.00% - 7.50% per annum and 0.05% - 0.70% per annum, respectively (the Company only: 0.10% - 0.37% per annum and 0.05% - 0.37% per annum).

3. Hire purchase and installment sales receivables

3.1 As at 30 June 2016 and 31 December 2015, the balances of hire purchase and installment sales receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Normal receivables						
Hire purchase and installment sales receivables	4,488,413	4,511,899	4,060,193	3,716,413	8,548,606	8,228,312
Accrued hire purchase and installment sales income	175,224	177,116	-	-	175,224	177,116
Less: Unearned hire purchase and installment sales income, net	(1,534,112)	(1,517,253)	(962,634)	(872,735)	(2,496,746)	(2,389,988)
Total normal receivables	3,129,525	3,171,762	3,097,559	2,843,678	6,227,084	6,015,440
Terminated agreements receivables						
Hire purchase and installment sales receivables	235,407	317,815	129,934	189,981	365,341	507,796
Accrued hire purchase and installment sales income	23,540	36,425	-	-	23,540	36,425
Less: Unearned hire purchase and installment sales income, net	(73,878)	(103,989)	(32,211)	(47,491)	(106,089)	(151,480)
Total terminated agreements receivables	185,069	250,251	97,723	142,490	282,792	392,741
Total receivables	3,314,594	3,422,013	3,195,282	2,986,168	6,509,876	6,408,181
Less: Allowance for doubtful accounts	(167,324)	(223,133)	(124,565)	(137,697)	(291,889)	(360,830)
Hire purchase and installment sales receivables, net	3,147,270	3,198,880	3,070,717	2,848,471	6,217,987	6,047,351

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Normal receivables						
Hire purchase and installment sales receivables	2,887,584	2,976,575	2,267,148	2,255,932	5,154,732	5,232,507
Accrued hire purchase and installment sales income	105,942	112,322	-	-	105,942	112,322
Less: Unearned hire purchase and installment sales income, net	(1,000,563)	(1,026,751)	(495,202)	(486,474)	(1,495,765)	(1,513,225)
Total normal receivables	1,992,963	2,062,146	1,771,946	1,769,458	3,764,909	3,831,604
Terminated agreements receivables						
Hire purchase and installment sales receivables	205,072	267,337	129,561	181,155	334,633	448,492
Accrued hire purchase and installment sales income	21,027	31,915	-	-	21,027	31,915
Less: Unearned hire purchase and installment sales income, net	(68,419)	(93,148)	(32,154)	(46,148)	(100,573)	(139,296)
Total terminated agreements receivables	157,680	206,104	97,407	135,007	255,087	341,111
Total receivables	2,150,643	2,268,250	1,869,353	1,904,465	4,019,996	4,172,715
Less: Allowance for doubtful accounts	(131,316)	(172,986)	(86,543)	(117,643)	(217,859)	(290,629)
Hire purchase and installment sales receivables, net	2,019,327	2,095,264	1,782,810	1,786,822	3,802,137	3,882,086

3.2 As at 30 June 2016 and 31 December 2015, 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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
Hire purchase and installment sales receivables						
Not yet due	5,538,483	5,318,370	39,158	38,847	5,499,325	5,279,523
Past due:						
1 month	373,185	379,728	27,028	31,801	346,157	347,927
2 - 3 months	284,145	322,027	51,574	62,104	232,571	259,923
4 - 6 months	133,804	142,406	47,494	55,231	86,310	87,175
7 - 9 months	88,351	118,566	50,056	69,909	38,295	48,657
10 - 12 months	73,834	118,198	58,505	94,057	15,329	24,141
Over 12 months	18,074	8,886	18,074	8,881	-	5
Total	<u>6,509,876</u>	<u>6,408,181</u>	<u>291,889</u>	<u>360,830</u>	<u>6,217,987</u>	<u>6,047,351</u>

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
Hire purchase and installment sales receivables						
Not yet due	3,361,936	3,359,815	33,161	33,147	3,328,775	3,326,668
Past due:						
1 month	244,345	269,183	24,241	26,684	220,104	242,499
2 - 3 months	203,207	229,607	40,377	45,580	162,830	184,027
4 - 6 months	86,875	113,826	34,546	45,216	52,329	68,610
7 - 9 months	65,825	99,914	39,295	59,596	26,530	40,318
10 - 12 months	56,903	97,912	45,334	77,953	11,569	19,959
Over 12 months	905	2,458	905	2,453	-	5
Total	<u>4,019,996</u>	<u>4,172,715</u>	<u>217,859</u>	<u>290,629</u>	<u>3,802,137</u>	<u>3,882,086</u>

- 3.3 As at 30 June 2016 and 31 December 2015, 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			
	30 June 2016		31 December 2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,922,583	3,314,594	5,043,255	3,422,013
After one year but not more than five years	4,190,128	3,195,282	3,906,394	2,986,168
Total	9,112,711	<u>6,509,876</u>	8,949,649	<u>6,408,181</u>
Less: Amounts representing finance charges	(2,602,835)		(2,541,468)	
Present value of minimum lease payments	<u>6,509,876</u>		<u>6,408,181</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2016		31 December 2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,219,625	2,150,643	3,388,149	2,268,250
After one year but not more than five years	2,396,709	1,869,353	2,437,087	1,904,465
Total	5,616,334	4,019,996	5,825,236	4,172,715
Less: Amounts representing finance charges	(1,596,338)		(1,652,521)	
Present value of minimum lease payments	4,019,996		4,172,715	

- 3.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 30 June 2016 and 31 December 2015, there are outstanding hire purchase receivable amounting to approximately Baht 265 million and Baht 395 million, respectively (the Company only: Baht 246 million and Baht 349 million, respectively) for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Company and its subsidiaries had followed this accounting guideline, the amount of revenue recognised for the six-month periods ended 30 June 2016 and 2015 would be reduced by Baht 5.6 million and Baht 14.1 million, respectively (the Company only: Baht 5.3 million and Baht 12.7 million, respectively).

