

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2017
(Revised Auditors' Conclusion)

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Group Lease Public Company Limited

1. Basis for Disclaimer of Conclusion

I previously reported on 12 May 2017 on the interim financial statements of Group Lease Public Company Limited and its subsidiaries (“the Group”) as of 31 March 2017 and for the three-month period then ended which I gave conclusion 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 42 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 report on the consolidated financial statements and the Company's financial statements as of and for the three-month period ended on 31 March 2017, (the report dated 12 May 2017), as then report with an unqualified conclusion but with emphasis on unusual matters to the present disclaimer of conclusion report 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 Conclusion

I was engaged to review the accompanying consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries as at 31 March 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements and have also reviewed the separate financial information of Group Lease Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

I was to conduct my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. I am unable to give any conclusion on the above interim financial information because of the significance of the matters described in paragraph 1. *Basis for Disclaimer of Conclusion 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.*

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 3,421 million as of 31 March 2017 (represents 40 percent of the consolidated net assets as of 31 March 2017) (as of 31 December 2016: Baht 3,477 million and represented 40 percent of the consolidated net assets)

I draw attention to Note 8 of the consolidated financial statements relating to the loans and interest receivables. The main business of the Company is in the hire purchase financing for motorcycles. Separately and significantly from the main business, the Company has been active in granting loans to two groups of borrowers. The Company provided loans to the Company's subsidiary in Singapore who in turn loaned out to these 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.

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 Company informed us that the collaterals (even including the Company's shares valued at the closing price at the Stock Exchange of Thailand ("SET") as of 31 March 2017) covered only 74 percent of the loans to the Cyprus borrower - short by 26 percent and the loans to the Singapore borrower were excessively covered at 126 percent (On 31 December 2016, the collateral values of both loans were well covered at 106 percent and 238 percent, respectively). However, the volatility of the Company's stock price traded heavily in the past four months in the wide range of Baht 12.4 per share to Baht 65.5 per share affects the collateral coverage on the value of these debts. If excluding 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 would amount to only 57 percent and 53 percent for each of the loans (60 percent and 53 percent, as at 31 December 2016). As at 31 March 2017, the securities for these two loans were short by 43 percent (Baht 627 million) and 47 percent (Baht 910 million) if the value of the Company's shares was not included.

The periods of the loans granted were of variety in the range of 3 months to 3 years. The principals were all due for repayment upon maturity. Some loan principals as became due originally last year were rolled over and extended to the periods of either 2 or 3 years. The loan balances which were subjected to the mentioned rollovers amounted to Baht 2,129 million (USD 59 million) – 60 percent of the total debts of this special business was subject to the rollovers. During this quarter, the subsidiary in Singapore granted additional loans of approximately Baht 70 million (USD 2 million) to the borrower in Cyprus - increasing the loans due from them to Baht 3,421 million (USD 99 million) as of 31 March 2017.

Subsequent to the financial statements date, in April 2017, the borrower in Cyprus repaid the loan before the due date of approximately Baht 422 million (USD 12 million). This prepayment resulted in the two debts being adequately covered with the value of collaterals (including the value of the pledged shares of the Company as valued at the closing price at SET on 9 May 2017) at 105 percent and 129 percent, for each of the two loans. But if excluding the value of the pledged shares of the Company, the remaining value of the collaterals would amount to only 80 percent and 53 percent, for each of the two loans as of 9 May 2017. The volatility of the Company's traded stock price in the SET and loan prepayment are two factors that are relevant in assessing the collateral coverage of the two loans.

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 this quarter derived from

these loans amounted to Baht 143 million representing 42 percent of the Company's total consolidated profits for this quarter. The Company's average rate earned from these two borrowers was at 17 percent per annum. Both Cyprus and Singapore borrowers paid all interest due in April 2017. As at 11 April 2017, there were no amounts of past due interest from these two group of borrowers.

The Company informed us that the borrowers are well established and trusted corporations. They are not related to the Company and the Company has carried out internal verifications and considered them reliable. These two groups of borrowers "Cyprus" and "Singapore" have been legally profiled as separate entities in transacting those loans with the Company. In our opinion, the flexibility of the transactions such as the loan prepayment and extension of loan period appeared to be less than independent and closer to that of joint venture relationship. However, the Company maintains them to be unrelated, independent and businesslike.

3.2 Investment in associate company in Sri Lanka - Approximately Baht 2,567 million as of 31 March 2017

I draw attention to Note 14 of the consolidated financial statements relating to the investment in an associated 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. The acquisition was approved at the Extraordinary General Meeting of the shareholders of the Company No.2/2016 on 6 December 2016 and a substantial part of the Sri Lanka shares (22.27%) was sold to the Company by a 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 a price/earnings ratio of 8 times of the annual earnings of the acquired associated company.

As at 31 March 2017, such investment was presented as an investment in an associate in the consolidated financial statements, of Baht 2,567 million (Baht 2,545 million as of 31 December 2016). Based on the market price at the Stock Exchange of Sri Lanka at the end of this quarter, the total value was only in the range of Baht 855 million (Baht 1,285 million as of the end of the year 2016). The difference between the carrying value of investment of Baht 2,567 million and the market value quoted on the Stock Exchange of Sri Lanka of Baht 855 million on 31 March 2017 is significant.

The Company's objective for the investment in this associate is long term.

The Management believes that the substantial business opportunities of associate's activities in Sri Lanka and through the association with the Company are greater than any short-term market volatility. The Management also believes that the Sri Lanka stock market is to be considered as an inactive market and the current share price is not appropriate as a sole indicator of the fair value of the long-term investment.

