

Group Lease Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2016
(Revised Auditors' Opinion)

Independent Auditor's Report

To the Shareholders of Group Lease Public Company Limited

1. Basis for Disclaimer of Opinion

I previously reported on 28 February 2017 on the financial statements of Group Lease Public Company Limited and its subsidiaries ("the Group") as of 31 December 2016 and for the year then ended which I gave the audit opinion without qualification but with the highlights on the emphasis of matters and disclosures on certain important events. I emphasized the matter related to loans with interest being earned at high rates, of which both were material to the Group's assets (represented 40 percent of the consolidated net assets) and profits (represented 38 percent of the consolidated profits). The loans were supported with documentary evidences of the agreements, related confirmations and representation from the management.

Following our comments on the major loans under the section on the emphasis of matters as previously highlighted, the Securities and Exchange Commission ("SEC") subsequently extended its enquiry and investigated on the bona fide of the transactions. Through assistance given by the regulatory bodies of the SEC outside Thailand and with the necessary co-ordination, the SEC has now concluded that there were wrongdoings. On 16 October 2017 the SEC has filed a criminal complaint against one of the management members of the Company for allowing the Company's subsidiary in Singapore to grant the loans of a total sum of approximately USD 54 million to four companies registered in Cyprus and one company registered in Singapore. That Company's executive turned out to be the party controlling the borrowed fund and was the true beneficiary from the loans. When the five borrowers received the loaned sum, money was circulated among these borrowing members in order to pay interest and repay the loans to the Group periodically. The interest was paid to the Group and included as the Group's revenues creatively boosted the performance in operation of the Group higher than the actual Group's performance.

The SEC has now charged that person as having committed fraud and falsehood in accounting through concealed acts and collusion with many related companies in foreign countries in order to exaggerate the Group's performance beyond actual results. Such acts were also tantamount to dissemination of falsehood and spreading of false information which had affected wrongly the stock prices and decision-making in stock investment. Furthermore, misrepresentation was made in assuring that the foreign borrowers were not connected or related to the management executives of the company whatsoever.

On 16 October 2017, the Company's management issued a statement that the SEC could have misunderstood the transactions and furthermore that management executive was no longer with the Company as from 16 October 2017 and therefore would have no effects on the Company's future operation. He also confirmed that the Company's clarification statement issued as of 13 March 2017 was truthful.

Because of that executive being legally charged and under ongoing official investigation and the ongoing legal process that have yet to be concluded and also my limitation as a professional auditor in searching for real status of these loan transactions when the real borrowers could be the Company itself, I am therefore unable to carry out any additional tasks further except to await for an official legal consideration and investigations for the final outcome since the authority has more scope and power to search for the true position. Therefore, under this circumstance that is now known to me, I have to modify my previous opinion on the consolidated financial statements and the Company's financial statements as of and for the year ended on 31 December 2016, (the report dated 28 February 2017), quarterly financial statements for the first quarter ended 31 March 2017 and second quarter ended 30 June 2017 (the reports dated 12 May 2017 and 15 August 2017 respectively) as then unqualified but with emphasis on unusual matters to the present opinion that I am unable to render the respective opinions for those related periods because of the findings of the SEC made with the assistance of the Cyprus Securities and Exchange Commission that the transactions appear to be self-generated followed by the ongoing legal process that have yet to be concluded. I now have to rely on official investigations to determine the degree of recoverability of the loans and also continuation of earning high interest, and additionally, the pervasion and opaqueness of the transactions that may have affected on other transactions of the Group.

2. Disclaimer of Opinion

I was engaged to audit the accompanying consolidated financial statements of Group Lease Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and to audit the separate financial statements of Group Lease Public Company Limited for the same period.

I do not express an opinion on the financial statements referred to above because of the significance of the matters described in paragraph 1. *Basis for Disclaimer of Opinion relating to the SEC charging one management executive of committed fraud and falsehood in accounting through concealed acts and collusion with many related companies in foreign countries*, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

3. Previous emphasis of matters

In the past, I used to draw attention to the following Notes to consolidated financial statements and I also continuingly draw attention to them at present.

3.1 Loans and interest receivables - Baht 3,477 million as of 31 December 2016 (represents 40 percent of the consolidated net assets as of 31 December 2016)

I draw attention to Note 11 of the consolidated financial statements relating to the loans and interest receivables. The Company provided loans to the Company's subsidiary in Singapore who in turn loaned out to two groups of borrowers in Cyprus and in Singapore. These borrowers are also shareholders of the Company and have pledged their shares in the Company against those loans with the Company's subsidiary in Singapore.

The loans was subject to pledging of securities of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company as owned by the borrowers. The Company informed us that the collaterals (including the shares of the Company which was valued at the closing price in the Stock Exchange of Thailand at the end of the year) covered 106 percent and 238 percent respectively of the outstanding amount of loans to these two groups of borrowers. But if ignoring the value of the pledged shares of the Company (based on prudence, shares of the lending company should not be counted as collateral against loans granted by itself), the remaining value of the collaterals

amounted to 60 percent and 53 percent respectively of the outstanding amount of loans to these two groups of borrowers.

The periods of the loans were various in the range of 3 months to 3 years. The principals were all due for repayment upon maturity. Some loan principals as became due during the year were rolled over and subsequently modified and extended to periods of 2-3 years. The loan balances which are subject to the mentioned amendments amounted approximately to Baht 2,129 million (USD 59 million).

The chargeable interest rates under the loan agreements were in the range of 14.5 percent to 25 percent per annum. The interest earned during the year derived from these loans amounted to Baht 485 million (average earned rate of 17 percent). The amount represents 38 percent of the consolidated profits of the Company and its subsidiaries for the year 2016.

The Company informed us that the borrowers are well established and trusted corporations and they are not related to the Company and the Company has done internal verifications on the borrowers and has considered them to be reliable.

3.2 Investment in associate company in Sri Lanka - Approximately Baht 2,545 million as of 31 December 2016

I draw attention to Note 2.1 of the consolidated financial statements relating to the investment in associate company in Sri Lanka. The subsidiary of the Company acquired 29.99% of the ordinary shares of a listed company on the Stock Exchange of Sri Lanka at a purchase price of Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26 million). The acquisition was approved at the Extraordinary General Meeting of the shareholders of the Company No.2/2016 on 6 December 2016 and some of the shares (22.27% of the ordinary shares of that company) were purchased from the selling company with one of its directors being also one of the Company's directors. The subsidiary company's outside professional valuer valued such investment at approximately Baht 1,900 - 2,500 million, while the appointed independent financial advisor valued such investment at approximately Baht 1,600 - 1,700 million. On the acquisition date, based on the then market price at the Stock Exchange of Sri Lanka, the value was at approximately Baht 1,391 million. The Company's management assessed that the purchase price represented approximately 8 times of the earnings of the acquired associated company. As at 31 December 2016, such investment was presented as an investment in associate in the consolidated financial statements, at the equity method of Baht 2,545 million (Based on the market price at the

Stock Exchange of Sri Lanka on 30 December 2016, the value was at approximately Baht 1,285 million).

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to conduct an audit of the financial statements in accordance with Thai Standards on Auditing and to issue an auditor's report. However, because of the matter described in paragraph 1. *Basis for Disclaimer of Opinion relating to the SEC charging one management executive of committed fraud and falsehood in accounting through concealed acts and collusion with many related companies in foreign countries*, I am therefore unable to express opinions when it now appears that the final outcome will have to depend on the official justice process in finding the degree of recoverability of the loans and the performance of the Group.

I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr.
Sophon Permsirivallop.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 28 February 2017 (except the event as described in paragraph 1 *Basis for Disclaimer of Opinion*, which was dated as of 17 October 2017)

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	8	2,551,224,122	1,044,886,024	468,721,663	552,224,270
Current portion of hire purchase and installment sales receivables	7, 9	3,150,339,743	3,198,880,188	1,946,220,415	2,095,264,423
Current portion of asset-backed loan receivables	10	226,271,990	113,093,494	-	-
Current portion of loans and interest receivables	11	882,434,573	2,152,933,578	-	18,780,000
Assets foreclosed	12	50,892,596	32,947,584	24,948,000	14,909,047
Short-term loan to and interest receivables from subsidiary	7	-	-	5,198,254,460	4,016,390,195
Other receivables	7, 13	186,247,480	127,494,102	34,424,749	30,104,324
Other current assets	7, 14	297,766,822	99,915,705	83,434,670	79,470,137
Total current assets		7,345,177,326	6,770,150,675	7,756,003,957	6,807,142,396
Non-current assets					
Pledged fixed deposit at financial institution	15	333,596	329,357	333,596	329,357
Investments in subsidiaries	16	-	-	6,017,119,942	1,200,116,812
Investments in associates	2, 17	2,545,426,122	-	-	-
Other long-term investments	7, 18	476,350,477	-	-	-
Share subscription payment in advance for acquisition of investment in subsidiary	2, 7	285,516,931	-	-	-
Long-term portion of hire purchase and installment sales receivables	7, 9	3,145,585,300	2,848,471,416	1,797,536,368	1,786,822,120
Long-term portion of asset-backed loan receivables	10	55,475,717	28,057,347	-	-
Long-term portion of loans and interest receivables	11	2,876,285,336	604,588,151	-	-
Property, plant and equipment	19	130,671,707	115,982,350	75,364,836	73,823,521
Intangible assets	20	139,795,655	101,066,818	35,827,970	15,501,349
Goodwill	21	122,156,894	122,518,835	-	-
Deferred tax assets	36	35,523,500	62,868,061	24,240,573	51,323,356
Other non-current assets	22	107,375,686	111,083,572	70,241,640	74,088,855
Total non-current assets		9,920,496,921	3,994,965,907	8,020,664,925	3,202,005,370
Total assets		17,265,674,247	10,765,116,582	15,776,668,882	10,009,147,766

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from financial institutions	23	556,260,296	349,049,821	448,767,117	349,049,821
Trade accounts payable		11,562,067	46,446,506	3,943,700	5,097,900
Short-term loans from and interest payable to related parties	7	4,396,402	4,115,283	130,000,000	-
Current portion of long-term loans	25	585,743,038	1,557,853,528	402,990,000	1,522,177,013
Current portion of long-term loans from subsidiary	7	-	-	53,300,000	-
Current portion of debentures	26	499,128,481	-	499,128,481	-
Income tax payable		87,086,134	53,316,344	16,426,790	29,475,140
Insurance premium payables		11,599,382	11,211,418	7,551,801	7,011,366
Other payables	7, 24	204,983,640	77,724,014	187,473,313	74,244,259
Other current liabilities	7	155,538,641	76,076,543	41,553,614	49,387,435
Total current liabilities		2,116,298,081	2,175,793,457	1,791,134,816	2,036,442,934
Non-current liabilities					
Long-term portion of long-term loans	25	212,389,957	504,593,084	174,140,003	360,490,003
Long-term portion of debentures	26	1,453,089,742	493,610,396	1,453,089,742	493,610,396
Convertible debentures - liability component	7, 27	4,506,286,891	-	4,506,286,891	-
Advance received for issuance of convertible debentures	7, 28	465,798,450	-	465,798,450	-
Provision for long-term employee benefits	29	8,720,523	7,480,315	8,720,523	7,480,315
Cash guarantee for damage on hire purchase agreements		2,179,973	2,180,907	2,063,646	2,063,646
Total non-current liabilities		6,648,465,536	1,007,864,702	6,610,099,255	863,644,360
Total liabilities		8,764,763,617	3,183,658,159	8,401,234,071	2,900,087,294
Shareholders' equity					
Share capital	30				
Registered					
1,845,090,080 ordinary shares of Baht 0.50 each (2015: 1,539,174,618 ordinary shares of Baht 0.50 each)		922,545,040	769,587,309	922,545,040	769,587,309
Issued and paid-up					
1,525,509,970 ordinary shares of Baht 0.50 each (2015: 1,427,285,251 ordinary shares of Baht 0.50 each)	30	762,754,985	713,642,626	762,754,985	713,642,626
Share premium	30	5,191,559,886	4,254,634,158	5,191,559,886	4,254,634,158
Share subscription received in advance	30	365,320	981,049,328	365,320	981,049,328
Retained earnings					
Appropriated - statutory reserve	33	92,254,504	76,958,731	92,254,504	76,958,731
Unappropriated		2,101,423,374	1,283,825,109	1,318,456,964	1,082,775,629
Other components of shareholders' equity	27	260,257,505	271,348,471	10,043,152	-
Total shareholders' equity		8,408,615,574	7,581,458,423	7,375,434,811	7,109,060,472
Non-controlling interests of the subsidiary		92,295,056	-	-	-
Total equity		8,500,910,630	7,581,458,423	7,375,434,811	7,109,060,472
Total liabilities and shareholders' equity		17,265,674,247	10,765,116,582	15,776,668,882	10,009,147,766
		-	-	-	-