- 3.5 Hire purchase agreements of the Company and its subsidiaries have terms of 6 months to 5 years and require settlement in equal installments.
- 3.6 As at 30 June 2016 and 31 December 2015, the Company and its subsidiaries had transferred rights of claim under hire purchase agreements with outstanding balances (net of unearned hire purchase interest income) of Baht 3,886 million and Baht 3,615 million, respectively (the Company only: Baht 3,845 million and Baht 3,373 million, respectively), in order to secure credit facilities granted by commercial banks as discussed in Notes 15 and 17.

4. Asset - backed loan receivables

4.1 As at 30 June 2016 and 31 December 2015, 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			
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Normal receivables						
Asset - backed loan receivables	237,891	158,325	51,201	35,280	289,092	193,605
Interest receivables	8,594	5,136	-	-	8,594	5,136
Less: Unearned interest income, net	(69,117)	(47,878)	(10,143)	(6,669)	(79,260)	(54,547)
Total normal receivables	177,368	115,583	41,058	28,611	218,426	144,194
Terminated agreements receivables						
Asset - backed on receivables	4,924	782	415	194	5,339	976
Interest receivables	624	114	-	-	624	114
Less: Unearned interest income, net	(1,468)	(253)	(83)	(44)	(1,551)	(297)
Total terminated agreements receivables	4,080	643	332	150	4,412	793
Total receivables	181,448	116,226	41,390	28,761	222,838	144,987
Less: Allowance for doubtful accounts	(7,650)	(3,133)	(1,085)	(704)	(8,735)	(3,837)
Asset - backed on receivables, net	173,798	113,093	40,305	28,057	214,103	141,150

4.2 As at 30 June 2016 and 31 December 2015, 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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
Loan receivables						
Not yet due	184,718	127,330	1,848	1,273	182,870	126,057
Past due:						
1 month	20,628	11,419	2,063	1,142	18,565	10,277
2 - 3 months	13,080	5,445	2,616	1,089	10,464	4,356
4 - 6 months	2,661	714	1,064	285	1,597	429
7 - 9 months	1,282	79	769	48	513	31
10 - 12 months	469	-	375	-	94	-
Over 12 months	-	-	-	-	-	-
Total	222,838	144,987	8,735	3,837	214,103	141,150

- 4.3 As at 30 June 2016 and 31 December 2015, 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			
	30 June 2016		31 December 2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	252,033	181,448	164,357	116,226
After one year but not more than five years	51,616	41,390	35,474	28,761
Total	303,649	222,838	199,831	144,987
Less: Amounts representing finance charges	(80,811)		(54,844)	
Present value of minimum loan payments	222,838		144,987	

- 4.4 The subsidiary's loan agreements have terms of 1 - 5 years and require settlement in equal installment.
- 4.5 As at 30 June 2016, the Company's subsidiary had transferred rights of claim under loan agreements with outstanding balances (net finance aged not over 3 months) of Baht 70 million, in order to secure credit facilities granted by commercial bank as discussed in Notes 17.

5. Loans and interest receivables

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

Loan receivables have terms of 3 months to 3 years and interest charges range from 6% to 25% per annum. These loans are secured by individuals, hire purchase receivables, guarantee agreement, the ordinary shares of the Company and ordinary shares of an oversea company held by the borrowers and assets of the borrowers.

- 5.1 As at 30 June 2016 and 31 December 2015, the outstanding balance of loans and interest receivables are as follows:

	Consolidated financial statements			
	30 June 2016		31 December 2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Loans and interest receivables	8,428	88,846	382,392	65,566
Less: Current portion	(8,428)	(65,952)	(382,392)	(48,813)
Long-term portion of loans and interest receivables	-	22,894	-	16,753

(Unit: Thousand Baht)

	Separate financial statements	
	30 June 2016	31 December 2015
Loans and interest receivables	8,428	18,780
Less: Current portion	(8,428)	(18,780)
Long-term portion of loans and interest receivables	-	-

- 5.2 As at 30 June 2016 and 31 December 2015, the balances of loans and interest receivables aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Loans and interest receivables				
Not yet due	3,098,217	2,757,522	8,428	18,780
Past due:				
2 - 3 months	35,830	-	-	-
Total	3,134,047	2,757,522	8,428	18,780

- 5.3 During the current period, the subsidiary has amended loan receivables by means of modification of terms for repayment. The loan balances affected by the amendments amounted to USD 46.48 million and the repayment period was modified to 6 months - 3 years. However, this amendment by modification of terms for repayment does not result in any loss. During the six-month period ended 30 June 2016, the Company received interest payments totaling USD 2.61 million and Baht 14.47 million.