The reasonableness of the investment value depends on future realization of the expected benefits derived from the Company's expertise of hire purchase financing for motorcycles in an undeveloped economy and degree of its future success derived therefrom.

3.3 Convertible debentures

One major source of fund of the Company comes from one substantial holder of the Company's convertible debentures. Under generally accepted accounting principle, this specific investor is considered as a related party to the Company. The amount invested over the last two years was over Baht 7,000 million or USD 210 million (partly converted into the Company's share capital). The funds raised from this investor represented more than 30 percent of the total sources of funds supporting the whole operations of the group, including the lending to those two borrowers and investment in associate in Sri Lanka as stated above in (3.1) and (3.2).

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 12 May 2017 (except the event as described in paragraph 1 *Basis for Disclaimer of Conclusion*, which was dated as of 17 October 2017)

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	4,066,891	2,551,224	51,212	468,722
Current investments		50,800	-	-	-
Current portion of hire purchase and installment sales receivables	3, 5	2,565,395	3,150,340	1,937,194	1,946,220
Current portion of asset-backed loan receivables	6	234,215	226,272	-	-
Current portion of microfinance receivables	7	65,588	-	-	-
Current portion of loans and interest receivables	8	828,841	882,435	-	-
Assets foreclosed	9	47,230	50,893	22,674	24,948
Short-term loan to and interest receivables from subsidiary	3	-	-	6,946,815	5,198,254
Other receivables	3, 10	240,760	186,247	446,127	34,425
Other current assets	3, 11	258,664	297,766	95,997	83,435
Total current assets		8,358,384	7,345,177	9,500,019	7,756,004
Non-current assets					
Pledged fixed deposit at financial institution	12	337	334	337	334
Investments in subsidiaries	2, 13	-	-	6,017,120	6,017,120
Investments in associate	14	2,567,199	2,545,426	-	-
Other long-term investments	3, 15	478,277	476,350	-	-
Share subscription payment in advance for acquisition of investment in subsidiary	2, 3	-	285,517	-	-
Long-term portion of hire purchase and installment sales receivables	3, 5	3,838,347	3,145,585	1,841,351	1,797,536
Long-term portion of asset-backed loan receivables	6	56,608	55,476	-	-
Long-term portion of microfinance receivables	7	550	-	-	-
Long-term portion of loans and interest receivables	8	2,843,822	2,876,285	-	-
Property, plant and equipment	16	131,814	130,672	73,456	75,365
Intangible assets	17	144,103	139,796	41,994	35,828
Goodwill		362,503	122,157	-	-
Deferred tax assets		41,777	35,523	30,347	24,241
Other non-current assets	18	103,045	107,376	66,581	70,242
Total non-current assets		10,568,382	9,920,497	8,071,186	8,020,666
Total assets		18,926,766	17,265,674	17,571,205	15,776,670

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

Group Lease Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from financial institutions	19	369,588	556,260	197,740	448,767
Trade accounts payable		12,906	11,561	9,515	3,944
Deposits from customers	20	11,335	-	-	-
Short-term loans from and interest payable to related parties	3	4,300	4,396	125,000	130,000
Current portion of long-term loans	22	774,870	585,743	603,380	402,990
Current portion of long-term loans from subsidiary	3	-	-	31,940	53,300
Current portion of debentures	23	-	499,128	-	499,128
Income tax payable		63,989	87,086	16,427	16,427
Insurance premium payables		17,473	11,600	7,053	7,551
Other payables	3, 21	170,133	204,984	230,245	187,473
Other current liabilities	3	64,297	155,539	33,168	41,554
Total current liabilities		1,488,891	2,116,297	1,254,468	1,791,134
Non-current liabilities					
Long-term portion of long-term loans	22	556,055	212,390	510,920	174,140
Long-term portion of debentures	23	1,457,133	1,453,090	1,457,133	1,453,090
Convertible debentures - liability component	3, 24	6,865,585	4,506,287	6,865,585	4,506,287
Advance received for issuance of convertible debentures	3	-	465,799	-	465,799
Provision for long-term employee benefits		9,618	8,721	9,618	8,721
Cash guarantee for damage on hire purchase agreements		2,180	2,180	2,064	2,064
Total non-current liabilities		8,890,571	6,648,467	8,845,320	6,610,101
Total liabilities		10,379,462	8,764,764	10,099,788	8,401,235

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Shareholders' equity					
Share capital	25				
Registered					
1,845,090,080 ordinary shares of Baht 0.50 each		922,545	922,545	922,545	922,545
Issued and paid-up					
1,525,538,139 ordinary shares of Baht 0.50 each (31 December 2016: 1,525,509,970 ordinary shares of Baht 0.50 each)	25	762,769	762,755	762,769	762,755
Share premium	25	5,192,673	5,191,560	5,192,673	5,191,560
Share subscription received in advance	25	-	365	-	365
Retained earnings					
Appropriated - statutory reserve		92,255	92,255	92,255	92,255
Unappropriated		2,430,157	2,101,423	1,364,262	1,318,457
Other components of shareholders' equity	24	(64,980)	260,257	59,458	10,043
Total shareholders' equity		8,412,874	8,408,615	7,471,417	7,375,435
Non-controlling interests of the subsidiary		134,430	92,295	-	-
Total equity		8,547,304	8,500,910	7,471,417	7,375,435
Total liabilities and shareholders' equity		18,926,766	17,265,674	17,571,205	15,776,670
		-	-	-	-