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

Directors

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Profit or loss					
Revenues					
Hire purchase interest income		1,949,691,039	1,898,441,467	1,193,975,823	1,332,835,932
Asset - backed loan interest income		116,926,280	25,484,564	-	-
Interest on loan receivables		484,858,712	173,364,647	-	-
Other income					
Other interest income		25,032,980	2,202,858	324,902,541	147,215,074
Consulting service fee income		63,062,260	72,679,900	-	-
Management service fee income		-	-	84,000,000	84,000,000
Other income related to the activities of hire purchase	34	218,791,388	259,950,849	143,501,742	150,353,163
Others		63,780,215	56,578,918	58,093,010	75,603,387
Total revenues		2,922,142,874	2,488,703,203	1,804,473,116	1,790,007,556
Expenses					
Services and administrative expenses	35	887,375,789	784,371,371	506,846,134	476,319,784
Bad debts and doubtful accounts		313,269,760	356,566,970	220,954,334	322,570,895
Loss on disposals of foreclosed assets		232,251,114	355,030,334	214,606,636	309,197,903
Total expenses		1,432,896,663	1,495,968,675	942,407,104	1,108,088,582
Profit before share of profit from investments in associates, finance cost and income tax expenses					
Share of profit from investments in associates	17	48,354,695	-	-	-
Profit before finance cost and income tax expenses		1,537,600,906	992,734,528	862,066,012	681,918,974
Finance cost		(272,749,543)	(266,768,059)	(261,139,346)	(256,911,422)
Profit before income tax expenses		1,264,851,363	725,966,469	600,926,666	425,007,552
Income tax expenses	36	(202,032,098)	(143,075,473)	(118,999,618)	(84,795,909)
Profit for the year		1,062,819,265	582,890,996	481,927,048	340,211,643
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(28,549,023)	235,098,858	-	-
Share of other comprehensive income from investments in associates - net of income tax	17	8,047,767	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		(20,501,256)	235,098,858	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	29	290,031	(2,028,643)	290,031	(2,028,643)
Other comprehensive income not to be reclassified to profit or loss in subsequent period - net of income tax		290,031	(2,028,643)	290,031	(2,028,643)
Other comprehensive income for the year		(20,211,225)	233,070,215	290,031	(2,028,643)
Total comprehensive income for the year		1,042,608,040	815,961,211	482,217,079	338,183,000

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

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2016

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit attributable to:				
Equity holders of the Company	1,063,843,978	582,890,996	481,927,048	340,211,643
Non-controlling interests of the subsidiary	(1,024,713)	-		
	<u>1,062,819,265</u>	<u>582,890,996</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	1,042,999,891	815,961,211	482,217,079	338,183,000
Non-controlling interests of the subsidiary	(391,851)	-		
	<u>1,042,608,040</u>	<u>815,961,211</u>		
Earnings per share				
	37			
Basic earnings per share				
Profit for the year	0.697	0.489	0.316	0.286
Weighted average number of ordinary shares (shares)	<u>1,525,422,898</u>	<u>1,190,878,781</u>	<u>1,525,422,898</u>	<u>1,190,878,781</u>
Diluted earnings per share				
Profit for the year	0.692	0.464	0.313	0.271
Weighted average number of ordinary shares (shares)	<u>1,537,895,350</u>	<u>1,256,644,934</u>	<u>1,537,895,350</u>	<u>1,256,644,934</u>

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

Group Lease Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements																									
											Other components of equity														
											Other comprehensive income														
											Unrealised gain (loss)	Exchange differences			Total equity	Equity attributable									
											on changes in fair value	on translation of			attributable to	to non-controlling									
											of available-for-sale	financial statements	Convertible debentures	Total other components of	the owners of	interests of	Total								
												in foreign currency	- equity component	owners of the Company	the Company	the subsidiary	equity								
											Issued and	Share subscription	Capital reserve for	Retained earnings											
											paid-up	received	share-based payment												
											share capital	Share premium	in advance	transactions	Appropriated	Unappropriated									
											Note														
Balance as at 1 January 2015													542,884,816	1,084,254,433	-	3,584,428	72,092,614	774,501,693	-	36,249,613	-	36,249,613	2,513,567,597	-	2,513,567,597
Profit for the year													-	-	-	-	-	582,890,996	-	-	-	-	582,890,996	-	582,890,996
Other comprehensive income for the year													-	-	-	-	-	(2,028,643)	-	235,098,858	-	235,098,858	233,070,215	-	233,070,215
Total comprehensive income for the year													-	-	-	-	-	580,862,353	-	235,098,858	-	235,098,858	815,961,211	-	815,961,211
Issuance of ordinary shares during year																									
from the exercise of warrants													170,757,810	3,170,379,725	-	(4,084,234)	-	-	-	-	-	-	3,337,053,301	-	3,337,053,301
Capital reserve for share-based payment																									
transactions													-	-	-	499,806	-	-	-	-	-	-	499,806	-	499,806
Issue convertible debentures - equity component													-	-	-	-	-	-	-	-	268,410	268,410	268,410	-	268,410
Transferred of convertible debentures to share																									
subscription received in advance													-	-	981,049,328	-	-	-	-	-	(268,410)	(268,410)	980,780,918	-	980,780,918
Dividend paid													32	-	-	-	-	(66,672,820)	-	-	-	-	(66,672,820)	-	(66,672,820)
Appropriated to statutory reserved													33	-	-	-	4,866,117	(4,866,117)	-	-	-	-	-	-	-
Balance as at 31 December 2015													713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,283,825,109	-	271,348,471	-	271,348,471	7,581,458,423	-	7,581,458,423
Balance as at 1 January 2016													713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,283,825,109	-	271,348,471	-	271,348,471	7,581,458,423	-	7,581,458,423
Profit for the year													-	-	-	-	-	1,063,843,978	-	-	-	-	1,063,843,978	(1,024,713)	1,062,819,265
Other comprehensive income for the year													-	-	-	-	-	290,031	1,793,550	(22,927,668)	-	(21,134,118)	(20,844,087)	632,862	(20,211,225)
Total comprehensive income for the year													-	-	-	-	-	1,064,134,009	1,793,550	(22,927,668)	-	(21,134,118)	1,042,999,891	(391,851)	1,042,608,040
Issuance of ordinary shares during year																									
from the exercise of warrants													30, 31	62,359	4,926,400	-	-	-	-	-	-	-	4,988,759	-	4,988,759
Issuance of ordinary shares during year																									
from transferring of share subscription																									
received in advance													30	49,050,000	931,999,328	(981,049,328)	-	-	-	-	-	-	-	-	-
Share subscription received in advance																									
from the exercise of warrants													30, 31	-	-	365,320	-	-	-	-	-	-	365,320	-	365,320
Issue convertible debentures - equity component													27	-	-	-	-	-	-	-	10,043,152	10,043,152	10,043,152	-	10,043,152
Dividend paid													32	-	-	-	-	(231,239,971)	-	-	-	-	(231,239,971)	-	(231,239,971)
Increase in non-controlling interest																									
from established a new subsidiary														-	-	-	-	-	-	-	-	-	-	92,686,907	92,686,907
Appropriated to statutory reserved													33	-	-	-	15,295,773	(15,295,773)	-	-	-	-	-	-	-
Balance as at 31 December 2016													762,754,985	5,191,559,886	365,320	-	92,254,504	2,101,423,374	1,793,550	248,420,803	10,043,152	260,257,505	8,408,615,574	92,295,056	8,500,910,630
													-	-	-	-	-	-	-	-	-	-	-	-	-
													-	-	-	-	-	-	-	-	-	-	-	-	-

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

Group Lease Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2016

(Unit: 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		542,884,816	1,084,254,433	-	3,584,428	72,092,614	816,131,566	-	2,518,947,857
Profit for the year		-	-	-	-	-	340,211,643	-	340,211,643
Other comprehensive income for the year		-	-	-	-	-	(2,028,643)	-	(2,028,643)
Total comprehensive income for the year		-	-	-	-	-	338,183,000	-	338,183,000
Issuance of ordinary shares during year									
from the exercise of warrants		170,757,810	3,170,379,725	-	(4,084,234)	-	-	-	3,337,053,301
Capital reserve for share-based payment transactions		-	-	-	499,806	-	-	-	499,806
Issue convertible debentures - equity component		-	-	-	-	-	-	268,410	268,410
Transferred of convertible debentures to share subscription received in advance		-	-	981,049,328	-	-	-	(268,410)	980,780,918
Divident paid	32	-	-	-	-	-	(66,672,820)	-	(66,672,820)
Appropriated to statutory reserved	33	-	-	-	-	4,866,117	(4,866,117)	-	-
Balance as at 31 December 2015		<u>713,642,626</u>	<u>4,254,634,158</u>	<u>981,049,328</u>	<u>-</u>	<u>76,958,731</u>	<u>1,082,775,629</u>	<u>-</u>	<u>7,109,060,472</u>
Balance as at 1 January 2016		713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,082,775,629	-	7,109,060,472
Profit for the year		-	-	-	-	-	481,927,048	-	481,927,048
Other comprehensive income for the year		-	-	-	-	-	290,031	-	290,031
Total comprehensive income for the year		-	-	-	-	-	482,217,079	-	482,217,079
Issuance of ordinary shares during year									
from the exercise of warrants	30, 31	62,359	4,926,400	-	-	-	-	-	4,988,759
Issuance of ordinary shares during period									
from transferring of share subscription received in advance	30	49,050,000	931,999,328	(981,049,328)	-	-	-	-	-
Share subscription received in advance									
from the exercise of warrants	30, 31	-	-	365,320	-	-	-	-	365,320
Issue convertible debentures - equity component	27	-	-	-	-	-	-	10,043,152	10,043,152
Divident paid	32	-	-	-	-	-	(231,239,971)	-	(231,239,971)
Appropriated to statutory reserved	33	-	-	-	-	15,295,773	(15,295,773)	-	-
Balance as at 31 December 2016		<u>762,754,985</u>	<u>5,191,559,886</u>	<u>365,320</u>	<u>-</u>	<u>92,254,504</u>	<u>1,318,456,964</u>	<u>10,043,152</u>	<u>7,375,434,811</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	1,264,851,363	725,966,469	600,926,666	425,007,552
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	36,613,520	28,422,704	17,207,851	10,873,145
Amortisation	6,858,140	19,354,827	1,865,770	596,950
Bad debts and doubtful accounts	318,269,760	357,322,921	225,954,334	322,570,895
(Gain) loss on disposal/write-off of equipment	(324,522)	186,970	(171,865)	50,464
Loss on disposals of assets foreclosed	232,251,114	355,030,334	214,606,636	309,197,902
Loss (reversal of loss) on diminution in value of assets foreclosed	5,525,369	(7,575,560)	6,282,144	(2,334,698)
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	7,435,570	1,074,541
Unrealised exchange (gain) loss	(569,193)	662,547	8,361,684	(20,814,961)
Provision for long-term employee benefits	3,367,214	425,130	3,367,214	425,130
Capital reserve for share-based payment transactions	-	499,806	-	499,806
Share of profit from investments in associates	(48,354,695)	-	-	-
Interest income	(25,032,980)	(175,543,203)	(324,902,542)	(147,215,074)
Interest expenses	257,221,109	248,140,221	247,569,384	238,702,840
Amortised front end fees of loans	5,271,458	11,547,089	3,312,987	11,547,089
Amortised transaction cost of debentures	9,762,607	7,080,748	9,762,607	6,661,494
Amortised transaction cost of convertible debentures	494,369	-	494,369	-
Profit from operating activities before changes in operating assets and liabilities	2,066,204,633	1,571,521,003	1,022,072,809	1,156,843,075
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(550,808,220)	(309,323,943)	(82,624,575)	328,121,659
Asset - backed loan receivables	(151,932,987)	(141,150,841)	-	-
Loans and interest receivables	(1,017,784,463)	(2,611,125,275)	-	-
Assets foreclosed	(256,083,712)	(356,805,486)	(230,927,733)	(307,701,751)
Other receivables	(62,940,921)	(81,868,314)	(3,640,308)	(5,010,729)
Other current assets	(222,924,862)	17,229,140	660,918	12,882,617
Other non-current assets	(1,461,999)	50,742,376	(1,301,627)	(6,034,448)
Operating liabilities increase (decrease)				
Trade accounts payable	(34,885,002)	37,371,374	(1,154,200)	(1,253,005)
Insurance premium payables	387,964	(514,357)	540,435	(2,670,948)
Other payables	114,617,138	20,713,122	102,411,182	47,649,863
Other current liabilities	(6,220,047)	10,802,355	(7,833,822)	19,552,864
Guarantee for damage from hire purchase agreements	(934)	(144,486)	-	(132,617)
Cash flows from (used in) operating activities	(123,833,412)	(1,792,553,332)	798,203,079	1,242,246,580
Cash paid for long-term employee benefits	(1,764,467)	(1,860,000)	(1,764,467)	(1,860,000)
Cash paid for interest expenses	(248,077,911)	(247,613,418)	(239,881,972)	(239,309,622)
Cash received from withholding tax refund	617,065	-	617,065	-
Cash paid for corporate income tax	(117,058,740)	(50,488,927)	(58,747,965)	(35,300,512)
Net cash flows from (used in) operating activities	(490,117,465)	(2,092,515,677)	498,425,740	965,776,446