6. Assets foreclosed

As at 30 June 2016 and 31 December 2015, assets foreclosed are presented as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Repossessed assets	44,677	43,080	29,061	23,758
Less: Allowance for diminution in value of assets foreclosed	(10,240)	(10,132)	(9,785)	(8,849)
Assets foreclosed, net	<u>34,437</u>	<u>32,948</u>	<u>19,276</u>	<u>14,909</u>

7. Other current assets

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Accrued income	8,753	7,861	2,783	2,797
Prepaid expenses	69,937	76,913	64,747	67,348
Advance payment	60,638	58,902	276	73
Other receivable - sales of assets foreclosed	10,933	12,569	10,933	11,308
Other receivables - related party	-	-	13,473	13,314
Other receivables - financial advisory	7,036	7,218	-	-
Other receivables	57,245	43,650	138	5,139
Undue input tax	935	1,106	673	1,036
Assets for lease awaiting transfer	83,765	-	-	-
Withholding tax deducted at source	33,465	19,414	8,604	8,604
Others	2,153	2,483	2,153	2,481
Total	<u>334,860</u>	<u>229,936</u>	<u>103,780</u>	<u>112,100</u>
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current assets, net	<u>332,334</u>	<u>227,410</u>	<u>101,254</u>	<u>109,574</u>

8. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company, as discussed in Note 24.4.

9. Investments in subsidiary companies

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		(Unit: Thousand Baht) Dividend received during the six-month periods ended 30 June	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	2016	2015
			(%)	(%)				
Thanaban Company Limited	565,000 Thousand Baht	565,000 Thousand Baht	100.00	100.00	629,696	629,696	-	-
Group Lease Holdings Pte. Ltd.	33,714 Thousand SGD	22,912 Thousand SGD	100.00	100.00	846,372	570,208	-	-
GL Leasing (Lao) Company Limited	16,300,000 Thousand LAK	1,040,000 Thousand LAK	0.32	5.00	213	213	-	-
					<u>1,476,281</u>	<u>1,200,117</u>	<u>-</u>	<u>-</u>

Investment in GLH

On 22 March 2016, a meeting of the Board of Directors of the Company approved additional investment in 10.8 million ordinary shares of GLH (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 10.8 million (equivalent to Baht 276.16 million), in order to fund investment in a subsidiary company in Indonesia. On 29 March 2016, the Company entered into an agreement to lend GLH USD 8.0 million and on the same date, the Company entered into a loan capitalisation agreement with GLH to convert the loan of USD 8.0 million, to investment in GLH, totaling SGD 10.8 million. On 15 April 2016, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 30 June 2016, investment in GLH in the separate financial statements amounted to SGD 33.71 million (31 December 2015: SGD 22.9 million).

Investment in GLL

As at 31 December 2015 the shareholdings percentage of GLL held by the Company and GLH were 5% and 95%, respectively. During the period, GLL increased its capital ordinary shares from 130,000 shares to 2,037,500 shares, with all new issued shares owned by GLH. As a result, the shareholdings percentage of GLL held by the Company and GLH change to 0.32% and 99.68%, respectively. Since the Company holds its investment in GLL through GLH, the Company recorded the investment in GLL as investment in subsidiary in the separate financial statements.

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 six-month periods ended 30 June	
	30 June 2016	31 December 2015	30 June 2016 (%)	31 December 2015 (%)	30 June 2016	31 December 2015	2016	2015
<u>Held by Group Lease Holdings Pte. Ltd.</u>								
GL Finance Plc.	10,300 Thousand USD	10,300 Thousand USD	100.00	100.00	359,470	359,470	-	-
GL Leasing (Lao) Company Limited	16,300,000 Thousand LAK	1,040,000 Thousand LAK	99.68	95.00	71,478	4,030	-	-
PT. Group Lease Finance Indonesia	100,000,000 Thousand IDR	-	65.00	-	173,817	-	-	-
					<u>604,765</u>	<u>363,500</u>	<u>-</u>	<u>-</u>

Investment in GLF

On 2 January 2015, a meeting of the Board of Directors of GLH passed resolutions to approve additional investment in GLF of USD 4.0 million (equivalent to Baht 131.25 million) and 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.

Investment in GLL

On 12 January 2016, a meeting of the Board of Directors of the Company passed resolutions approving an additional investment of LAK 15,260 million (equivalent to Baht 67.4 million) in GLL by GLH, and the conversion of a loan from GLH to equity in GLL to support the increase in share capital. The share certificate has been issued on 1 February 2016 and the capital increase registration with the Central Bank of Lao is still in progress.

Investment in GLFI

On 7 September 2015, a meeting of the Board of Directors of GLH passed a resolution to establish PT. Group Lease Finance Indonesia ("GLFI"), which is to be a subsidiary domiciled in Indonesia with an authorised share capital consisting of 400,000 ordinary shares to be sold at a price equal to par value of IDR 1,000,000 per share, or for a total of IDR 400 billion. GLFI is a joint investment among GLH, JTrust Asia Pte. Ltd. and an Indonesian partner. As per the deed of establishment of GLFI signed on 23 December 2015, GLFI initially called up share capital of 100,000 ordinary shares, equal to IDR 100 billion.

On 22 March 2016, a meeting of the Board of Directors of the Company approved the investment in the Indonesian subsidiary by GLH, totaling 65,000 ordinary shares (or 65% of the 100,000 paid up shares of GLFI in issue) and representing a total payment of IDR 65 billion (equivalent to Baht 173.44 million). GLFI registered its establishment and paid up share capital with the Ministry of Law and Human Rights of the Republic of Indonesia on 14 April 2016.