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

Directors

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Hire purchase interest income		513,920	484,702	296,555	302,420
Asset - backed loan interest income		36,137	21,593	-	-
Microfinance interest income		4,243	-	-	-
Interest on loan receivables		143,020	113,520	-	-
Other income					
Other interest income		6,691	1,075	87,139	75,388
Consulting service fee income		6,979	-	-	-
Management service fee income		-	-	21,000	21,000
Other income related to the activities of hire purchase	27	55,453	54,574	33,360	37,300
Other income related to the activities of microfinance	28	418	-	-	-
Others		21,221	4,319	7,614	5,761
Total revenues		788,082	679,783	445,668	441,869
Expenses					
Services and administrative expenses		257,011	235,903	204,040	171,759
Bad debts and doubtful accounts		76,990	71,180	40,697	55,180
Loss on disposals of foreclosed assets		58,653	57,251	51,920	54,803
Total expenses		392,654	364,334	296,657	281,742
Profit before share of profit from investment in associate, finance cost and income tax expenses		395,428	315,449	149,011	160,127
Share of profit from investment in associate	14	55,489	-	-	-
Profit before finance cost and income tax expenses		450,917	315,449	149,011	160,127
Finance cost		(103,123)	(44,025)	(97,923)	(39,725)
Profit before income tax expenses		347,794	271,424	51,088	120,402
Income tax expenses	29	(20,438)	(49,259)	(5,283)	(24,067)
Profit for the period		327,356	222,165	45,805	96,335
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		(338,617)	(136,118)	-	-
Share of other comprehensive income from investment in associate - net of income tax		(37,897)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		(376,514)	(136,118)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from investment in associate - net of income tax		603	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		603	-	-	-
Other comprehensive income for the period		(375,911)	(136,118)	-	-
Total comprehensive income for the period		(48,555)	86,047	45,805	96,335

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
Equity holders of the Company		328,131	222,165	45,805	96,335
Non-controlling interests of the subsidiary		(775)	-		
		<u>327,356</u>	<u>222,165</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(45,918)	86,047	45,805	96,335
Non-controlling interests of the subsidiary		(2,637)	-		
		<u>(48,555)</u>	<u>86,047</u>		
Earnings per share					
	30				(Unit: Baht)
Basic earnings per share					
Profit for the period		0.2151	0.1456	0.0300	0.0632
Weighted average number of ordinary shares (thousand shares)		<u>1,525,527</u>	<u>1,525,385</u>	<u>1,525,527</u>	<u>1,525,385</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 three-month period ended 31 March 2017

(Unit: Thousand Baht)

Consolidated financial statements														
	Note	Other components of equity												
		Retained earnings					Other comprehensive income			Convertible debentures - equity component	Total other components the owners of the Company	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
		Issued and paid-up share capital	Share premium	Share subscription received in advance	Appropriated	Unappropriated	Unrealised gain on changes in fair value of available-for-sale from investment in associate	Revaluation gain on land and building from investment in associate	Exchange differences on translation of financial statements in foreign currency					
Balance as at 1 January 2016		713,643	4,254,634	981,049	76,959	1,283,825	-	-	271,349	-	271,349	7,581,459	-	7,581,459
Profit for the period		-	-	-	-	222,165	-	-	-	-	-	222,165	-	222,165
Other comprehensive income for the period		-	-	-	-	-	-	(136,118)	-	-	(136,118)	(136,118)	-	(136,118)
Total comprehensive income for the period		-	-	-	-	222,165	-	(136,118)	-	-	(136,118)	86,047	-	86,047
Issuance of ordinary shares during period from transferring of share subscription received in advance		49,050	931,999	(981,049)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016		<u>762,693</u>	<u>5,186,633</u>	<u>-</u>	<u>76,959</u>	<u>1,505,990</u>	<u>-</u>	<u>-</u>	<u>135,231</u>	<u>-</u>	<u>135,231</u>	<u>7,667,506</u>	<u>-</u>	<u>7,667,506</u>
Balance as at 1 January 2017		762,755	5,191,560	365	92,255	2,101,423	1,793	-	248,421	10,043	260,257	8,408,615	92,295	8,500,910
Profit for the period		-	-	-	-	328,131	-	-	-	-	-	328,131	(775)	327,356
Other comprehensive income for the period		-	-	-	-	603	753	704	(376,109)	-	(374,652)	(374,049)	(1,862)	(375,911)
Total comprehensive income for the period		-	-	-	-	328,734	753	704	(376,109)	-	(374,652)	(45,918)	(2,637)	(48,555)
Issuance of ordinary shares during period from the exercise of warrants	25	14	1,113	-	-	-	-	-	-	-	-	1,127	-	1,127
Issuance of ordinary shares during period from transferring of share subscription received in advance	25	-	-	(365)	-	-	-	-	-	-	-	(365)	-	(365)
Increase in non-controlling interest from established a new subsidiary		-	-	-	-	-	-	-	-	-	-	-	44,772	44,772
Issue convertible debentures - equity component		-	-	-	-	-	-	-	-	49,415	49,415	49,415	-	49,415
Balance as at 31 March 2017		<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>2,430,157</u>	<u>2,546</u>	<u>704</u>	<u>(127,688)</u>	<u>59,458</u>	<u>(64,980)</u>	<u>8,412,874</u>	<u>134,430</u>	<u>8,547,304</u>
		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