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

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(4,239)	(4,989)	(4,239)	(4,989)
Acquisition of investment in associate	(2,489,023,661)	-	-	-
Acquisition of other investments	(414,501,750)	-	-	-
Share subscription payment in advance for acquisition of investment in subsidiary	(261,982,123)	-	-	-
Decrease (increase) in accounts receivable and loans to employees	147,546	(69,629)	147,546	(69,629)
Proceeds from sales of equipment	420,283	-	190,654	-
Acquisitions of equipment	(51,910,024)	(35,467,280)	(19,436,933)	(14,375,985)
Acquisitions of intangible asset	(48,203,758)	(27,601,682)	(22,138,415)	(22,562,250)
Cash paid for short-term loan to subsidiaries	-	-	(5,743,742,800)	(4,102,717,335)
Cash receipt from short-term loan to subsidiaries	-	31,680,508	-	1,253,270,795
Cash paid for short-term loan	-	(20,700,000)	-	(20,700,000)
Cash receipt from short-term loan	18,780,000	1,920,000	18,780,000	1,920,000
Interest received	28,255,380	75,061,762	2,425,389	59,239,707
Net cash flows from (used in) investing activities	(3,218,022,346)	24,818,690	(5,763,778,798)	(2,845,999,686)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	209,570,398	100,000,000	102,077,218	100,000,000
Cash received from short-term loans from related party	-	151,469,042	130,000,000	-
Repayment of short-term loans from related party	-	(167,991,332)	-	-
Cash received from long-term loans from related party	-	-	80,000,000	-
Repayment of long-term loans from related party	-	-	(26,700,000)	-
Cash received from long-term loans	1,765,633,240	1,024,330,200	1,655,000,000	834,000,000
Repayment of long-term loans	(3,032,259,600)	(2,836,034,788)	(2,963,850,000)	(2,817,850,000)
Cash paid for front end fees of loans	(2,742,209)	(1,001,087)	-	-
Cash received from issuance of debentures	1,500,000,000	-	1,500,000,000	-
Cash paid for transaction costs of debentures	(50,425,000)	-	(50,425,000)	-
Cash receipt from issuance of convertible debentures	4,521,831,565	981,000,000	4,521,831,565	981,000,000
Cash paid for transaction costs of convertible debentures	(5,995,891)	(6,241,747)	(5,995,891)	(6,241,747)
Cash received from advance received for issuance of convertible debentures	465,798,450	-	465,798,450	-
Cash received from exercise of warrants	4,988,760	3,337,053,300	4,988,760	3,337,053,300
Cash received from share subscription received in advance	365,320	-	365,320	-
Cash received from non-controlling interests in respect of establishing new subsidiary	92,686,907	-	-	-
Dividend paid	(231,239,971)	(66,672,819)	(231,239,971)	(66,672,819)
Net cash flows from financing activities	5,238,211,969	2,515,910,769	5,181,850,451	2,361,288,734
Exchange differences on translation of financial statement in foreign currency	(23,734,060)	239,226,473	-	-
Net increase (decrease) in cash and cash equivalents	1,506,338,098	687,440,255	(83,502,607)	481,065,494
Cash and cash equivalents at beginning of year	1,044,886,024	357,445,769	552,224,270	71,158,776
Cash and cash equivalents at the end of year (Note 8)	2,551,224,122	1,044,886,024	468,721,663	552,224,270
	-	-	-	-

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

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Supplement cash flows information				
Non-cash items				
Transferred assets foreclosed to equipment	362,217	-	-	-
Transferred equipment to Intangible assets	668,978	-	668,978	-
Transferred intangible assets to other receivables	-	-	615,000	-
Transaction cost of debentures payable	729,780	-	729,780	-
Transferred share subscription payment in advance to investment in subsidiary	-	-	-	128,695,411
Transferred short-term loans to subsidiary to investment in subsidiary	-	-	4,817,003,130	-
Transfer convertible debentures to share subscription received in advance	-	981,049,328	-	981,049,328
Transferred of share subscription received in advance to ordinary shares and share premium	981,049,328	-	981,049,328	-
Transfer capital reserve for share-based payment transactions to share premium	-	4,084,234	-	4,084,234

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

Group Lease Public Company Limited and its subsidiaries

Financial statements

For the year ended 31 December 2016

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Group Lease Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

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

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

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

2. Business acquisitions

2.1 Acquisition of Commercial Credit and Finance PLC by the Company’s subsidiary

On 6 December 2016, the Extraordinary General Meeting of the Company’s shareholders No.2/2016 passed a resolution to approve Group Lease Holdings Pte. Ltd. (GLH)’s acquisition of 95,390,500 ordinary shares of Commercial Credit and Finance PLC (“CCF”) (or 29.99% of total share capital in CCF), at a purchase price equal to LKR 111 per share or a total of LKR 10,588 million or equivalent to approximately Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26.5 million). The 70,822,537 ordinary shares or 22.27% of the total share capital in CCF were partial purchased from a company that has a common director with the Group.

CCF is a listed company and incorporated in Sri Lanka and its main activities are leasing, microfinance, lending and hire purchase business.

The Group's outside professional valuer valued a 29.99% interest in CCF's business at around Baht 1,900 - 2,500 million, which is close to the acquisition price, while an independent financial advisor valued the interest in CCF at approximately Baht 1,600 - 1,700 million, and on the basis of the market price of CCF's shares in Sri Lanka at the acquisition date the investment has a value of Baht 1,391 million. As at 31 December 2016, the investment in CCF was presented as an investment in associate in the consolidated financial statements, at the equity method of Baht 2,545 million (based on the market price at the Stock Exchange of Sri Lanka on 30 December 2016, the value was at approximately Baht 1,285 million).

In addition CCF's Board of Directors' meeting approved the appointment of the Group's key management as CCF's directors which was effective on 4 October 2016. The management has assessed that the Group has significant influence over CCF therefore the Group recorded the investment in the associate company and recognised the share of profit under the equity method from the date on which the Group obtained the significant influence in associated company.

The balance of the investment in the associate company in CCF at acquisition date is summarised below.

	(Unit: Thousand Baht)
Net asset acquired	644,184
Acquisition-related costs	26,543
The excess of purchase price over net asset value	<u>1,818,297</u>
Total Investment in associate - CCF	<u><u>2,489,024</u></u>

The Group incurred associate acquisition-related costs of Baht 26.5 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the cost of investment of the associate in the Group's consolidated statement of financial position.

At present, the Group is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of twelve months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (revised 2015).

2.2 Acquisition of BG Microfinance Myanmar Co., Ltd by the Company's subsidiary

On 6 December 2016, an Extraordinary General Meeting of the shareholders No.2/2016 passed the resolution to approve GLH's acquisition of 1,387,680 ordinary shares of BG Microfinance Myanmar Co., Ltd ("BGMM") (or 100.00% of total paid up share capital in BGMM), at a purchase price equal to USD 5.77 per share or a total of USD 8.01 million (equivalent to approximately Baht 277.24 million). BGMM is incorporated in the Republic of the Union of Myanmar and engaged in the activity of microfinance business.

The acquisition of this business was completed in early January 2017.

As at 31 December 2016, the outstanding balance of share subscription payment in advance amounted to Baht 285.5 million presents as "Share subscription payment in advance for acquisition of investment in subsidiary" in the consolidated statement of financial position.

3. Basis of preparation

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

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

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

3.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Group Lease Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		2016	2015	
Group Lease Holdings Pte. Ltd. ("GLH")	Singapore	100	100	Business management and consulting services, financing to corporates and investment holding

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		2016	2015	
GL Finance Plc. (shares held by Group Lease Holdings Pte. Ltd.) ("GLF")	Cambodia	100	100	Hire purchase services & Asset-backed Loans to Consumers (motorcycles, agricultural machinery and equipment)
Thanaban Company Limited ("TNB")	Thailand	100	100	Hire purchase services & Asset-backed Loans to Consumers (motorcycles, cars)
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 (started operation in the third quarter of 2016)

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

4. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance 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 and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

5. Significant accounting policies

5.1 Revenue recognition

a) Hire purchase interest income

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

b) Asset - backed loans interest income

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

c) Interest on loan receivables

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

d) Penalty income

Penalty income is recognised when received.

e) Consultation service fee income

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

f) Other fee income

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

g) Interest income

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

h) Dividends

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

5.2 Expense recognition

a) Interest expenses

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

b) Commissions and direct expenses of the hire purchase business

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

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

5.3 Cash and cash equivalents

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

5.4 Hire purchase and installment sales receivables/ Asset-backed loan receivables and allowance for doubtful accounts

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

Asset-backed loan receivables are stated net of unearned interest income and allowance for doubtful accounts.

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

5.5 Loan receivables and allowance for doubtful accounts

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

The Company and its subsidiaries provide allowance for doubtful accounts for loan receivables based on the amount of the debts that the Company expects to be recoverable in the future in comparison with the collateral value, and the amount of debts that may not be collectible, which is generally determined on the basis of collection experience and analysis of debt aging.

5.6 Assets foreclosed

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

5.7 Investments

a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

b) Investments in associates is accounted for in the consolidated financial statements using the equity method.

c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.8 Property, plant and equipment/Depreciation

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

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

	<u>Useful lives</u>
Buildings	20 years
Building improvement and lease area	5, 10 years
Furniture and office equipment	5, 10 years

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

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

Depreciation is included in determining income.

No depreciation is provided for land.

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

5.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end.

The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Exclusive right agreement	5 years 10 months
Computer software	3, 10 years

5.10 Business combination

The cost of an acquisition is measured at fair value which is the amount of cash or cash equivalents, or the fair market value of any other consideration given as determined at the date of acquisition.

For investment in subsidiaries, the Company and its subsidiaries account for acquisition-related costs such as professional fees and other consulting fees, as expenses in the period in which the costs are incurred and the services are rendered.

For investment in associates the Company and its subsidiaries account for acquisition-related costs such as professional fees and other consulting fees, as part of the cost of investment in the associate.

At the acquisition date, the Company measures components of non-controlling interests amount by identifying the acquiree's net assets to the present proportionate share.

5.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.12 Related party transactions

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

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

5.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.14 Impairment of assets

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

An impairment loss is recognised in the comprehensive income statement.