All rights and obligations to all the shares of the Indonesian partner as at 30 June 2016, totaling 10,000 non-voting and 5,000 ordinary shares (or 15% of the 100,000 paid up shares) have been transferred to GLH who effectively controls 80% of the total shares outstanding of GLFI. This is reflected in the recognition of the comprehensive income in the consolidated financial statements.

10. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
Net book value as at 1 January 2016	115,982	73,824
Acquisitions during the period - at cost	13,705	7,393
Transfer in during the period	99	-
Depreciation for the period	(17,643)	(8,043)
Exchange differences on translation of financial statements in foreign currency	(1,074)	-
Net book value as at 30 June 2016	111,069	73,174

The Company has mortgaged land and construction thereon with a total net book value as at 30 June 2016 of Baht 27.1 million (31 December 2015: Baht 27.7 million) as collateral for bank overdraft and short-term loans from financial institutions and long-term credit facilities as discussed in Notes 15 and 17.

11. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
Net book value as at 1 January 2016	101,067	15,501
Acquisitions during the period - at cost	2,812	-
Amortisation for the period	(9,475)	(639)
Exchange differences on translation of financial statements in foreign currency	(860)	-
Net book value as at 30 June 2016	<u>93,544</u>	<u>14,862</u>

Exclusive right agreement

A related party entered into a 5-year Exclusive Right Agreement (automatically renewed 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 30 June 2016, the fair value of exclusive right in consolidated financial statement amounted to USD 1.79 million (31 December 2015: USD 2.02 million).

12. Other income related to the hire purchase activities

Other income related to the hire purchase activities comprises penalties for delays in installment payments, recovery of bad debts, sale of bad debt and fees for other services related to the hire purchase business.

13. Corporate income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	46,620	17,462	29,581	16,258
Deferred tax:				
Relating to origination of temporary differences	3,553	12,106	2,288	4,249
Income tax expense reported in profit or loss	<u>50,173</u>	<u>29,568</u>	<u>31,869</u>	<u>20,507</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	90,742	33,627	51,541	31,702
Deferred tax:				
Relating to origination of temporary differences	8,690	25,037	4,395	6,700
Income tax expense reported in profit or loss	<u>99,432</u>	<u>58,664</u>	<u>55,936</u>	<u>38,402</u>

14. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Income tax and value added				
tax refundable	69,934	70,220	67,796	66,482
Deposits	36,925	34,689	1,523	1,519
Others	10,203	6,175	10,202	6,088
Total other non-current assets	117,062	111,084	79,521	74,089

15. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	Interest rate			
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Short-term loans	4.25 - 6.50	5.25 - 7.00	478,107	349,050
Total			478,107	349,050

As at 30 June 2016 and 31 December 2015, short-term loans from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future and motorcycle registrations as requested by the lender of the Company and its subsidiary, and the pledge of all shares of the subsidiary.

16. Related party transactions

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 June					
	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	15	24	Contract rate
Interest income	-	-	79,462	23,460	7.00% per annum (2015: 5.50% - 7.00% per annum)
Other income	-	-	23,752	22,447	Contract rate
Interest expense	-	-	654	-	7.00% per annum
Administrative expense	-	-	-	16,383	Contract rate
Transactions with related parties:					
Interest income	-	76	-	-	6.75% - 7.50% per annum
Other income - financial support	-	13,130	-	-	Contract rate
Interest expenses	89	344	-	-	10.00% per annum (2015: 6.00% - 10.00% per annum)

(Unit: Thousand Baht)

For the six-month periods ended 30 June					
	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	33	51	Contract rate
Interest income	-	-	154,560	41,467	7.00% per annum (2015: 5.50% - 7.00% per annum)
Other income	-	-	46,856	45,120	Contract rate
Interest expense	-	-	654	-	7.00% per annum
Administrative expense	-	-	-	35,239	Contract rate
Transactions with related parties:					
Interest income	-	247	-	-	6.75% - 7.50% per annum
Other income - financial support	-	13,130	-	-	Contract rate
Interest expenses	180	369	-	-	10.00% per annum (2015: 6.00% - 10.00% per annum)

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

Name of related parties	Relationship with the Company
Group Lease 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
PT. Group Lease Finance Indonesia	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Company's director is major shareholders of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholders of that company / Common director
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
JTrust Asia Pte. Ltd.	Shareholder of GLFI

As at 30 June 2016 and 31 December 2015, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Hire purchase and installment sales receivables				
Subsidiary company				
GL Finance Plc.	-	-	623	1,031
Total	-	-	623	1,031

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Short-term loans to and interest receivable from subsidiary				
Subsidiary company				
Group Lease Holdings Pte. Ltd.	-	-	4,979,564	4,016,390
Total	-	-	4,979,564	4,016,390
Other current assets				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	4,096	4,096
GL Finance Plc.	-	-	350	359
Thanaban Co.,Ltd.	-	-	9,027	8,859
Related parties				
Director of the Company and subsidiaries	14,899	11,275	-	-
A.P.F. Group Co., Ltd.	4,749	4,872	-	-
Engine Holdings Asia Pte. Ltd	1,469	2,813	-	-
Asia Partnership Fund Pte., Ltd.	67	-	-	-
Cambodian People Micro Insurance PLC.	49	-	-	-
Total	21,233	18,960	13,473	13,314
Short-term loans from and interest payable to related parties				
Subsidiary company				
Thanaban Co.,Ltd.	-	-	130,000	-
Related parties				
Director of the Company and subsidiary	244	250	-	-
Cambodian People Micro Insurance PLC.	3,920	3,865	-	-
Total	4,164	4,115	130,000	-
Long-term loans from and interest payable to related parties				
Subsidiary company				
Thanaban Co.,Ltd.	-	-	80,000	-
Total	-	-	80,000	-
Accrued expenses				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	49,826	49,826
GL Finance Plc.	-	-	1,107	334
GL Leasing (Lao) Company Limited	-	-	-	77
Total	-	-	50,933	50,237