Separate financial statements								
	Note	Issued and paid-up share capital	Share premium	Share subscription received in advance	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
					Appropriated	Unappropriated	Convertible debentures - equity component	
Balance as at 1 January 2016		713,643	4,254,634	981,049	76,959	1,082,776	-	7,109,061
Profit for the period		-	-	-	-	96,335	-	96,335
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	96,335	-	96,335
Issuance of ordinary shares during period from transferring of share subscription received in advance		49,050	931,999	(981,049)	-	-	-	-
Balance as at 31 March 2016		<u>762,693</u>	<u>5,186,633</u>	<u>-</u>	<u>76,959</u>	<u>1,179,111</u>	<u>-</u>	<u>7,205,396</u>
Balance as at 1 January 2017		762,755	5,191,560	365	92,255	1,318,457	10,043	7,375,435
Profit for the period		-	-	-	-	45,805	-	45,805
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	45,805	-	45,805
Issuance of ordinary shares during period from the exercise of warrants	25	14	1,113	-	-	-	-	1,127
Issuance of ordinary shares during period from transferring of share subscription received in advance	25	-	-	(365)	-	-	-	(365)
Issue convertible debentures - equity component		-	-	-	-	-	49,415	49,415
Balance as at 31 March 2017		<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>1,364,262</u>	<u>59,458</u>	<u>7,471,417</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 three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	347,794	271,424	51,088	120,402
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	10,711	8,685	4,417	3,955
Amortisation	2,108	4,760	870	319
Bad debts and doubtful accounts	78,990	71,180	42,697	55,180
Loss on disposals of assets foreclosed	58,653	57,251	51,920	54,803
Loss (reversal of loss) on diminution in value of assets foreclosed	(4,350)	2,946	(2,783)	3,436
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	-	7,436
Unrealised exchange (gain) loss	(15,254)	510	66,913	37,305
Provision for long-term employee benefits	898	-	898	-
Share of profit from investments in associates	(55,489)	-	-	-
Interest income	(6,691)	(1,075)	(87,139)	(75,388)
Interest expenses	96,615	40,916	92,469	36,737
Amortised front end fees of loans	1,267	1,772	-	1,651
Amortised transaction cost of debentures	4,915	1,337	4,915	1,337
Amortised transaction cost of convertible debentures	326	-	326	-
Profit from operating activities before changes in operating assets and liabilities	520,493	459,706	226,591	247,173
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(179,562)	(197,639)	(75,485)	50,212
Asset - backed loan receivables	(11,651)	(40,983)	-	-
Microfinance and interest receivables	(18,366)	-	-	-
Loans and interest receivables	86,057	(148,015)	-	-
Assets foreclosed	(50,575)	(62,689)	(46,863)	(66,221)
Other receivables	(36,405)	43,269	(411,599)	-
Other current assets	11,993	72,042	544	9,613
Other non-current assets	2,474	1,282	1,590	(248)
Operating liabilities increase (decrease)				
Trade accounts payable	1,341	(25,973)	5,570	(510)
Deposit	1,740	-	-	-
Insurance premium payables	5,874	(484)	(499)	391
Other payables	(60,801)	10,266	20,418	192
Other current liabilities	(85,936)	14,995	(25,604)	5,511
Cash flows from (used in) operating activities	186,676	125,777	(305,337)	246,113
Cash paid for interest expenses	(52,467)	(48,723)	(49,942)	(44,553)
Cash paid for corporate income tax	(39,054)	(19,871)	(709)	(711)
Net cash flows from (used in) operating activities	95,155	57,183	(355,988)	200,849

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 three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Increase in short-term investments	(50,800)	-	-	-
Increase in pledged fixed deposits at financial institution	(3)	(4)	(3)	(4)
Decrease in accounts receivable and loans to employees	64	124	64	124
Acquisition of investment in subsidiary	(18,579)	-	-	-
Acquisition of investments in associate	(3,578)	-	-	-
Acquisition of other investments	(1,927)	-	-	-
Acquisitions of equipment	(12,742)	(10,249)	(2,508)	(5,496)
Acquisitions of intangible asset	(10,444)	(888)	(7,036)	-
Cash paid for short-term loan to subsidiaries	-	-	(1,770,519)	(896,980)
Cash paid for short-term loan	-	(112,801)	-	-
Cash received from short-term loan	-	6,999	-	6,737
Interest received	6,200	6,230	1,060	399
Net cash flows used in investing activities	(91,809)	(110,589)	(1,778,942)	(895,220)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(187,575)	(80,000)	(252,077)	(80,000)
Cash received from short-term loans from related party	344,501	-	-	-
Repayment of short-term loans from related party	(344,501)	-	(5,000)	-
Repayment of long-term loans from related party	-	-	(21,360)	-
Cash received from long-term loans	759,482	900,000	730,000	900,000
Repayment of long-term loans	(219,912)	(574,242)	(192,830)	(568,180)
Cash paid for front end fees of loans	(1,034)	-	-	-
Cash received from issuance of convertible debentures	1,959,553	-	1,959,553	-
Repayment of debentures	(500,000)	-	(500,000)	-
Cash paid for transaction costs of convertible debentures	(1,627)	-	(1,627)	-
Cash received from exercise of warrants	761	-	761	-
Cash received from non-controlling interests in respect of establishing new subsidiary	44,773	-	-	-
Net cash flows from financing activities	1,854,421	245,758	1,717,420	251,820
Exchange differences on transaction of financial statement in foreign currency	(342,100)	(137,256)	-	-
Net increase (decrease) in cash and cash equivalents	1,515,667	55,096	(417,510)	(442,551)
Cash and cash equivalents at beginning of period	2,551,224	1,044,886	468,722	552,224
Cash and cash equivalents at the end of period (Note 4)	4,066,891	1,099,982	51,212	109,673
	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Supplement cash flows information				
Non-cash items				
Transferred assets foreclosed to equipment	-	34	-	-
Transferred equipment to assets foreclosed	65	-	-	-
Transferred of share subscription received in advance to ordinary shares and share premium	761	981,049	761	981,049
Transferred short-term loans to subsidiary to share subscription payment in advance	-	-	-	276,164
Transferred of Advance received for issuance of convertible debentures to convertible debentures	465,798	-	465,798	-
Transferred Share subscription payment in advance for acquisition of investment in subsidiary to investment in subsidiary	285,517	-	-	-