5.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan has been is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

5.16 Provisions

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

5.17 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.18 Interest rate swap contracts

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

5.19 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

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

Allowance for doubtful accounts

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

Diminution in value of assets foreclosed

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases, agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with subsidiary companies:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	56	93	Contract rate
Interest income	-	-	322,409	145,953	7.00% per annum
Other income	-	-	93,613	91,684	Contract rate
Interest expenses	-	-	7,591	-	7.00% per annum
Administrative expenses	-	-	-	49,825	Contract rate
Transactions with related parties:					
Interest income	-	247	-	-	6.75% - 7.50% per annum
Other income - financial support	-	13,130	-	-	Contract rate

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
Interest expenses	96,059	550	95,699	-	5.00% - 10.00% per annum
Sales of asset foreclosed	24,030	-	-	-	Contract rate
Acquisition of investment in associate					
- CCF	1,828,265	-	-	-	Contract rate
Acquisition of other long term investments					
- JTrust Bank	414,502	-	-	-	Contract rate

(Unit: Thousand Baht)

	2016	Pricing policy
Transactions between GLH and subsidiaries:		
(Not presented in both consolidated and separate financial statements)		
Interest income	175,387	6.50% - 10.00% per annum
Other income	14,427	Contract rate
Interest expenses	323,340	7.00% per annum
Administrative expenses	1,679	Contract rate
IT staff cost capitalization to software under development	4,727	Employment contract

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 shareholder of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholder of that company / Common director
Engine Holdings Asia Pte. Ltd.	Company's director is major shareholder of that company / Common director

Name of related parties	Relationship with the Company
Cambodian People Micro Insurance PLC.	Common director with the Company and GLF
JTrust Asia Pte. Ltd.	Shareholder of GLFI
APF Trading Plc.	Common director with GLF
PT Bank JTrust Indonesia Tbk.	Common shareholder with GLFI
Commercial Credit and Finance PLC.	Associates
Creation Investment Sri Lanka LLC.	Common director with the Company

As at 31 December 2016 and 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	financial statements	financial statements
	2016	2015	2016	2015
<u>Hire purchase and installment sales receivables</u>				
<i>Subsidiary company</i>				
GL Finance Plc.	-	-	646	1,031
Total	-	-	646	1,031
<u>Short-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	5,198,254	4,016,390
Total	-	-	5,198,254	4,016,390
<u>Other receivables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	14,919	4,096
GL Finance Plc.	-	-	1,536	359
Thanaban Co.,Ltd.	-	-	8,762	8,859
<i>Related parties</i>				
Director of the Company and subsidiary	11,875	11,275	-	-
A.P.F. Group Co., Ltd.	4,784	4,872	-	-
Engine Holdings Asia Pte. Ltd	1,341	2,813	-	-
Asia Partnership Fund Pte., Ltd.	12	-	-	-
Cambodian People Micro Insurance PLC.	218	-	-	-
APF Trading Plc.	24,328	-	-	-
PT Bank JTrust Indonesia Tbk.	2,270	-	-	-
Total	44,828	18,960	25,217	13,314

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Other current assets</u>				
<i>Related party</i>				
APF Trading Plc.	175,457	-	-	-
Total	175,457	-	-	-
<u>Subscription payment in advance for acquisition of investment in subsidiary</u>				
<i>Associate company</i>				
Commercial Credit and Finance PLC.	80,123	-	-	-
Total	80,123	-	-	-
<u>Short-term loans from and interest payable to related parties</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	130,000	-
<i>Related parties</i>				
Director of the Company and subsidiary	248	250	-	-
Cambodian People Micro Insurance PLC.	4,148	3,865	-	-
Total	4,396	4,115	130,000	-
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	53,300	-
Total	-	-	53,300	-
<u>Other payables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	49,826	49,826
GL Finance Plc.	-	-	2,124	334
GL Leasing (Lao) Company Limited	-	-	-	77
<i>Related party</i>				
JTrust Asia Pte. Ltd.	95,699	-	95,699	-
Total	95,699	-	147,649	50,237
<u>Other current liabilities</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	236	236
Thanaban Co., Ltd.	-	-	1,255	1,571
<i>Related parties</i>				
Commercial Credit and Finance Plc.	6,643	-	-	-
Director of the Company and subsidiaries	129	92	-	-
Total	6,772	92	1,491	1,807

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Convertible debentures</u>				
<i>Related party</i>				
JTrust Asia Pte. Ltd.	4,521,842	-	4,521,842	-
Total	4,521,842	-	4,521,842	-
<u>Advance received for issuance of convertible debentures</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	179,153	-	179,153	-
Creation Investment Sri Lanka LLC.	286,645	-	286,645	-
Total	465,798	-	465,798	-

On 27 July 2016, GLF entered into an agreement with a related party which required to pay deposit to them for the estimated prices of assets to be leased.

As at 31 December 2016, deposit of assets to be leased as presented under the caption of other current assets in the consolidated financial statements, totaling USD 4.9 million.

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

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year		Gain (loss) from	Balance as at
	1 January 2016	Increase	Decrease	exchange rate	31 December 2016
<u>Short-term loans to and interest receivable from related parties</u>					
<i>Subsidiary company</i>					
Group Lease Holdings Pte. Ltd.	4,016,390	1,440,749	(322,448)	63,563	5,198,254
Total	4,016,390	1,440,749	(322,448)	63,563	5,198,254

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 year, short-term loans from and interest payable to related parties have movement as below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Balance as at		During the year		Exchange differences
	1 January			on translation of	Balance as at
	2016	Increase	Decrease	financial statement	31 December
				in foreign currency	2016
<u>Short-term loans from and interest payable to related parties</u>					
<i>Related parties</i>					
Director of the Company and subsidiaries	250	-	-	(2)	248
Cambodian People Micro Insurance PLC.	3,865	320	-	(37)	4,148
Total	4,115	320	-	(39)	4,396

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).

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

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2016	Increase	Decrease	31 December 2016
<u>Short-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	135,211	(5,211)	130,000
Total	-	135,211	(5,211)	130,000

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

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

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2016	Increase	Decrease	31 December 2016
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	82,381	(29,081)	53,300
Total	-	82,381	(29,081)	53,300

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

Side agreements and corporate guarantee for convertible debentures - related party

During the year, the Company issued the convertible debentures in foreign currencies as disclosed in Note 27. The Company entered into the related agreement to hedge foreign exchange risk as the following:

On 1 August 2016, the Company entered into a side agreement with Engine Holdings Asia Pte. Ltd. ("EHA"), which is related party of the Company, to hedge foreign exchange risk for the interest payable on the convertible debentures issued to JTrust Asia Pte. Ltd. Under the side agreement, each month's interest payment is determined using the selling exchange rate announced by the Bank of Thailand at the end of that month, and if this exchange rate differs from exchange rate on the date interest payment is made to JTrust Asia Pte. Ltd, EHA will receive or pay the resulting difference.

On 17 October 2016, the Company entered into another side agreement with EHA to hedge the foreign exchange risk for USD 130 million of convertible debentures issued to JTrust Asia Pte. Ltd, whereby the forward exchange rate is fixed at Baht 34.78 per 1 USD. If this exchange rate differs from the rate applicable on the date the convertible debentures are redeemed by and principal is paid to JTrust Asia Pte. Ltd, EHA will receive or pay the resulting difference.

In addition, EHA entered into a corporate guarantee with its major shareholder, Wedge Holdings Co., Ltd., to provide a guarantee for EHA's obligations under the side agreements. If EHA is unable to comply with the side agreements, Wedge Holdings Co., Ltd. undertakes to compensate the Company for any exchange losses instead of EHA.

The side agreements and the letter of guarantee stipulate that no fees will be collected from the counterparty.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements			
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	38,068	1,111	54,613	342
Post-employment benefits	210	-	1,800	-
Total	38,278	1,111	56,413	342

	Separate financial statements			
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	34,392	194	52,573	-
Post-employment benefits	210	-	1,800	-
Total	34,602	194	54,373	-

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Cash	3,126	1,415	184	190
Bank deposits	2,548,098	1,043,471	468,538	552,034
Total	2,551,224	1,044,886	468,722	552,224

As at 31 December 2016 and 2015, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.00% - 7.50% per annum and 0.05% - 0.70% per annum, respectively (the Company only: 0.85% - 1.00% per annum and 0.05% - 0.37% per annum).

9.2 As at 31 December 2016 and 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	
	2016	2015	2016	2015	2016	2015
Hire purchase and installment sales receivables						
Not yet due	5,630,021	5,318,370	40,539	38,847	5,589,482	5,279,523
Past due:						
1 month	364,616	379,728	24,453	31,801	340,163	347,927
2 - 3 months	268,833	322,027	46,049	62,104	222,784	259,923
4 - 6 months	128,480	142,406	44,165	55,231	84,315	87,175
7 - 9 months	94,918	118,566	50,605	69,909	44,313	48,657
10 - 12 months	63,810	118,198	48,944	94,057	14,866	24,141
Over 12 months	2,444	8,886	2,442	8,881	2	5
Total	<u>6,553,122</u>	<u>6,408,181</u>	<u>257,197</u>	<u>360,830</u>	<u>6,295,925</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	
	2016	2015	2016	2015	2016	2015
Hire purchase and installment sales receivables						
Not yet due	3,352,810	3,359,815	33,049	33,147	3,319,761	3,326,668
Past due:						
1 month	228,878	269,183	22,698	26,684	206,180	242,499
2 - 3 months	176,054	229,607	34,973	45,580	141,081	184,027
4 - 6 months	76,372	113,826	30,348	45,216	46,024	68,610
7 - 9 months	59,836	99,914	35,723	59,596	24,113	40,318
10 - 12 months	32,569	97,912	25,974	77,953	6,595	19,959
Over 12 months	2,302	2,458	2,300	2,453	2	5
Total	<u>3,928,821</u>	<u>4,172,715</u>	<u>185,065</u>	<u>290,629</u>	<u>3,743,756</u>	<u>3,882,086</u>

9.3 As at 31 December 2016 and 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			
	2016		2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,847,879	3,310,344	5,043,255	3,422,013
After one year but not more than five years	4,331,362	3,242,778	3,906,394	2,986,168
Total	<u>9,179,241</u>	<u>6,553,122</u>	<u>8,949,649</u>	<u>6,408,181</u>
Less: Amounts representing finance charges	<u>(2,626,119)</u>		<u>(2,541,468)</u>	
Present value of minimum lease payments	<u>6,553,122</u>		<u>6,408,181</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	2016		2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,094,452	2,058,566	3,388,149	2,268,250
After one year but not more than five years	2,398,295	1,870,255	2,437,087	1,904,465
Total	5,492,747	<u>3,928,821</u>	5,825,236	<u>4,172,715</u>
Less: Amounts representing finance charges	<u>(1,563,926)</u>		<u>(1,652,521)</u>	
Present value of minimum lease payments	<u>3,928,821</u>		<u>4,172,715</u>	

9.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 December 2016 and 2015, there are outstanding hire purchase receivable amounting to approximately Baht 214 million and Baht 395 million, respectively (the Company only: Baht 200 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 year ended 31 December 2016 and 2015 would be reduced by Baht 5 million and Baht 14 million, respectively (the Company only: Baht 5 million and Baht 13 million, respectively).

9.5 Hire purchase agreements of the Company and its subsidiaries have terms of 6 months to 5 years and require settlement in equal installments.

9.6 As at 31 December 2016 and 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 1,360 million and Baht 3,615 million, respectively (the Company only: Baht 1,329 million and Baht 3,373 million, respectively), in order to secure credit facilities granted by commercial banks as disclosed in Notes 23 and 25.

10. Asset - backed loan receivables

10.1 As at 31 December 2016 and 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			
	2016	2015	2016	2015	2016	2015
Normal receivables						
Asset - backed loan receivables	307,497	158,325	71,609	35,280	379,106	193,605
Interest receivables	11,562	5,136	-	-	11,562	5,136
Less: Unearned interest income, net	(89,089)	(47,878)	(14,994)	(6,669)	(104,083)	(54,547)
Total normal receivables	229,970	115,583	56,615	28,611	286,585	144,194
Terminated agreements receivables						
Asset - backed on receivables	9,879	782	656	194	10,535	976
Interest receivables	1,264	114	-	-	1,264	114
Less: Unearned interest income, net	(2,833)	(253)	(98)	(44)	(2,931)	(297)
Total terminated agreements receivables	8,310	643	558	150	8,868	793
Total receivables	238,280	116,226	57,173	28,761	295,453	144,987
Less: Allowance for doubtful accounts	(12,008)	(3,133)	(1,697)	(704)	(13,705)	(3,837)
Asset - backed on receivables, net	226,272	113,093	55,476	28,057	281,748	141,150

10.2 As at 31 December 2016 and 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	
	2016	2015	2016	2015	2016	2015
Asset backed loan receivables						
Not yet due	239,307	127,330	2,369	1,273	236,938	126,057
Past due:						
1 month	27,242	11,419	2,646	1,142	24,596	10,277
2 - 3 months	20,036	5,445	4,007	1,089	16,029	4,356
4 - 6 months	4,970	714	1,988	285	2,982	429
7 - 9 months	2,115	79	1,269	48	846	31
10 - 12 months	1,783	-	1,426	-	357	-
Total	295,453	144,987	13,705	3,837	281,748	141,150

10.3 As at 31 December 2016 and 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			
	2016		2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	330,202	238,280	164,357	116,226
After one year but not more than five years	72,265	57,173	35,474	28,761
Total	402,467	295,453	199,831	144,987
Less: Amounts representing finance charges	(107,014)		(54,844)	
Present value of minimum loan payments	295,453		144,987	

10.4 The subsidiaries' loan agreements have terms of 1 - 5 years and require settlement in equal installment.

10.5 As at 31 December 2016, the Company's subsidiary had transferred rights of claim under loan agreements with outstanding balances (net of unearned interest income) of Baht 52 million, in order to secure credit facilities granted by commercial bank as disclosed in Note 25.