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Other current liabilities				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	230	236
Thanaban Co., Ltd.	-	-	1,403	1,571
Related parties				
Director of the Company and subsidiaries	160	92	-	-
JTrust Asia Pte. Ltd.	1,952	-	-	-
Total	2,112	92	1,633	1,807
Advance received for issuance of convertible debentures				
Related party				
JTrust Asia Pte. Ltd.	1,829,368	-	1,829,368	-
Total	1,829,368	-	1,829,368	-

During the current period, short-term loans to and interest receivable from subsidiary has movement as below:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2016	Increase	Decrease	30 June 2016
Short-term loans to and interest receivable from subsidiary				
Subsidiary company				
Group Lease Holdings Pte. Ltd.	4,016,390	1,288,028	(283,600)	(41,254)
Total	4,016,390	1,288,028	(283,600)	(41,254)

These loans to subsidiary are unsecured loans with interest rate charged at the rate of 7.00% per annum (2015: 5.50% - 7.00% per annum).

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

(Unit: Thousand Baht)

	Consolidated financial statements				
				Exchange differences	
	Balance as at			on translation of	Balance as at
	1 January	During the period		financial statement	30 June
	2016	Increase	Decrease	in foreign currency	2016
Short-term loans from and interest payable to related parties					
Related parties					
Director of the Company and subsidiaries	250	-	-	(6)	244
Cambodian People Micro Insurance PLC.	3,865	167	-	(112)	3,920
Total	4,115	167	-	(118)	4,164

These loans from related parties are unsecured loans with interest rate charged at the rate of 10.00% per annum (2015: 6.00% - 10.00% per annum).

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 June 2016
	Balance as at 1 January 2016	During the period		
		Increase	Decrease	
Short-term loans from and interest payable to subsidiary				
Subsidiary company				
Thanaban Co., Ltd	-	130,623	(623)	130,000
Total	-	130,623	(623)	130,000

These loans from subsidiary are unsecured loans with interest rate charged at the rate of 7.00% per annum

During the current period, long-term loans from and interest payable to subsidiary have movement as below:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2016	Increase	Decrease	30 June 2016
Long-term loans from and interest payable to subsidiary				
Subsidiary company				
Thanaban Co., Ltd	-	80,031	(31)	80,000
Total	-	80,031	(31)	80,000

These loans from subsidiary are unsecured loans with interest rate charged at the rate of 7.00% per annum.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below:

Consolidated financial statements				
For the three-month periods ended 30 June				
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	8,468	733	13,233	-
Post-employment benefits	-	-	906	-
Total	8,468	733	14,139	-

Separate financial statements				
For the three-month periods ended 30 June				
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	8,092	53	12,713	-
Post-employment benefits	-	-	906	-
Total	8,092	53	13,619	-

Consolidated financial statements				
For the six-month periods ended 30 June				
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	17,624	1,210	22,715	-
Post-employment benefits	-	-	1,374	-
Total	17,624	1,210	24,089	-

Separate financial statements				
For the six-month periods ended 30 June				
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	16,822	88	21,749	-
Post-employment benefits	-	-	1,374	-
Total	16,822	88	23,123	-

17. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance		Interest rate	Repayment condition
	30 June	31 December	per annum	
	2016	2015		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	2,172,500	1,449,160	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	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	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	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	23,453	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
<u>Loan agreement dates 25 March 2015</u>				
Credit facility No. 1	46,907	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	35,180	36,088	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
Promissory note No. 2	52,770	54,133	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
<u>Loan agreement dated 20 June 2016</u>				
Credit facility No. 1	80,000	-	At the rate of THBFIX1M + 1.90% per annum	Fifteen equal installment, with first installment due on the second interest payment date after drawing down loans under credit facility.
Less: Deferred front end fees	(1,409)	(3,976)		
Total	2,409,401	2,062,447		
Less: Current portion	(1,482,425)	(1,557,854)		
Long-term portion of long-term loans	926,976	504,593		

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance		Interest rate	Repayment condition
	30 June	31 December	per annum	
	2016	2015		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	2,172,500	1,449,160	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	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	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	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)		
Total	2,172,500	1,882,667		
Less: Current portion	(1,384,280)	(1,522,177)		
Long-term portion of long-term loans	788,220	360,490		

Movements in the long-term loans account during the six-month period ended 30 June 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	2,062,447	1,882,667
Add: Addition borrowings	1,535,000	1,455,000
Amortisation of deferred front end fees	3,550	3,313
Less: Repayment	(1,186,665)	(1,168,480)
Deferred front end fees payment	(1,000)	-
Exchange differences on translation of financial statements in foreign currency	(3,931)	-
Balance as at 30 June 2016	2,409,401	2,172,500

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

During the year 2012 until the first quarter of 2013, the Company increased the long-term credit facilities with commercial banks based on the loan agreement of 26 May 2011 to Baht 2.5 billion. The purpose of such loan is to repay the existing short-term loan and for use in the expansion of business.