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

Group Lease Public Company Limited and its subsidiaries

Interim financial statements

For the three-month periods ended 31 March 2017

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Group Lease Public Company Limited and its subsidiaries
Notes to interim financial statements
For the three-month period ended 31 March 2017

1. General information

1.1 Corporate information

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

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).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated interim financial statements include the financial statements of Group Lease Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016. There has been no significant change in the composition of the group of companies during the current period, except for the investments in BG Microfinance Myanmar Co., Ltd. and GL-AMMK Co., Ltd. (subsidiaries of GLH) as disclosed in Note 2.

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

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		31 March 2017	31 December 2016	
Group Lease Holdings Pte. Ltd. ("GLH")	Singapore	100	100	Business management and consulting services, financing to corporates and investment holding
GL Finance Plc. (shares held by Group Lease Holdings Pte. Ltd.) ("GLF")	Cambodia	100	100	Hire purchase services 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	65	Hire purchase services for agricultural equipment

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		31 March 2017	31 December 2016	
BG Microfinance Myanmar Co., Ltd. (shares held by Group Lease Holdings Pte. Ltd.) ("BGMM")	Myanmar	100	-	Microfinance business
GL-AMMK Co., Ltd. (shares held by Group Lease Holdings Pte. Ltd.) ("GL-AMMK")	Myanmar	57	-	Advisory, consultancy, managerial, administrative, technical and operational services (started operation in the first quarter of 2017)

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were adopted for the financial statements for the year ended 31 December 2016 with the following additional accounting policies adopted:

Microfinance receivables

Microfinance receivables are stated net of unearned interest income and allowance for doubtful accounts.

The subsidiary provides an allowance for doubtful accounts for microfinance 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.

Interest income on microfinance receivables

Microfinance 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.

2. Business acquisition and establishment of subsidiary

2.1 Acquisition of BG Microfinance Myanmar Co., Ltd. by the Company's subsidiary during current period

On 6 December 2016, an Extraordinary General Meeting of the Company's 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% 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 280 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. 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.

These consolidated financial statements include the statement of financial position of BGMM as at 31 March 2017 and its profit or loss for the period from the investment date to 31 March 2017. The excess of the purchase price over the fair value of the net assets acquired was recorded as goodwill. However, the Group recorded the assets acquired at their net book value, not fair value. The Group is awaiting a third party appraisal in order to allocate the fair value associated with the assets. The Group expects to obtain this appraisal and complete the purchase price allocation by end of 2017.

(Unaudited but reviewed)

Details of the fair value of identifiable net assets of BGMM, and their net book value, are as follows:

	(Unit: Million Baht)	
	<u>Fair value</u>	<u>Net book value</u>
Assets		
Cash and cash equivalents	5	5
Microfinance receivables	48	48
Other receivables	1	1
Property, plant and equipment	1	1
Deposits from customer	(10)	(10)
Corporate income tax payable	(1)	(1)
Other current liabilities	(1)	(1)
Net identifiable assets acquired and liabilities assumed	<u>43</u>	<u>43</u>
Interest acquired (%)	100	
Net asset value attributable to the company's investment	43	
The excess of purchase price over net asset value	<u>243</u>	
Total consideration - paid	286	
Less: Cash and cash equivalents of the subsidiary	<u>(5)</u>	
Cash paid for acquisition of subsidiary of the Group	<u>281</u>	

The Group incurred subsidiary acquisition-related costs of Baht 2.7 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of income.

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 Establishment of GL-AMMK Co., Ltd. by the Company's subsidiary during current period

On 6 December 2016, the Extraordinary General Meeting of the Company's shareholders No.2/2016 approved the establishment of a company, GL-AMMK Co.,Ltd. ("GL-AMMK"). On 24 January 2017.

GL-AMMK has received its temporary registration certificate. GL-AMMK is to be incorporated and domiciled in Myanmar with registered share capital of MMK 4,080 million, or approximately Baht 104 million. This company was incorporated with the Ministry of Planning and Finance in Myanmar on 24 January 2017.

On 15 March 2017, GL-AMMK was granted permission to operate an Advisory, consultancy, managerial, administrative, technical and operational services business in Myanmar and launched the business operations during the first quarter of 2017.

3. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	8	18	Contract rate
Interest income	-	-	86,256	75,098	7.00% per annum
Other income	-	-	23,473	23,104	Contract rate
Interest expenses	-	-	3,193	-	7.00% per annum
Transactions with related parties:					
Interest expense	60,288	91	59,914	-	5.00% - 10.00% per annum
Acquisition of investment in subsidiary					
- BGMM	80,213	-	-	-	Contract rate

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period
ended 31 March 2017

Pricing policy

Transactions between GLH and subsidiaries:

(Not presented in both consolidated and separate financial statements)

Interest income	46,857	6.50% - 10.00% per annum
Other income	4,178	Contract rate
Interest expenses	87,125	7.00% per annum
Administrative expenses	1,423	Contract rate
IT staff cost capitalization to software under development	2,069	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)
BG Microfinance Myanmar Co., Ltd.	Subsidiary (held by a subsidiary)
GL-AMMK Co.,Ltd.	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
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.	Associated company
Creation Investment Sri Lanka LLC.	Common director with the Company
Wedge Holdings Co., Ltd.	Company's director is major shareholder of that company / Common director
Showa Holdings Co., Ltd.	Company's director is major shareholder