11. Loans and interest receivables

The Company provided loans to the Company's subsidiary in Singapore who in turn loaned out to borrowers in Cyprus and Singapore. These borrowers or parties related to the borrowers are also shareholders of the Company and have pledged their shares in the Company against those loans with the Company's subsidiary in Singapore. The composition of this receivable is as follow:

Consolidated financial statements					
		2016		2015	
<u>Location of borrowers</u>	Interest rate (% per annum)	Thousand USD	Equivalent to Thousand Baht	Thousand USD	Equivalent to Thousand Baht
Cyprus	14.5 - 17.0	39,519	1,415,973	16,572	598,065
Singapore	14.5 - 25.0	56,272	2,016,263	56,197	2,028,060
Others (USD)	5.0 - 10.0	1,247	44,696	128	4,615
Others (THB)	7.0	-	-	-	18,780
Total loans		<u>97,038</u>	3,476,932	<u>72,897</u>	2,649,520
Interest receivables			281,788		108,002
Total loans and interest receivables			3,758,720		2,757,522
Less: Current portion			(882,435)		(2,152,934)
Long-term portion of loans and interest receivables			<u>2,876,285</u>		<u>604,588</u>

(Unit: Thousand Baht)

	Interest rate (% per annum)	Separate financial statements	
		2016	2015
Loans and interest receivables	7.0	-	18,780
Less: Current portion		-	(18,780)
Long-term portion of loans and interest receivables		-	-

The loans were subject to pledging of securities of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company as owned by the borrowers. The collaterals (including the shares of the Company which were valued at the closing price in the Stock Exchange of Thailand at the end of the year) covered 106 percent and 238 percent respectively of the outstanding amount of loans to these two groups of borrowers. But if ignoring the value of the pledged shares of the Company, the remaining value of the collaterals amounted to 60 percent and 53 percent respectively of the outstanding amount of loans to these two groups of borrowers. The periods of the loans were various in the range of 3 months to 3 years. The principals were all due for repayment upon maturity. Some loan principals as became due during the year were rolled over and subsequently modified and extended to periods of 2-3 years. The loan balances which are subject to the mentioned amendments amounted approximately to Baht 2,129 million (USD 59 million).

The chargeable interest rates were in the range of 14.5 percent to 25 percent per annum. The interest earned during the year on these loans amounted to Baht 485 million (average earned rate of 17 percent). The amount represents 38 percent of the consolidated profits for the year 2016.

Terms and conditions of lending, management, monitoring and subsequent modifications of the unpaid loans were based on expertise of the Company's directors and top executives and their relationship with the borrowers. They have specialized knowledge on the business of these specific borrowers. This group of borrowers was not considered by the Company's management as under its control or influence or related to the Company.

As at 31 December 2016 and 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	
	2016	2015	2016	2015
Loans and interest receivables				
Not yet due	3,664,898	2,757,522	-	18,780
Past due:				
1 - 3 months	80,584	-	-	-
6 - 12 months	13,238	-	-	-
Total	<u>3,758,720</u>	<u>2,757,522</u>	<u>-</u>	<u>18,780</u>

12. Assets foreclosed

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Repossessed assets	66,823	43,080	40,078	23,758
Less: Allowance for diminution in				
value of assets foreclosed	(15,930)	(10,132)	(15,130)	(8,849)
Assets foreclosed, net	<u>50,893</u>	<u>32,948</u>	<u>24,948</u>	<u>14,909</u>

13. Other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accrued income	4,403	7,681	2,957	2,797
Advance payment - related parties	20,500	18,960	12,381	-
Advance payment	26,036	39,942	749	72
Other receivable - sales of assets				
Foreclosed	6,156	12,569	6,114	11,308
Other receivables - related parties	24,328	-	12,836	13,314
Other receivables - consulting services	57,329	7,218	-	-
Other receivables	50,021	43,650	1,914	5,139
Total	188,773	130,020	36,951	32,630
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current receivables, net	186,247	127,494	34,425	30,104

14. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Prepaid expenses	72,502	76,913	66,952	67,348
Undue input tax	1,536	1,106	1,466	1,036
Deposit for assets to be leased -				
related party	175,457	-	-	-
Withholding tax deducted at source	45,103	19,414	12,685	8,603
Others	3,169	2,483	2,332	2,483
Total	297,767	99,916	83,435	79,470

15. 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 disclosed in Note 40.4.

16. Investments in subsidiaries

16.1 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 year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)				
Thanaban Company Limited	565,000	565,000	100.00	100.00	629,696	629,696	-	-
	Thousand Baht	Thousand Baht						
Group Lease Holdings Pte. Ltd.	214,448	22,912	100.00	100.00	5,387,211	570,208	-	-
	Thousand SGD	Thousand SGD						
GL Leasing (Lao) Company Limited	16,300,000	1,040,000	0.32	5.00	213	213	-	-
	Thousand LAK	Thousand LAK						
					6,017,120	1,200,117	-	-

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.

On 17 October 2016, a meeting of the Board of Directors of the Company approved additional investment in 180.7 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 180.7 million (equivalent to Baht 4,540.84 million), in order to fund the expansion of the Group and the operations in ASEAN markets. On 17 October 2016, the Company entered into an agreement to lend GLH USD 129.0 million and on the same date, the Company entered into a loan capitalisation agreement with GLH to convert the loan of USD 129.0 million, to investment in GLH, totaling SGD 180.7 million. On 17 October 2016, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 31 December 2016, investment in GLH in the separate financial statements amounted to SGD 214.45 million (2015: SGD 22.90 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 ordinary shares capital 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 changed 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 year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)				
<u>Held by Group Lease Holdings Pte. Ltd.</u>								
GL Finance Plc.	10,300	10,300	100.00	100.00	359,470	359,470	-	-
	Thousand	Thousand						
	USD	USD						
GL Leasing (Lao) Company Limited	16,300,000	1,040,000	99.68	95.00	71,478	4,030	-	-
	Thousand	Thousand						
	LAK	LAK						
PT. Group Lease Finance Indonesia	100,000,000	-	65.00	-	172,133	-	-	-
	Thousand							
	IDR							
					603,081	363,500	-	-

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 has been approved on 4 January 2017.

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 a subsidiary domiciled in Indonesia with an authorised share capital consisting of 400,000 ordinary shares 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 31 December 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.

16.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
	(%)	(%)						
PT. Group Lease								
Finance Indonesia	20	-	92.3	-	(1.03)	-	-	-

16.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests :

	(Unit: Million Baht)	
	PT. Group Lease	
	Finance Indonesia	
	2016	2015
<i>Summarised information about financial position</i>		
Current assets	258	-
Non-current assets	29	-
Current liabilities	(24)	-

(Unit: Million Baht)

PT. Group Lease
Finance Indonesia

For the year ended
31 December

	2016	2015
<i>Summarised information about comprehensive income</i>		
Revenue	18	-
Profit (loss)	(5)	-
Total comprehensive income	(5)	-
 <i>Summarised information about cash flow</i>		
Cash flow used in operating activities	(22)	-
Cash flow used in investing activities	(6)	-
Cash flow from financing activities	268	-
Net increase in cash and cash equivalents	240	-

17. Investment in associates

Details of the investment in associates which are held by the Company's subsidiary are as follows:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016 (%)	2015 (%)	2016	2015	2016	2015
<u>Held by Group Lease Holdings Pte. Ltd.</u>								
Commercial Credit and Finance PLC	Leasing, Microfinance, Loans and Hire Purchase business	Sri Lanka	29.99	-	2,489,024	-	2,545,426	-
Total					2,489,024	-	2,545,426	-

During the current year, GLH entered into a sale and purchase agreement to purchase 95,390,500 ordinary shares of Commercial Credit and Finance PLC ("CCF") at a price of LKR 111 per share, or for a total of LKR 10,588 million (equivalent to approximately Baht 2,462 million) as disclosed in Note 2.1. As at 31 December 2016, GLH held 95,390,500 ordinary shares of CCF or 29.99% of the total share capital in CCF.

17.1 Share of comprehensive income and dividend received

During the year, the Company has recognised its share of profit from the investment in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

Associate	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
Commercial Credit and Finance PLC	48,355	-	8,048	-	-	-
Total	48,355	-	8,048	-	-	-

17.2 Fair value investments in listed associate

In respect of the investment in the associated company that is listed on the Stock Exchange of Sri Lanka, based on assumption that fair value is share price on Stock Exchange, the fair value is as follows:

Associates	(Unit: Million Baht) Fair values as at 31 December*	
	2016	2015
Commercial Credit and Finance PLC	1,285	-
Total	1,285	-

* This values corresponds to 29.99% and calculated on the share price on the Stock Exchange of Sri Lanka by using average buying and selling rate to convert the fair values of CCF as at 30 December 2016

17.3 Summarised financial information about material associate

Summarised information about financial position

	(Unit: Million Baht) Commercial Credit and Finance PLC	
	2016	2015
Total assets	19,617	-
Total liabilities	(17,214)	-
Net assets	2,403	-
Shareholding percentage (%)	29.99	-
Share of net assets	721	-
Translation adjustment	6	-
The excess of purchase price over the net asset value	1,818	-
Carrying amounts of associates based on equity method	2,545	-

Summarised information about comprehensive income

	(Unit: Million Baht)	
	Commercial Credit and Finance PLC	
	For the year ended 31 December	
	2016	2015
Revenue	649	-
Profit (loss)	228	-
Other comprehensive income	6	-
Total comprehensive income	234	-

18. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2016	2015
Investments in other companies		
Bagan Innovation Technology Pte. Ltd.	61,848	-
JTrust Indonesia Tbk.	414,502	-
Total	<u>476,350</u>	<u>-</u>

On 26 October 2016, a meeting of the Board of Directors of the Company approved the acquisition of shares of Bagan Innovation Technology Pte. Ltd. ("BiT"). On 28 December 2016, GLH subscribed to new shares of BiT totaling 2,778 ordinary shares (or 20.00% of the paid up shares of BiT in issue after GLH subscription) and representing a total payment of USD 1.73 million (equivalent to approximately Baht 61.85 million). BiT registered its new paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore on 16 January 2017. BiT is incorporated in Singapore and the Company is a software development company specialised in digital content and mobile application solutions.

On 26 October 2016, a meeting of the Board of Directors of the Company approved the acquisition of shares of PT Bank JTrust Indonesia Tbk. ("JTrust Bank"). On 13 December 2016, GLH acquired shares of JTrust Bank from JTrust Asia Pte. Ltd., a related party as disclosed in Note 7, totaling 28.15 trillion ordinary shares (or 3.12% of the paid up shares of JTrust Bank in issue) and representing a total payment of USD 11.70 million (equivalent to approximately Baht 414.50 million). JTrust Bank is incorporated in Indonesia and its main activity is commercial banking.