During the year 2015 and 2014, the subsidiary entered into a loan agreement with an overseas financial institutions to obtain long-term loan facilities totaling USD 5.5 million. The purpose of such loan is for use in its operating activities.

On 20 June 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 200 million. The purpose of such loan is for use in the operating activities of the Company. In order to reduce the fluctuation of interest rate risk, the subsidiary 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 4.90% per annum.

The loan agreements contain financial covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, the maintenance of a certain debt to equity ratio, ratio of hire purchase receivables more than three months' past due to total hire purchase receivables and ratio of total hire purchase receivables to loans and prohibition of disposal of assets or rights of claim under hire purchase agreements, other practice comply with loan agreements. Moreover, the agreements stipulate that in the event that any new liabilities are created, the financial conditions and collateral terms of the existing creditors may not be inferior to those of the new credit facilities.

The loans are secured by the transfer of rights of claim under hire purchase agreements, asset-backed loan 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 30 June 2016, GLF had total assets to mortgage such loans amounting to USD 2.10 million (31 December 2015: USD 2.51 million).

The long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down are as follows:

	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Baht	547.5	1,050.8	327.5	1,050.8
USD	-	0.2	-	-

18. Debentures

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

(Unit: Thousand Baht)

Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				30 June 2016	31 December 2015
Debentures 1/2014	As detailed in the table below	3 years	27 February 2017	500,000	500,000
Less: Unamortised portion of deferred transaction costs				(3,639)	(6,390)
Debentures - net				496,361	493,610
Less: Current portion				(496,361)	-
Long-term portion of debentures				-	493,610

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 receivables ratio and restriction on dividend payment and disposal and transfer of assets
Guarantee	Partial guarantee by a financial institution as disclosed in Note 24.4.

19. Advance received for issuance of convertible debentures

The balance amounting to USD 52 million (equivalent to Baht 1.83 billion) as at 30 June 2016 is an advance received from JTrust Asia Pte. Ltd. on the convertible debenture as approved by the Extraordinary General Meeting of the Company (refers to Note 20.2). At 30 June 2016, The Company was still in the process of finalisation of the issuance.

20. Share capital

20.1 Resolutions of the Annual General Meeting of the shareholders

On 28 April 2016, the Annual General Meeting of the Company passed the following significant resolution:

- 1) Approved the payment of a dividend from the operating results of the year 2015 totaling no more than Baht 237.96 million, or Baht 0.1560 per share, to the Company's shareholders. The dividend will be paid to the shareholders on 26 May 2016.
- 2) Approved an increase in the debenture facilities, which were originally approved by the Extraordinary General Meeting of the Company's shareholders No. 1/2013 held on 8 November 2013, from Baht 2.0 billion to Baht 2.5 billion. Other than the increase in the facility, all details and information of the debentures remain the same. After the approval, the remaining debenture facilities total Baht 2.0 billion.

20.2 Resolutions of the Extraordinary General Meeting of the shareholders

On 24 June 2016, the Extraordinary General Meeting no.1/2559 of the Company's shareholders passed the following significant resolutions:

- 1) Approved the issuance and offering by private placement of up to USD 130 million of convertible debentures to a specific foreign investor (JTrust Asia Pte. Ltd.), or an equivalent amount in other currencies.
- 2) Approved the issue of warrants (GL-W4) per the following details:

Allocation	:	Allocated to the existing shareholders of the Company in a ratio of 1 warrant for every 9 existing ordinary share
Number offered	:	170,000,000 units
Offering price	:	Baht 0
Term	:	Not exceeding 2 years from the issue date
Exercise ratio	:	1 warrant per ordinary share
Exercise price	:	Baht 40.00

Exercise period	: Last business day of every month until the expiry date
Offering period	: Within 1 year after approval by the shareholders
Listing	: Warrants to be listed on the Stock Exchange of Thailand

- 3) Approved a decrease in the registered capital of the Company from Baht 769.59 million to Baht 762.69 million, by cancelling the 13.79 million registered ordinary shares of the Company that were not yet issued. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 29 June 2016.
- 4) Approved an increase in the registered capital from the previous registered capital of Baht 762.69 million to a new registered capital of Baht 905.22 million by issuing an additional 285.05 million ordinary shares with a par value of Baht 0.50 each to be reserved for the exercise of conversion rights, as follows:
- Baht 85.0 million of additional registered capital generated through the issue of 170.0 million new ordinary shares with a par value of Baht 0.50 each to be reserved for the exercise of warrants (GL-W4).
 - Baht 57.52 million of additional registered capital generated through the issue of 115.05 million new ordinary shares with a par value of Baht 0.50 each to be reserved for the exercise of conversion rights by holders of the convertible debentures.

The Company registered the increase in its registered share capital with the Ministry of Commerce on 29 June 2016.

- 5) Approved the amendment of the Company's Memorandum of Association to increase/decrease the registered capital to Baht 905.22 million (1,810.44 million shares with a par value of Baht 0.50 each).

20.3 Reconciliation of number of ordinary shares

During the current period, the movements of registered and paid-up capital and premium on ordinary shares of the Company are as follows:

	Number of ordinary shares (Thousand Shares)	Registered capital (Thousand Baht)
<u>Registered share capital</u>		
At the beginning of the period	1,539,175	769,587
Increase	285,050	142,525
Decrease	(13,789)	(6,894)
At the end of the period	<u>1,810,436</u>	<u>905,218</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 period	1,427,285	713,643	4,254,634
Increase in capital from exercising of the rights of the convertible debenture	98,100	49,050	931,999
At the end of the period	1,525,385	762,693	5,186,633

21. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share.