(Unaudited but reviewed)

Name of related parties	Relationship with the Company of that company / Common director	
-------------------------	--	--

As at 31 March 2017 and 31 December 2016, 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	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Hire purchase and installment sales receivables</u>				
<i>Subsidiary company</i>				
GL Finance Plc.	-	-	654	646
Total	-	-	654	646
<u>Short-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	6,946,815	5,198,254
Total	-	-	6,946,815	5,198,254
<u>Other receivables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	427,486	14,919
GL Finance Plc.	-	-	2,485	1,536
Thanaban Co.,Ltd.	-	-	8,907	8,762
<i>Related parties</i>				
Director of the Company and subsidiaries	7,142	11,875	-	-
A.P.F. Group Co., Ltd.	4,600	4,784	-	-
Engine Holdings Asia Pte. Ltd.	1,322	1,341	-	-
Asia Partnership Fund Pte., Ltd.	12	12	-	-
Cambodian People Micro Insurance PLC.	82	218	-	-
APF Trading Plc.	195,867	24,328	-	-
Wedge Holdings Co., Ltd.	32	-	-	-
PT Bank JTrust Indonesia Tbk.	3,254	2,270	-	-
Total	212,311	44,828	438,878	25,217

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Other current assets</u>				
<i>Related party</i>				
APF Trading Plc.	110,001	175,457	-	-
Total	110,001	175,457	-	-
<u>Subscription payment in advance for acquisition of investment in subsidiary</u>				
<i>Associated 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.	-	-	125,000	130,000
<i>Related parties</i>				
Director of the Company and subsidiaries	239	248	-	-
Cambodian People Micro Insurance PLC.	4,061	4,148	-	-
Total	4,300	4,396	125,000	130,000
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	31,940	53,300
Total	-	-	31,940	53,300
<u>Other payables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	147,391	49,826
GL Finance Plc.	-	-	2,448	2,124
GL Leasing (Lao) Company Limited	-	-	626	-
PT. Group Lease Finance Indonesia	-	-	210	-
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	40,558	95,699	40,558	95,699
Creation Investment Sri Lanka LLC.	190	-	190	-
Engine Holdings Asia Pte. Ltd.	75	-	75	-
Total	40,823	95,699	191,498	147,649

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Other current liabilities</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	-	236
Thanaban Co., Ltd.	-	-	1,150	1,255
<i>Related parties</i>				
Commercial Credit and Finance Plc.	-	6,643	-	-
Engine Holdings Asia Pte. Ltd.	345	-	-	-
Showa Holdings Co., Ltd.	1,220	-	-	-
APF Trading Plc.	490	-	-	-
Director of the Company and subsidiaries	154	129	-	-
Total	<u>2,209</u>	<u>6,772</u>	<u>1,150</u>	<u>1,491</u>
<u>Convertible debentures</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	6,244,543	4,521,832	6,244,543	4,521,832
Creation Investment Sri Lanka LLC.	689,085	-	689,085	-
Total	<u>6,933,628</u>	<u>4,521,832</u>	<u>6,933,628</u>	<u>4,521,832</u>
<u>Advance received for issuance of convertible debentures</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	-	179,154	-	179,154
Creation Investment Sri Lanka LLC.	-	286,645	-	286,645
Total	<u>-</u>	<u>465,799</u>	<u>-</u>	<u>465,799</u>

On 27 July 2016, GLF entered into an agreement with a related party which required to provide a deposit for the future leased assets to end customers.

As at 31 March 2017, deposit of assets to be leased as presented under the caption of other current assets in the consolidated financial statements, totaling USD 3.2 million (31 December 2016: USD 4.9 million).

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the period		Loss from	Balance as at
	1 January 2017	Increase	Decrease	exchange rate	31 March 2017
<u>Short-term loans to and interest receivable from subsidiary</u>					
<i>Subsidiary company</i>					
Group Lease Holdings Pte. Ltd.	5,198,254	1,831,207	-	(82,646)	6,946,815
Total	5,198,254	1,831,207	-	(82,646)	6,946,815

These loans to subsidiary are unsecured loans with interest rate charged at the rate of 7.00% per annum (31 December 2016: 7.00% per annum).

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	Balance as at	During the period		Exchange differences	Balance as at
	1 January 2017	Increase	Decrease	on translation of financial statement in foreign currency	31 March 2017
<u>Short-term loans from and interest payable to related parties</u>					
<i>Related parties</i>					
Director of the Company and subsidiaries	248	-	-	(9)	239
A.P.F. Group Co., Ltd.	-	350,468	(350,468)	-	-
Cambodian People Micro Insurance PLC.	4,148	75	-	(162)	4,061
Total	4,396	350,543	(350,468)	(171)	4,300

These loans from related parties are unsecured loans with interest rate charged at the rate of 5.25-10.00% per annum (31 December 2016: 10.00% per annum).