19. Property, plant and equipment

(Unit: Thousand Baht)

		Consolidated financial statements							
		Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	Total
Cost									
1 January 2015		35,983	45,553	24,898	40,444	38,271	31,092	-	216,241
Additions		-	-	892	6,399	14,951	5,386	7,839	35,467
Disposals/Write-off		-	-	(15)	(5,772)	(2,268)	(455)	-	(8,510)
Transfer in (out)		-	-	4,945	189	8,186	-	(8,143)	5,177
Exchange differences on translation of Financial statements in foreign currency		-	-	1,090	678	1,702	1,044	413	4,927
31 December 2015		35,983	45,553	31,810	41,938	60,842	37,067	109	253,302
Additions		-	-	-	7,675	16,764	5,842	21,629	51,910
Disposals/Write-off		-	-	-	(72)	(174)	(1,808)	-	(2,054)
Transfer in (out)		-	-	-	390	7,726	362	(8,785)	(307)
Exchange differences on translation of Financial statements in foreign currency		-	-	306	(464)	(85)	(75)	157	(161)
31 December 2016		35,983	45,553	32,116	49,467	85,073	41,388	13,110	302,690
Accumulated depreciation									
1 January 2015		-	40,124	6,838	26,627	21,253	20,757	-	115,599
Depreciation for the year		-	354	3,975	5,094	13,737	5,263	-	28,423
Depreciation on disposals/Write-off		-	-	(12)	(5,590)	(2,266)	(454)	-	(8,322)
Exchange differences on translation of Financial statements in foreign currency		-	-	153	159	741	567	-	1,620
31 December 2015		-	40,478	10,954	26,290	33,465	26,133	-	137,320
Depreciation for the year		-	355	4,792	6,311	18,571	6,584	-	36,613
Depreciation on disposals/Write-off		-	-	-	(44)	(106)	(1,808)	-	(1,958)
Exchange differences on translation of Financial statements in foreign currency		-	-	31	8	16	(12)	-	43
31 December 2016		-	40,833	15,777	32,565	51,946	30,897	-	172,018
Net book value									
31 December 2015		35,983	5,075	20,856	15,648	27,377	10,934	109	115,982
31 December 2016		35,983	4,720	16,339	16,902	33,127	10,491	13,110	130,672
Depreciation for the year									
2015									28,423
2016									36,613

	Separate financial statements							Total
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	
Cost								
1 January 2015	35,983	45,553	14,381	23,618	19,722	20,158	-	159,415
Additions	-	-	409	2,543	7,772	3,652	-	14,376
Disposals/Write-off	-	-	(14)	(4,872)	(2,244)	(455)	-	(7,585)
Transfer in/out	-	-	-	-	7,949	-	-	7,949
31 December 2015	35,983	45,553	14,776	21,289	33,199	23,355	-	174,155
Additions	-	-	-	1,649	6,538	2,756	8,493	19,436
Disposals/Write-off	-	-	-	-	(55)	(1,808)	-	(1,863)
Transfer in/out	-	-	-	98	7,726	-	(8,493)	(669)
31 December 2016	35,983	45,553	14,776	23,036	47,408	24,303	-	191,059
Accumulated depreciation								
1 January 2015	-	40,124	6,662	19,070	14,703	16,434	-	96,993
Depreciation for the year	-	354	1,461	1,552	5,061	2,445	-	10,873
Depreciation on disposals/ write-off	-	-	(12)	(4,827)	(2,242)	(454)	-	(7,535)
31 December 2015	-	40,478	8,111	15,795	17,522	18,425	-	100,331
Depreciation for the year	-	355	1,411	1,963	10,247	3,232	-	17,208
Depreciation on disposals/ write-off	-	-	-	-	(37)	(1,808)	-	(1,845)
31 December 2016	-	40,833	9,522	17,758	27,732	19,849	-	115,694
Net book value								
31 December 2015	35,983	5,075	6,665	5,494	15,677	4,930	-	73,824
31 December 2016	35,983	4,720	5,254	5,278	19,676	4,454	-	75,365
Depreciation for the year								
2015								10,873
2016								17,208

As at 31 December 2016 and 2015, certain equipment items of the Company have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 94.7 million and Baht 77.5 million, respectively (the Company only: Baht 81.7 million and Baht 72.2 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2016 of Baht 26.5 million (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 23 and 25.

20. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Exclusive right agreement	Computer software	Leasehold	Software under development	Total
Cost					
1 January 2015	115,726	6,885	-	6,555	129,166
Acquisitions during the year	-	10,793	19	16,790	27,602
Transfer in (out)	-	3,918	-	(14,060)	(10,142)
Exchange differences on translation of financial statements in foreign currency	10,973	181	-	32	11,186
31 December 2015	126,699	21,777	19	9,317	157,812
Acquisitions during the year	-	6,249	20	41,934	48,203
Transfer in (out)	-	669	-	-	669
Exchange differences on translation of financial statements in foreign currency	(905)	(40)	-	(3,910)	(4,855)
31 December 2016	125,794	28,655	39	47,341	201,829
Amortisation					
1 January 2015	32,146	1,098	-	-	33,244
Amortisation for the year	17,756	1,597	2	-	19,355
Exchange differences on translation of financial statements in foreign currency	4,054	92	-	-	4,146
31 December 2015	53,956	2,787	2	-	56,745
Amortisation for the year	3,593	3,255	9	-	6,857
Exchange differences on translation of financial statements in foreign currency	(331)	(1,238)	-	-	(1,569)
31 December 2016	57,218	4,804	11	-	62,033
Net book value					
31 December 2015	72,743	18,990	17	9,317	101,067
31 December 2016	68,576	23,851	28	47,341	139,796

(Unit: Thousand Baht)

	Separate financial statement		
	Computer software	Software under development	Total
Cost			
1 January 2015	-	6,450	6,450
Acquisitions during the year	10,000	12,562	22,562
Transferred in (out)	1,146	(14,060)	(12,914)
31 December 2015	11,146	4,952	16,098
Acquisitions during the year	5,281	16,858	22,139
Transferred in (out)	669	(615)	54
31 December 2016	17,096	21,195	38,291
Amortisation			
1 January 2015	-	-	-
Amortisation for the year	597	-	597
31 December 2015	597	-	597
Amortisation for the year	1,866	-	1,866
31 December 2016	2,463	-	2,463
Net book value			
31 December 2015	10,549	4,952	15,501
31 December 2016	14,633	21,195	35,828

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 who is the distributor of Honda motorcycles in Cambodia. The agreement grants the related party the exclusive rights to act as a 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 2016 and 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 value of the exclusive right in consolidated financial statements was adjusted accordingly.

As at 31 December 2016, the value of exclusive right in consolidated financial statement amounted to USD 1.91 million (2015: USD 2.02 million).

21. Goodwill

The Company allocated goodwill acquired through business combinations to each of the cash generating units (CGUs) for annual impairment testing as follows:

	(Unit: Thousand Baht)		
	Hire purchase services Thanaban Co.,Ltd.	Asset-backed Loans to Consumers Thanaban Co.,Ltd.	Hire purchase services GL Finance Plc.
Goodwill	66,122	5,750	50,285

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions used in value in use calculations are summarised below:

	(Unit: % per annum)		
	Hire purchase services Thanaban Co.,Ltd.	Asset-backed Loans to Consumers Thanaban Co.,Ltd.	Hire purchase services GL Finance Plc.
Growth rates	2.0	2.0	1.3
Pre-tax discount rates	12.7	14.1	19.8

The management determined growth rates based on past performance and its expectations of market development and discount rates is pre-tax rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

22. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Income tax and value added				
tax refundable	63,772	70,220	62,648	66,482
Deposits	37,865	34,689	1,856	1,519
Others	5,739	6,175	5,738	6,088
Total	107,376	111,084	70,242	74,089

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

	Consolidated financial statements			
	Interest rate		2016	2015
	2016	2015		
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	7.12	-	2,077	-
Short-term loans	3.80 - 6.25	5.25 - 7.00	554,183	349,050
Total			556,260	349,050

	Separate financial statements			
	Interest rate		2016	2015
	2016	2015		
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	7.12	-	2,077	-
Short-term loans	3.80 - 6.25	5.25 - 7.00	446,690	349,050
Total			448,767	349,050

As at 31 December 2016 and 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, motorcycle registrations as requested by the lender of the Company and guarantee by subsidiary.

The short term loans of subsidiaries are guaranteed by the Company as disclosed in Note 40.4.

24. Other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Advances received from related parties	-	-	51,950	50,237
Accrued interest expenses to related parties	95,699	-	95,699	-
Accrued interest expenses	20,761	10,931	18,965	7,896
Accrued commission expenses	44,590	49,286	5,438	3,395
Accrued expenses	43,934	17,507	15,421	12,716
Total	204,984	77,724	187,473	74,244

25. 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
	2016	2015	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	577,130	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 dated 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 dated 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 dated 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 dated 20 December 2014</u>				
Credit facility No. 1	17,915	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 dated 25 March 2015</u>				
Credit facility No. 1	35,831	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

(Unit: Thousand Baht)

Consolidated financial statements

	Balance		Interest rate per annum	Repayment condition
	2016	2015		
	<u>Promissory note dated 23 October 2015</u>			
Promissory note No. 1	35,831	36,088	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
Promissory note No. 2	53,746	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	47,960	-	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.
<u>Loan agreement dated 16 August 2016</u>				
Credit facility No. 1	30,633	-	At the rate of 6.75% per annum	Twelve equal installment, with first installment due on three months after drawing down loans under credit facility and repayment every three months
Less: Deferred front end fees	(913)	(3,976)		
Total	798,133	2,062,447		
Less: Current portion	(585,743)	(1,557,854)		
Long-term portion of long-term loans	212,390	504,593		

(Unit: Thousand Baht)

Separate financial statements

	Balance		Interest rate per annum	Repayment condition
	2016	2015		
	<u>Loan agreement dated 26 May 2011</u>			
Credit facility No. 1	577,130	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 dated 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 dated 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 dated 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	577,130	1,882,667		
Less: Current portion	(402,990)	(1,522,177)		
Long-term portion of long-term loans	174,140	360,490		

Movements in the long-term loans account during the year ended 31 December 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Balance as at 1 January 2016	2,062,447	1,882,667
Add: Addition borrowings	1,765,633	1,655,000
Amortisation of deferred front end fees	4,059	3,313
Less: Repayment	(3,032,260)	(2,963,850)
Deferred front end fees payment	(1,000)	-
Exchange differences on translation of financial statements in foreign currency	<u>(746)</u>	<u>-</u>
Balance as at 31 December 2016	<u><u>798,133</u></u>	<u><u>577,130</u></u>

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 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 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 as disclosed in Note 42.2.

On 16 August 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 60 million. The purpose of such loan is for use in its operating activities.

The loan agreements contain financial covenants regarding, 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 proportional assets of GLF. As at 31 December 2016, GLF had total assets to mortgage such loans amounting to USD 1.51 million (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	
	2016	2015	2016	2015
Baht	2,072.9	1,050.8	1,922.9	1,050.8
USD	-	0.2	-	-

26. Debentures

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

Debentures	Interest rate	Terms	Due date	(Unit: Thousand Baht)	
				Consolidated /	
				Separate financial statements	
				2016	2015
Debentures 1/2014	As detailed in the table below	3 years	27 February 2017	500,000	500,000
Debentures 1/2016	As detailed in the table below	3 years	29 September 2019	1,500,000	-
Less: Unamortised portion of deferred transaction costs				(47,782)	(6,390)
Debentures - net				1,952,218	493,610
Less: Current portion				(499,128)	-
Long-term portion of debentures				1,453,090	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 40.4.

The Unsubordinated and partially secured Debentures of Group Lease Public Company Limited No. 1/2016, due 2019.

Name of debentures	"The Unsubordinated and partial secured Debentures of Group Lease Plc. No. 1/2016, due 2019"
Amount	Baht 1,500 million
Term	3 years, starting from date of issuance
Issued date	29 September 2016
Interest rate	at 2.84% p.a.
Interest payment schedule	Twice a year on 29 March and 29 September, starting from 29 March 2017
Principal repayment	On the redemption date of 29 September 2019
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and the proportion of shareholding of the major shareholders.
Guarantee	Partial guarantee by a financial institution as disclosed in Note 40.4.

27. Convertible debentures

On 24 June 2016, the Extraordinary General Meeting of Shareholders No.1/2016 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 disclosed in Note 30.2. On 2 August 2016, the Company issued convertible debentures to a specific foreign investor JTrust Asia Pte. Ltd. through a private placement, a related party as disclosed in Note 7, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 July 2016. Key terms and conditions of the convertible debentures are as follow:

Amount of unit	1,300 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	1 August 2016
Term	5 years since the date of issuance (1 August 2016 to 1 August 2021)
Interest rate	5.00% per annum
Interest payment	2 times a year on every 1 August and 1 February throughout the term of debentures specified in the terms and conditions If these fall on a holiday, the next business day
Redemption at maturity date	Holder have 2 options: a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,540,000 Baht) can be redeemed by converting it to 88,500 shares of common stock
Conversion price	Baht 40 per share
Date of conversion	Last business day of each quarter

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

Thai Accounting Standard 107 “Financial Instruments: Disclosure and Presentation”, requires the issuer of convertible debentures to present the debentures’ liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debentures.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

The net proceeds received from the issue of the debentures have been split between a liability component and an equity component, with the liability component representing the initial fair-value of the debt excluding the embedded option to convert the liability into equity of the Company

	(Unit: Thousand Baht)
Nominal value of issue of convertible debentures	4,521,832
Transaction costs	(5,996)
Net proceeds	<u>4,515,836</u>
Amount classified as equity	(10,043)
Amortised – transaction cost	494
Balance as at 31 December 2016	<u><u>4,506,287</u></u>

During the current year, the Company entered into side agreements with related party to hedge against foreign currency both of principle and interest payable on convertible debentures as disclosed in Note 7.

28. Advances received for issuance of convertible debentures

The balance amounting to USD 13 million (equivalent to Baht 465.80 million) as at 31 December 2016 are advances received from JTrust Asia Pte. Ltd. and Creation Investments Sri Lanka LLC. on the convertible debentures as approved by the Extraordinary General Meeting of the Company as disclosed in Note 30.3. At 31 December 2016, The Company was still in the process of finalisation of the issuance.

29. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2016	2015
Provision for long-term employee benefits at beginning of year	7,480	6,379
Included in profit or loss:		
Current service cost	3,209	197
Interest cost	158	228
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	4,171	(421)
Financial assumptions changes	(1,477)	129
Experience adjustments	(3,056)	2,828
Benefits paid during the year	(1,764)	(1,860)
Provision for long-term employee benefits at end of year	8,721	7,480

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

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2016	2015
Administrative expenses	3,367	425

The Company expects to pay Baht 1.3 million of long-term employee benefits during the next year (2015: Baht 1.8 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 22.8 years (2015: 22.3 years).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)	
	Consolidated/Separate financial statements	
	2016	2015
Discount rate	2.2	3.3
Salary increase rate	1.8-4.4	7.0
Turnover rate	9.0-22.0	16.6

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: million Baht)	
	As at 31 December 2016	
	Consolidated /Separate financial statements	
	Increase	Decrease
	1.0%	1.0%
Discount rate	(0.53)	0.60
Salary increase rate	0.59	(0.53)
Turnover rate	(0.60)	0.63

	(Unit: million Baht)	
	As at 31 December 2015	
	Consolidated /Separate financial statements	
	Increase	Decrease
	0.5%	0.5%
Discount rate	(0.18)	0.19
Salary increase rate	0.19	(0.18)
Turnover rate	(0.19)	0.20

30. Share capital

30.1 Resolutions of the Annual General Meeting of the shareholders

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

- 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 was 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.

30.2 Resolutions of the Extraordinary General Meeting of the shareholders No.1/2016

On 24 June 2016, the Extraordinary General Meeting no.1/2016 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 shares
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).

30.3 Resolutions of the Extraordinary General Meeting of the shareholders No.2/2016

On 6 December 2016, the Extraordinary General Meeting no.2/2016 of the Company's shareholders passed the following significant resolutions:

- 1) Approved GLH's acquisition of 95,390,500 ordinary shares of Commercial Credit and Finance PLC ("CCF") (or 29.99% of total share capital in CCF), at a purchase price equal to LKR 111 per share or a total of LKR 10,588 million. CCF is a listed company and incorporated in Sri Lanka and its main activities are Leasing, Microfinance, Loans and Hire Purchase businesses.

Approved a related party transaction in relation to the acquisition, by the subsidiary, of approximately 22.27% of the total issued share capital of CCF from Creation Investments Sri Lanka LLC.

- 2) Approved GLH's acquisition of 1,387,680 ordinary shares of BG Microfinance Myanmar Co., Ltd ("BGMM"), (or 100.00% of total share capital in BGMM) at a purchase price equal to USD 5.77 per share or a total of USD 8.01 million. BGMM is incorporated in Myanmar and its activity is microfinance business.

Approved a related party transaction in relation to the acquisition, by GLH, of approximately 28.1% of the total issued and paid-up share capital of BGMM from CCF.

- 3) Approved the provision of financial assistance to the Myanmar company, Century Finance Co., Ltd. ("CF"), by subscribing to convertible debentures in an aggregate principal amount of up to USD 28.5 million which can be converted into 57% of total share capital in CF in the event that there is any change in law or regulations which would allow a foreign entity to hold share(s) in a finance company licensed by the Central Bank of Myanmar and all relevant authorisations, consents and approvals (if required) have been obtained or effected.
- 4) Approved the establishment of a company, GL-AMMK Co.,Ltd. ("Service Co "), of which GLH will hold 57% of the registered and paid up share capital. Its main activity will be providing all front and back office support to Century Finance.
- 5) Approved the issuance and offering by private placement of up to USD 50 million of convertible debentures to a specific foreign investor (JTrust Asia Pte. Ltd), or an equivalent amount in other currencies.
- 6) Approved the issuance and offering by private placement of up to USD 20 million of convertible debentures to a specific foreign investor (Creation Investments Sri Lanka LLC), or an equivalent amount in other currencies.
- 7) Approved an increase in the Company's registered share capital by Baht 17,327,414.50 from Baht 905,217,625.50 to Baht 922,545,040 by issuing 34,654,829 ordinary shares with a par value of Baht 0.50 per share, and the amendment of Clause 4 of the Company's memorandum of association to be consistent with the increase of the Company's registered share capital as per the following details:
 - a. Approved an increase in the registered capital of the Company by Baht 12,376,724.50 by issuing 24,753,449 newly issued ordinary shares with a par value of Baht 0.50 per share to be reserved for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd.

- b. Approved an increase in the registered capital of the Company by Baht 4,950,690 by issuing 9,901,380 newly issued ordinary shares with a par value of Baht 0.50 per share to be reserved for the conversion of the convertible debentures to be issued and offered to Creation Investments Sri Lanka LLC.

30.4 Additional share subscription from the exercise of warrants

During the current year, the Company received additional share subscription totaling Baht 4.99 million from the exercise of warrants, as detailed below.

	Warrant (units)	Ordinary share (shares)	Exercise price (Baht/share)	Amount (Million Baht)
GL-W4	124,719	124,719	40.00	4.99

As at 31 December 2016, the Company had share subscription received in advance amounting to Baht 0.37 million in its paid up share capital from the exercise of GL-W4 totaling 9,133 units. The Company registered the increase in its paid up share capital from the exercise of such warrants with the Ministry of Commerce on 5 January 2017.

30.5 Reconciliation of number of ordinary shares

During the current year, 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 year	1,539,175	769,587	
Increase	319,704	159,852	
Decrease	(13,789)	(6,894)	
At the end of the year	<u>1,845,090</u>	<u>922,545</u>	
	Number of		
	<u>ordinary shares</u>	<u>Paid-up capital</u>	<u>Share premium</u>
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	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
Increase in capital from exercising of the rights of the warrant	125	62	4,927
At the end of the year	<u>1,525,510</u>	<u>762,755</u>	<u>5,191,560</u>

31. Warrants

As at 31 December 2016, details of outstanding warrants, which were issued by the Company, are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants original issued	Warrant offer price	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
GL-W4	Existing shareholders	2 August 2016	165,098,969	-	2 years	Baht 40	1 ordinary share

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

Type of warrant	Number of warrants outstanding as at 1 January 2016	Number of warrants issued during the year	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2016
GL-W4	-	165,098,969	133,852	164,965,117

32. 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>

33. 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. At present, the statutory reserve has fully been set aside.

34. Other income related to 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 debts and fees for other services related to the hire purchase business.

35. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Salary and wages and other employee benefits	542,746	493,764	334,465	316,799
Service agreement expenses	30,831	33,965	28,174	31,600
Debt following expenses	21,517	24,238	18,938	20,453
Depreciation	36,614	28,423	17,208	10,873
Amortisation	6,858	19,355	1,866	597
Registration fee	14,451	12,689	5,955	5,950
Rental fee	36,663	26,594	4,508	4,344
Professional fee	32,821	22,661	3,877	8,675

36. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	174,687	92,786	91,918	64,805
Deferred tax:				
Relating to origination and reversal of temporary differences	27,345	50,289	27,082	19,991
Income tax expense reported in the statement of comprehensive income	202,032	143,075	119,000	84,796

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax on actuarial loss	73	507	73	507
Total	<u>73</u>	<u>507</u>	<u>73</u>	<u>507</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit before tax	<u>1,264,851</u>	<u>725,966</u>	<u>600,927</u>	<u>425,008</u>
Applicable tax rate	17%-25%	20%, 17%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	243,546	166,871	120,185	85,002
Effects of non-taxable income and expenses	(25,008)	(33,542)	(1,185)	(206)
Others	(16,506)	9,746	-	-
Total income tax expenses reported in the statement of comprehensive income	<u>202,032</u>	<u>143,075</u>	<u>119,000</u>	<u>84,796</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	48,815	71,562	40,238	60,351
Allowance for diminution of value foreclosed assets	3,132	2,027	3,026	1,770
Reserve for employee benefits	1,744	1,496	1,744	1,496
Loss brought forward	5,575	-	-	-
Others	173	77	9	-
Prepaid commission expenses	(10,269)	(10,353)	(10,269)	(10,353)
Accumulated depreciation and amortisation	(3,140)	-	-	-
Amortised transaction cost of convertible debentures - liability component	(1,100)	-	(1,100)	-
Amortised transaction cost of convertible debentures - equity component	(3)	-	(3)	-
Amortised transaction cost of debentures	(9,404)	(1,278)	(9,404)	(1,278)
Amortised front end fees of short-term loan	-	(663)	-	(663)
Total	<u>35,523</u>	<u>62,868</u>	<u>24,241</u>	<u>51,323</u>

37. Earnings per share

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

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

	Consolidated financial statements					
	Profit for the year		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 year	1,063,844	582,891	1,525,423	1,190,879	<u>0.697</u>	<u>0.489</u>
Effect of dilutive potential ordinary shares						
GL-W3	-	-	-	62,725		
GL-WD	-	-	-	3,041		
GL-W4	-	-	12,472	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,063,844</u>	<u>582,891</u>	<u>1,537,895</u>	<u>1,256,645</u>	<u>0.692</u>	<u>0.464</u>

Separate financial statements						
Profit for the year		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 year	481,927	340,212	1,525,423	1,190,879	0.316	0.286
Effect of dilutive potential ordinary shares						
GL-W3	-	-	-	62,725		
GL-WD	-	-	-	3,041		
GL-W4	-	-	12,472	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	481,927	340,212	1,537,895	1,256,645	0.313	0.271

However, no calculation of diluted earnings per share for the year ended 31 December 2016 was required for convertible debentures since the effect of diluted earnings per share is antidilutive.

38. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors.

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

- Hire purchase services for motorcycles segment
- Business management and consulting service, financing to corporates and investment holding.

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

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

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

The following tables present revenue and profit, total assets and total liabilities information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2016 and 2015, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2016				
	Business management and consulting services, financing to corporates and Total reportable segments			Adjustments and eliminations	Consolidated
	Hire Purchase service	investment holding			
Hire purchase interest income	1,949,691	-	1,949,691	-	1,949,691
Asset - backed loan interest income	116,926	-	116,926	-	116,926
Interest on loan receivables	-	484,859	484,859	-	484,859
Other interest income	24,101	932	25,033	-	25,033
Consulting service fee income	-	63,062	63,062	-	63,062
Other income related to the activities of					
hire purchase	218,791	-	218,791	-	218,791
Others	64,159	(378)	63,781	-	63,781
Inter-segment revenue	418,085	238,171	656,256	(656,256)	-
Total revenue	2,791,753	786,646	3,578,399	(656,256)	2,922,143
Services and administrative expenses	(928,729)	(65,409)	(994,138)	106,762	(887,376)
Bad debts and doubtful accounts	(313,270)	-	(313,270)	-	(313,270)
Loss on disposals of foreclosed assets	(232,251)	-	(232,251)	-	(232,251)
Share of profit from investment in					
associate	-	-	-	48,355	48,355
Financial cost	(455,325)	(323,340)	(778,665)	505,916	(272,749)
Income tax expenses	(170,899)	(31,134)	(202,033)	-	(202,033)
Segment profit	691,279	366,763	1,058,042	4,777	1,062,819
Segment total assets					
Additions to non-current assets					
other than financial instruments and					
deferred tax assets	36,164	21,855	58,019	(1,786)	56,233
Segment total liabilities	1,240	-	-	-	1,240

(Unit: Thousand Baht)

For the year ended 31 December 2015

	Business management and consulting services, financing to corporates and Total reportable segments Adjustments and eliminations Consolidated				
	Hire Purchase service	investment holding	reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,898,441	-	1,898,441	-	1,898,441
Asset - backed loan interest income	25,485	-	25,485	-	25,485
Interest on loan receivables	-	173,365	173,365	-	173,365
Other interest income	2,103	100	2,203	-	2,203
Consulting service fee income	-	72,680	72,680	-	72,680
Other income related to the activities of hire purchase	210,125	49,825	259,950	-	259,950
Others	113,577	(56,998)	56,579	-	56,579
Inter-segment revenue	215,579	241,777	457,356	(457,356)	-
Total revenue	2,465,310	480,749	2,946,059	(457,356)	2,488,703
Services and administrative expenses	(833,959)	(64,693)	(898,652)	114,280	(784,372)
Bad debts and doubtful accounts	(356,567)	-	(356,567)	-	(356,567)
Loss on disposals of foreclosed assets	(355,030)	-	(355,030)	-	(355,030)
Financial cost	(356,011)	(137,659)	(493,670)	226,902	(266,768)
Income tax expenses	(130,533)	(12,542)	(143,075)	-	(143,075)
Segment profit	433,210	265,855	699,065	(116,174)	582,891
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	38,458	(56,350)	(17,892)	(16,287)	(34,179)
Segment total liabilities	1,101	-	1,101	-	1,101

Geographic information

Revenue from external customers is based on locations of the customers and includes only the Company and its subsidiaries.