Consolidated financial statements						
For the three-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2016 (Thousand Baht)	2015 (Thousand Baht)	2016 (Thousand shares)	2015 (Thousand shares)	2016 (Baht)	2015 (Baht)
Basic earnings per share						
Profit for the period	256,475	129,470	1,525,385	1,103,313	0.1681	0.1173
Effect of dilutive potential ordinary shares						
GL-WD	-	-	-	3,811		
GL-W3	-	-	-	52,749		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	256,475	129,470	1,525,385	1,159,873	0.1681	0.1116

Separate financial statements						
For the three-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	126,597	81,716	1,525,385	1,103,313	<u>0.0830</u>	<u>0.0741</u>
Effect of dilutive potential ordinary shares						
GL-WD	-	-	-	3,811		
GL-W3	-	-	-	52,749		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>126,597</u>	<u>81,716</u>	<u>1,525,385</u>	<u>1,159,873</u>	<u>0.0830</u>	<u>0.0705</u>
Consolidated financial statements						
For the six-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	478,640	239,708	1,525,385	1,095,694	<u>0.3138</u>	<u>0.2188</u>
Effect of dilutive potential ordinary shares						
GL-WD	-	-	-	5,879		
GL-W3	-	-	-	15,503		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>478,640</u>	<u>239,708</u>	<u>1,525,385</u>	<u>1,117,076</u>	<u>0.3138</u>	<u>0.2146</u>

Separate financial statements						
For the six-month periods ended 30 June						
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	222,932	152,836	1,525,385	1,095,694	<u>0.1461</u>	<u>0.1395</u>
Effect of dilutive potential ordinary shares						
GL-WD	-	-	-	5,879		
GL-W3	-	-	-	15,503		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>222,932</u>	<u>152,836</u>	<u>1,525,385</u>	<u>1,117,076</u>	<u>0.1461</u>	<u>0.1398</u>

However, no calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2015 was required for convertible debentures since the effect of diluted earnings per share is antidilutive.

22. Dividends

Dividends declared in the second quarter of 2016 consist of the following:

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividends from 2015 operations	Annual General Meeting of the shareholders on 28 April 2016	231,240	0.1560
		<u>231,240</u>	<u>0.1560</u>

Dividends declared in the second quarter of 2015 consist of the following:

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

23. 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.

24. Commitments

24.1 Capital commitments

As at 30 June 2016, the Company had capital commitments of approximately Baht 0.44 million, relating to the purchase of software license (31 December 2015: Baht 0.44 million).

24.2 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						
	30 June 2016				31 December 2015		
	Thousand Baht	Thousand LAK	Thousand USD	Thousand IDR	Thousand Baht	Thousand LAK	Thousand USD
Payable:							
In up to 1 year	25,231	139,419	104	50,040	15,983	237,757	173
In over 1 and up to 5 years	27,715	-	23	79,230	11,567	-	102

(Unit: Thousand Baht)

	Separate financial statement	
	30 June 2016	31 December 2015
Payable:		
In up to 1 year	6,246	7,000
In over 1 and up to 5 years	2,772	3,409

24.3 Service commitments

As at 30 June 2016, the Company is required to pay fees of USD 0.02 million, JPY 0.60 million and THB 0.69 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (31 December 2015: USD 0.03 million, JPY 0.50 million and THB 0.70 million per month).

24.4 Guarantees

As at 30 June 2016, there was outstanding bank guarantee of approximately Baht 300 million (31 December 2015: 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 (31 December 2015: Baht 0.29 million).

25. Segment information

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

The following tables present revenue information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2016 and 2015, respectively.

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2016				
	Business management and consulting services, financing to corporates and investment			Adjustments	
	Hire Purchase service	holding	Total reportable segments	and eliminations	Consolidated
Hire purchase interest income	492,282	-	492,282	-	492,282
Asset - backed loan interest income	26,960	-	26,960	-	26,960
Interest on loan receivables	-	115,720	115,720	-	115,720
Interest income	6,051	3	3	-	6,054
Consulting service fee income	-	7,061	7,061	-	7,061
Other income related to the activities of hire purchase	52,748	-	52,748	-	52,748
Others	3,403	-	3,403	-	3,403
Inter-segment revenue	103,749	47,059	150,808	(150,808)	-
Total revenue	685,193	169,843	855,036	(150,808)	704,228
Financial cost	(89,900)	(79,921)	(169,821)	124,167	(45,654)
Bad debts and doubtful accounts	(82,875)	-	(82,875)	-	(82,875)
Loss on disposals of foreclosed assets	(52,370)	-	(52,370)	-	(52,370)
Services and administrative expenses	(225,503)	(26,116)	(251,619)	34,313	(217,306)
Income tax expense	(46,829)	(3,344)	(50,173)	-	(50,173)
Segment profit	187,716	60,462	248,178	7,672	255,850