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at 1 January 2017	During the period		Gain (loss) from exchange rate	Balance as at 31 March 2017
		Increase	Decrease		
<u>Short-term loans from and interest payable to subsidiary</u>					
<i>Subsidiary company</i>					
Thanaban Co., Ltd.	130,000	2,240	(7,240)	-	125,000
Total	130,000	2,240	(7,240)	-	125,000

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

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

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 March 2017
	Balance as at 1 January 2017	During the period		
		Increase	Decrease	
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	53,300	741	(22,101)	31,940
Total	53,300	741	(22,101)	31,940

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 2016, the Company issued the convertible debentures in foreign currencies as disclosed in Note 24. 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 three-month periods ended 31 March 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements			
	For the three-month period ended 31 March			
	2017		2016	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	8,370	132	9,156	477
Post-employment benefits	87	-	-	-
Total	8,457	132	9,156	477

(Unaudited but reviewed)

	Separate financial statements			
	For the three-month period ended 31 March			
	2017		2016	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	7,708	53	8,730	35
Post-employment benefits	87	-	-	-
Total	7,795	53	8,730	35

4. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Cash	9,872	3,126	210
Bank deposits	4,057,019	2,548,098	51,002	468,538
Total	4,066,891	2,551,224	51,212	468,722

As at 31 March 2017 and 31 December 2016, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.00% - 7.50% per annum and 0.00% - 7.50% per annum, respectively (the Company only: 0.01% - 0.37% per annum and 0.85% - 1.00% per annum, respectively).

5. Hire purchase and installment sales receivables

5.1 As at 31 March 2017 and 31 December 2016, the balances of hire purchase and installment sales receivables are as follows:

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Normal receivables						
Hire purchase and installment sales receivables	3,893,097	4,458,097	4,939,044	4,221,126	8,832,141	8,679,223
Accrued hire purchase and installment sales income	185,784	183,234	-	-	185,784	183,234
Less: Unearned hire purchase and installment sales income, net	(1,512,727)	(1,477,392)	(1,065,895)	(1,061,151)	(2,578,622)	(2,538,543)
Total normal receivable	2,566,154	3,163,939	3,873,149	3,159,975	6,439,303	6,323,914

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Terminated agreements receivables						
Hire purchase and installment sales receivables	185,300	187,958	120,382	110,236	305,682	298,194
Accrued hire purchase and installment sales income	18,405	18,590	-	-	18,405	18,590
Less: Unearned hire purchase and installment sales income, net	(62,072)	(60,143)	(30,281)	(27,433)	(92,353)	(87,576)
Total terminated agreements receivables	141,633	146,405	90,101	82,803	231,734	229,208
Total receivables	2,707,787	3,310,344	3,963,250	3,242,778	6,671,037	6,553,122
Less: Allowance for doubtful accounts	(142,392)	(160,004)	(124,903)	(97,193)	(267,295)	(257,197)
Hire purchase and installment sales receivables, net	2,565,395	3,150,340	3,838,347	3,145,585	6,403,742	6,295,925

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Normal receivables						
Hire purchase and installment sales receivables	2,803,612	2,805,568	2,341,948	2,289,212	5,145,560	5,094,780
Accrued hire purchase and installment sales income	99,217	97,651	-	-	99,217	97,651
Less: Unearned hire purchase and installment sales income, net	(984,347)	(978,388)	(509,658)	(500,824)	(1,494,005)	(1,479,212)
Total normal receivable	1,918,482	1,924,831	1,832,290	1,788,388	3,750,772	3,713,219
Terminated agreements receivables						
Hire purchase and installment sales receivables	174,963	173,905	118,262	109,083	293,225	282,988
Accrued hire purchase and installment sales income	17,385	17,328	-	-	17,385	17,328
Less: Unearned hire purchase and installment sales income, net	(59,375)	(57,498)	(29,874)	(27,216)	(89,249)	(84,714)
Total terminated agreements receivables	132,973	133,735	88,388	81,867	221,361	215,602
Total receivables	2,051,455	2,058,566	1,920,678	1,870,255	3,972,133	3,928,821
Less: Allowance for doubtful accounts	(114,261)	(112,346)	(79,327)	(72,719)	(193,588)	(185,065)
Hire purchase and installment sales receivables, net	1,937,194	1,946,220	1,841,351	1,797,536	3,778,545	3,743,756

5.2 As at 31 March 2017 and 31 December 2016, 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	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Hire purchase and installment sales receivables					
Not yet due	5,745,993	5,630,021	41,923	40,539	5,704,070	5,589,482
Past due:						
1 month	375,584	364,616	23,998	24,453	351,586	340,163
2 - 3 months	238,463	268,833	41,634	46,049	196,829	222,784
4 - 6 months	127,517	128,480	42,809	44,165	84,708	84,315
7 - 9 months	98,221	94,918	51,227	50,605	46,994	44,313
10 - 12 months	84,064	63,810	64,509	48,944	19,555	14,866
Over 12 months	1,195	2,444	1,195	2,442	-	2
Total	6,671,037	6,553,122	267,295	257,197	6,403,742	6,295,925

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Hire purchase and installment sales receivables					
Not yet due	3,409,576	3,352,810	33,590	33,049	3,375,986	3,319,761
Past due:						
1 month	223,257	228,878	22,141	22,698	201,116	206,180
2 - 3 months	155,556	176,054	30,907	34,973	124,649	141,081
4 - 6 months	69,699	76,372	27,679	30,348	42,020	46,024
7 - 9 months	58,999	59,836	35,222	35,723	23,777	24,113
10 - 12 months	54,181	32,569	43,185	25,974	10,996	6,595
Over 12 months	865	2,302	864	2,300	1	2
Total	3,972,133	3,928,821	193,588	185,065	3,778,545	3,743,756

5.3 As at 31 March 2017 and 31 December 2016, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,282,586	2,707,787	4,847,879	3,310,344
After one year but not more than five years	5,059,426	3,963,250	4,331,362	3,242,778
Total	9,342,012	6,671,037	9,179,241	6,553,122
Less: Amounts representing finance charges	(2,670,975)		(2,626,119)	
Present value of minimum lease payments	6,671,037		6,553,122	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,095,177	2,051,455	3,094,452	2,058,566
After one year but not more than five years	2,460,210	1,920,678	2,398,295	1,870,255
Total	5,555,387	3,972,133	5,492,747	3,928,821
Less: Amounts representing finance charges	(1,583,254)		(1,563,926)	
Present value of minimum lease payments	3,972,133		3,928,821	

5.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 March 2017 and 31 December 2016, there are outstanding hire purchase receivable amounting to approximately Baht 212 million and Baht 214 million, respectively (the Company only: Baht 207 million and Baht 200 million, respectively) for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Company and its subsidiaries had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2017 and 2016 would be reduced by Baht 1.7 million and Baht 3.5 million, respectively (the Company only: Baht 1.6 million and Baht 2.5 million, respectively).