	(Unit: Thousand Baht)	
	2016	2015
Revenue from external customers		
Thailand	1,608,594	1,825,920
Cambodia	653,922	398,554
Singapore	548,475	238,972
Laos	93,375	25,257
Indonesia	17,776	-
Total	<u>2,922,142</u>	<u>2,488,703</u>
Non-current assets (other than financial instruments, deferred tax assets and investment in associate)		
Thailand	196,179	170,940
Cambodia	184,549	181,959
Singapore	40,031	18,176
Laos	3,330	3,182
Indonesia	6,401	-
Total	<u>430,490</u>	<u>374,257</u>

Major customers

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

39. Provident fund

The Company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2016 and 2015, the Company contributed Baht 8.1 million and Baht 7.5 million, respectively to the fund.

40. Commitments

40.1 Capital commitments

As at 31 December 2016, the Company had capital commitments of approximately Baht 0.01 million, relating to the purchase of software licenses (2015: Baht 0.44 million).

40.2 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						
	2016				2015		
	Thousand Baht	Thousand LAK	Thousand USD	Thousand IDR	Thousand Baht	Thousand LAK	Thousand USD
Payable:							
In up to 1 year	15,280	-	157	1,216,631	15,983	237,757	173
In over 1 and up to 5 years	13,705	-	36	1,216,631	11,567	-	102

(Unit: Thousand Baht)

	Separate financial statement	
	2016	2015
Payable:		
In up to 1 year	6,851	7,000
In over 1 and up to 5 years	2,802	3,409

40.3 Service commitments

As at 31 December 2016, the Company is required to pay fees of USD 0.02 million, JPY 0.6 million and Baht 0.4 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (2015: USD 0.03 million, JPY 0.5 million and Baht 0.7 million per month) and financial service consulting fees Baht 1.14 million.

40.4 Guarantees

- 1) As at 31 December 2016, the Company has letters of guarantee for short term loans of its subsidiaries in term of Standby Letter of Credit issued by banks amounting to USD 2.0 million and Baht 36.6 million.
- 2) As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 1,275.3 million (2015: Baht 300.3 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 1,275.0 million (2015: Baht 300.0 million) to guarantee debentures and Baht 0.3 million (2015: Baht 0.3 million) to guarantee electricity use and use of post services.

41. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Long term loan receivables	-	-	3,440	3,440
Investment in associates	1,285	-	-	1,285
Other long-term investments	-	476	-	476
Liabilities for which fair value are disclosed				
Debentures	-	1,566	-	1,566
Convertible debentures	-	4,862	-	4,862
Derivatives				
Interest rate swap contracts	-	(1)	-	(1)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2015				
Level 1	Level 2	Level 3	Total	
Assets for which fair value are disclosed				
Long term loan receivables	-	-	847	847
Liabilities for which fair value are disclosed				
Debentures	-	521	-	521
Derivatives				
Interest rate swap contracts	-	(1)	-	(1)

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2016				
Level 1	Level 2	Level 3	Total	
Liabilities for which fair value are disclosed				
Debentures	-	1,566	-	1,566
Convertible debentures	-	4,862	-	4,862

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2015				
Level 1	Level 2	Level 3	Total	
Liabilities for which fair value are disclosed				
Debentures	-	521	-	521
Derivatives				
Interest rate swap contracts	-	(1)	-	(1)

42. Financial instruments

42.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, hire purchase and installment sales receivables, asset-backed loan receivables, loans receivables, pledged fixed deposit at financial institution, other receivables, other long term investments, bank overdraft and short-term loans from financial institutions, Trade and other payables, short term loan, long term loan, debentures and convertible debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and installment sales receivables, asset-backed loan receivables and loans receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase and installment sales receivables, asset-backed loan receivables and loans receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase and installment sales receivables, asset-backed loan receivables, loans receivables, pledged fixed deposit at financial institution, bank overdraft and short-term loans from financial institutions, short term loan, long term loan, debentures and convertible debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2016				
	Fixed interest rates			Non- interest bearing	Total
	Within 1 year	1 - 5 years	Floating interest rate		
Financial assets					
Cash and cash equivalent	465.80	-	239.47	1,845.95	2,551.22
Hire purchase and installment sales receivables, net	3,142.21	3,153.72	-	-	6,295.93
Asset - backed loan receivables - net	226.27	55.48	-	-	281.75
Loan and interest receivables	882.43	2,876.29	-	-	3,758.72
Other receivables	-	-	-	186.25	186.25
Deposits at bank with restrictions	0.33	-	-	-	0.33
	<u>4,717.04</u>	<u>6,085.49</u>	<u>239.47</u>	<u>2,032.20</u>	<u>13,074.20</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2016

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	504.18	-	52.08	-	556.26
Trade and other payables	-	-	-	228.14	228.14
Short-term loans from and interest payable to related party	4.40	-	-	-	4.40
Long-term loans	585.74	212.39	-	-	798.13
Debenture	499.13	1,453.09	-	-	1,952.22
Convertible debenture	-	4,506.29	-	-	4,506.29
Advance received for issuance of convertible debentures	-	-	-	465.80	465.80
	<u>1,593.45</u>	<u>6,171.77</u>	<u>52.08</u>	<u>693.94</u>	<u>8,511.24</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial assets					
Cash and cash equivalent	-	-	557.65	487.23	1,044.88
Hire purchase and installment sales receivables, net	3,198.88	2,848.47	-	-	6,047.35
Asset - backed loan receivables - net	113.09	28.06	-	-	141.15
Loans and interest receivable	2,152.93	604.59	-	-	2,757.52
Other receivables	-	-	-	127.42	127.42
Deposits at bank with restrictions	0.33	-	-	-	0.33
	<u>5,465.23</u>	<u>3,481.12</u>	<u>557.65</u>	<u>614.65</u>	<u>10,118.65</u>
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	349.05	-	-	-	349.05
Trade and other payables	-	-	-	135.38	135.38
Short-term loans from and interest payable to related parties	4.12	-	-	-	4.12
Long-term loans	148.91	144.35	1,769.18	-	2,062.44
Debentures	-	493.61	-	-	493.61
	<u>502.08</u>	<u>637.96</u>	<u>1,769.18</u>	<u>135.38</u>	<u>3,044.60</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2016

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial assets					
Cash and cash equivalent	465.8	-	1.62	1.30	468.72
Hire purchase and installment sales receivables, net	1,946.22	1,797.54	-	-	3,743.76
Short-term loans to and interest receivable from subsidiary	5,198.25	-	-	-	5,198.25
Other receivables	-	-	-	34.42	34.42
Deposits at bank with restrictions	0.33	-	-	-	0.33
	<u>7,610.60</u>	<u>1,797.54</u>	<u>1.62</u>	<u>35.72</u>	<u>9,445.48</u>
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	396.69	-	52.08	-	448.77
Trade and other payables	-	-	-	198.97	198.97
Short-term loans from related party	130.00	-	-	-	130.00
Long-term loans from subsidiary	53.30	-	-	-	53.30
Long-term loans	-	-	577.13	-	577.13
Debentures	499.13	1,453.09	-	-	1,952.22
Convertible debenture	-	4,506.29	-	-	4,506.29
Advance received for issuance of convertible debentures	-	-	-	465.80	465.80
	<u>1,079.12</u>	<u>5,959.38</u>	<u>629.21</u>	<u>664.77</u>	<u>8,332.48</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2015

	Fixed interest rates			Non- interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
Financial assets					
Cash and cash equivalent	-	-	1.84	550.39	552.23
Hire purchase and installment sales receivables, net	2,095.26	1,786.82	-	-	3,882.08
Short-term loans to and interest receivable from related parties	4,016.39	-	-	-	4,016.39
Other receivables	-	-	-	30.10	30.10
Deposits at bank with restrictions	0.33	-	-	-	0.33
	<u>6,111.98</u>	<u>1,786.82</u>	<u>1.84</u>	<u>580.49</u>	<u>8,481.13</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2015

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
	Financial liabilities				
Bank overdrafts and short-term loans from financial institutions	-	-	349.05	-	349.05
Trade and other payables	-	-	-	86.35	86.35
Long-term loans	112.82	-	1,769.85	-	1,882.67
Debentures	-	493.61	-	-	493.61
	<u>112.82</u>	<u>493.61</u>	<u>2,118.90</u>	<u>86.35</u>	<u>2,811.68</u>

Foreign currency risk

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

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	as at 31 December		as at 31 December		as at 31 December		as at 31 December			
	2016	2015	2016	2015	2016	2015	2016	2015		
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	13.06	2.04	145.71	-	62.75	28.65	145.71	0.01	35.8307	36.0886
JPY	-	10.00	-	-	-	-	-	-	0.3080	0.2996
SGD	0.05	0.40	-	0.02	-	-	-	-	24.8010	25.5195
HKD	-	0.01	-	-	-	-	-	-	4.6217	4.6579
EUR	-	0.04	-	-	-	-	-	-	37.7577	39.4388
LKR	332.1	-	-	-	-	-	-	-	0.2392	0.2506
KHR	5.06	-	-	-	-	-	-	-	0.00885	0.00895
THB	65.83	-	67.96	-	-	-	-	-	1	1

During the current year, the Company entered into an agreement to hedge foreign exchange risk for convertible debentures and related accrued interest expense with related party as disclosed in Note 7.

42.2 Fair values of financial instruments

The fair values of the Company and its subsidiaries' financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated financial statements			
	2016		2015	
	Carrying		Carrying	
	value	Fair value	value	Fair value
Financial assets				
Other long term investments	476	476	-	-
Long-term portion of loans and interest receivables	2,876	3,440	605	847
Financial liabilities				
Long-term portion of debentures	1,453	1,566	494	521
Convertible debentures	4,506	4,862	-	-

(Unit: Million Baht)

	Separate financial statements			
	2016		2015	
	Carrying		Carrying	
	value	Fair value	value	Fair value
Financial liabilities				
Long-term portion of debentures	1,453	1,566	494	521
Convertible debentures	4,506	4,862	-	-

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
Derivatives				
Interest rate swap contracts	(1)	(1)	-	(1)

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans to, other receivables, trade and other payables, and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.

- b) For hire purchase and installment sales receivables and asset-backed loan receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- c) For loan receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For non-marketable equity securities, their fair value is estimated by discounting expected future cash flow by capital assets pricing model.
- e) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair value.

As disclosed in Note 25, the subsidiary has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 December 2016 amounts to Baht 47.96 million. The contracts have 15 installments and mature in September 2017. At each of the maturity dates, the subsidiary is required to pay interest to the bank based on a 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 a stipulated rate. The agreement contains other conditions. The subsidiary would have had unrealised losses of approximately Baht 0.3 million, if it had recorded the above contracts at fair value.

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

43. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.03:1 (2015: 0.42:1) and the Company's was 1.14:1 (2015: 0.41:1).

44. Events after the reporting period

44.1 Establishment of GL-AMMK Co.,Ltd.

On 6 December 2016, the Extraordinary General Meeting of the shareholders No.2/2016 approved the establishment of a company, GL-AMMK Co.,Ltd. ("Service Co "), as disclosed in Note 30.3. On 24 January 2017, Service Co has received its temporary registration certificate and currently in the process of capital injection.

44.2 Increase in share capital in BGMM

GLH received permission to register the transfer right of shares from the Government of the Republic of the Union of Myanmar in January 2017. In consequence, the share subscription payment in advance were reclassified to investment in BGMM in early January 2017.

Subsequently on 25 January 2017, the meeting of GLH's Board of Directors passed a resolution to approve additional investment in 6,612,988.077 ordinary shares of BGMM (or 100% of new ordinary shares) at a price equal to the par value of MMK 1,000 per share, or a total of MMK 6,613 million. The ordinary shares capital of BGMM increase from 1,387,680 ordinary shares to 8,000,668.077 ordinary shares. The new share certificates and the capital increase registration with Government of the Republic of the Union of Myanmar are still in progress.

45. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2015 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Other receivables	127,494	-	30,104	-
Other current assets	99,916	227,410	79,470	109,574

46. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2017.