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2015				
	Business management and consulting services, financing to corporates and			Adjustments and	
	Hire Purchase service	investment holding	Total reportable segments	eliminations	Consolidated
Hire purchase interest income	471,484	-	471,484	-	471,484
Asset - backed loan interest income	1,342	-	1,342	-	1,342
Interest income	219	10,239	10,458	-	10,458
Consulting service fee income	-	23,609	23,609	-	23,609
Other income related to the activities of hire purchase	47,656	16,383	64,039	-	64,039
Others	44,274	(8,737)	35,537	-	35,537
Inter-segment revenue	46,006	64,480	110,486	(110,486)	-
Total revenue	610,981	105,974	716,955	(110,486)	606,469
Financial cost	(88,366)	(20,840)	(109,206)	40,968	(68,238)
Bad debts and doubtful accounts	(112,573)	-	(112,573)	-	(112,573)
Loss on disposals of foreclosed assets	(82,161)	-	(82,161)	-	(82,161)
Services and administrative expenses	(204,211)	(9,524)	(213,735)	29,276	(184,459)
Income tax expense	(29,405)	(1)	(29,406)	(162)	(29,568)
Segment profit	94,265	75,609	169,874	(40,404)	129,470

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2016					
	Business management and consulting services, financing to corporates and			Adjustments and	
	Hire Purchase service	investment holding	Total reportable segments	eliminations	Consolidated
Hire purchase interest income	976,984	-	976,984	-	976,984
Asset - backed loan interest income	48,553	-	48,553	-	48,553
Interest on loan receivables	-	229,237	229,237	-	229,237
Interest income	7,126	6	7,132	-	7,132
Consulting service fee income	-	7,061	7,061	-	7,061
Other income related to the activities of hire purchase	107,322	-	107,322	-	107,322
Others	7,414	308	7,722	-	7,722
Inter-segment revenue	202,119	89,763	291,882	(291,882)	-
Total revenue	1,349,518	326,375	1,675,893	(291,882)	1,384,011
Financial cost	(173,322)	(155,143)	(328,465)	238,786	(89,679)
Bad debts and doubtful accounts	(154,055)	-	(154,055)	-	(154,055)
Loss on disposals of foreclosed assets	(109,621)	-	(109,621)	-	(109,621)
Services and administrative expenses	(502,181)	(45,983)	(548,164)	94,955	(453,209)
Income tax expense	(82,961)	(16,471)	(99,432)	-	(99,432)
Segment profit	327,378	108,778	436,156	41,859	478,015

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2015					
	Business management and consulting services, financing to corporates and			Adjustments and	
	Hire Purchase service	investment holding	Total reportable segments	eliminations	Consolidated
Hire purchase interest income	954,713	-	954,713	-	954,713
Asset - backed loan interest income	1,342	-	1,342	-	1,342
Interest income	250	10,637	10,887	-	10,887
Consulting service fee income	-	36,662	36,662	-	36,662
Other income related to the activities of hire purchase	101,809	35,239	137,048	-	137,048
Others	47,480	(8,737)	38,743	-	38,743
Inter-segment revenue	86,712	91,540	178,252	(178,252)	-
Total revenue	1,192,306	165,341	1,357,647	(178,252)	1,179,395
Financial cost	(168,476)	(34,169)	(202,645)	70,941	(131,704)
Bad debts and doubtful accounts	(194,903)	-	(194,903)	-	(194,903)
Loss on disposals of foreclosed assets	(189,258)	-	(189,258)	-	(189,258)
Services and administrative expenses	(403,224)	(27,694)	(430,918)	65,760	(365,158)
Income tax expense	(58,663)	(1)	(58,664)	-	(58,664)
Segment profit	177,782	103,477	281,259	(41,551)	239,708

Segment assets of the Company and its subsidiaries as at 30 June 2016 and 31 December 2015 are as follows:

(Unit: Thousand Baht)

	Business management and consulting services, financing to corporates and			Unallocated assets	
	Hire Purchase service	investment holding	Total reportable segments		Consolidated
Segment assets					
At 30 June 2016	9,702,107	3,618,832	13,320,939	-	13,320,939
At 31 December 2015	7,662,036	3,103,081	10,765,117	-	10,765,117

Geographic information

Revenue from external customers is based on locations of the customers for the three-month and six-month periods ended 30 June 2016 and 2015, respectively.

	(Unit: Thousand Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2016	2015	2016	2015
Revenue from external customers				
Thailand	386,325	463,661	781,514	934,371
Cambodia	166,608	88,109	320,223	158,018
Singapore	122,784	41,494	236,613	73,801
Laos	22,676	13,205	39,826	13,205
Indonesia	5,835	-	5,835	-
Total	<u>704,228</u>	<u>606,469</u>	<u>1,384,011</u>	<u>1,179,395</u>

26. Contingent liabilities**Interest Rate Swap Transaction Agreements**

The subsidiary has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 30 June 2016 is amounting to Baht 80.0 million. The contracts are for a period of 15 months, maturing in September 2017. At each of the maturity dates, the subsidiary is required to pay interest to the bank based at fixed rate stipulated in the agreements (4.90% p.a.) and the bank is required to pay interest to the subsidiary at the floating rate plus stipulated rate. The agreement contains other conditions. The subsidiary would have had unrealised loss of approximately Baht 0.9 million, if it had recorded the above contracts at fair value.

27. Events after the reporting period

On 24 June 2016, the Extraordinary General Meeting of Shareholders of the Company approved the issue and offering of convertible debentures in an amount not exceeding USD 130 million 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 20.2. On 2 August 2016, the Company issued convertible debentures to a specific foreign investor JTrust Asia Pte. Ltd. through a private placement, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 July 2016.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2016.