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

5.6 As at 31 March 2017 and 31 December 2016, 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 1,873 million and Baht 1,360 million, respectively (the Company only: Baht 1,846 million and Baht 1,329 million, respectively), in order to secure credit facilities granted by commercial banks as disclosed in Notes 19 and 22.

6. Asset - backed loan receivables

6.1 As at 31 March 2017 and 31 December 2016, 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			
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
Normal receivables						
Asset - backed loan receivables	315,192	307,497	74,198	71,609	389,390	379,106
Interest receivables	11,375	11,562	-	-	11,375	11,562
Less: Unearned interest income, net	(89,533)	(89,089)	(16,412)	(14,994)	(105,945)	(104,083)
Total normal receivables	237,034	229,970	57,786	56,615	294,820	286,585
Terminated agreements receivables						
Asset - backed on receivables	11,993	9,879	782	656	12,775	10,535
Interest receivables	1,524	1,264	-	-	1,524	1,264
Less: Unearned interest income, net	(3,369)	(2,833)	(138)	(98)	(3,507)	(2,931)
Total terminated agreements receivables	10,148	8,310	644	558	10,792	8,868
Total receivables	247,182	238,280	58,430	57,173	305,612	295,453
Less: Allowance for doubtful accounts	(12,967)	(12,008)	(1,822)	(1,697)	(14,789)	(13,705)
Asset - backed on receivables, net	234,215	226,272	56,608	55,476	290,823	281,748

6.2 As at 31 March 2017 and 31 December 2016, 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
Asset-backed loan receivables						
Not yet due	247,251	239,307	2,436	2,369	244,815	236,938
Past due:						
1 month	28,603	27,242	2,780	2,646	25,823	24,596
2 - 3 months	18,967	20,036	3,750	4,007	15,217	16,029
4 - 6 months	5,244	4,970	2,098	1,988	3,146	2,982
7 - 9 months	3,560	2,115	2,136	1,269	1,424	846
10 - 12 months	1,987	1,783	1,589	1,426	398	357
Total	305,612	295,453	14,789	13,705	290,823	281,748

- 6.3 As at 31 March 2017 and 31 December 2016, 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			
	31 March 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	340,084	247,182	330,202	238,280
After one year but not more than five years	74,980	58,430	72,265	57,173
Total	415,064	305,612	402,467	295,453
Less: Amounts representing finance charges	(109,452)		(107,014)	
Present value of minimum loan payments	305,612		295,453	

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

- 6.5 As at 31 March 2017 and 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 40 million and Baht 52 million, respectively, in order to secure credit facilities granted by commercial bank as disclosed in Note 22.

7. Microfinance receivables

- 7.1 As at 31 March 2017 and 31 December 2016, the balances of microfinance receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of microfinance receivables		Long-term portion of microfinance receivables		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Normal receivables						
Microfinance receivables	75,252	-	666	-	75,918	-
Accrued microfinance receivables	22	-	-	-	22	-
Less: Unearned interest income, net	(9,063)	-	(116)	-	(9,179)	-
Total receivables	66,211	-	550	-	66,761	-
Less: Allowance for doubtful accounts	(623)	-	-	-	(623)	-
Microfinance receivables, net	65,588	-	550	-	66,138	-

(Unaudited but reviewed)

7.2 As at 31 March 2017 and 31 December 2016, the balances of microfinance receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements						
Aging	Microfinance receivables		Allowance for doubtful accounts		Microfinance receivables, net	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
Loan receivables						
Not yet due	66,761	-	623	-	66,138	-
Past due:						
1 month	-	-	-	-	-	-
2 - 3 months	-	-	-	-	-	-
4 - 6 months	-	-	-	-	-	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	<u>66,761</u>	<u>-</u>	<u>623</u>	<u>-</u>	<u>66,138</u>	<u>-</u>

7.3 As at 31 March 2017 and 31 December 2016, the future minimum loan payment receivable under microfinance loan agreements together with the present value of the net minimum loan payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	75,274	66,211	-	-
After one year but not more than three years	666	550	-	-
Total	<u>75,940</u>	<u>66,761</u>	<u>-</u>	<u>-</u>
Less: Amounts representing finance charges	<u>(9,179)</u>		<u>-</u>	
Present value of minimum loan payments	<u>66,761</u>		<u>-</u>	

8. Loans and interest receivables

The Company provided loans to its subsidiary in Singapore, which in turn loaned to borrowers in Cyprus and Singapore. The composition of these receivables is as follows:

		Consolidated financial statements			
		31 March 2017		31 December 2016	
<u>Location of borrowers</u>	<u>Interest rate</u> <u>(% per annum)</u>	<u>Thousand</u> <u>USD</u>	<u>Equivalent to</u> <u>Thousand Baht</u>	<u>Thousand</u> <u>USD</u>	<u>Equivalent to</u> <u>Thousand Baht</u>
Cyprus	14.5 - 17.0	41,779	1,439,293	39,519	1,415,973
Singapore	14.5 - 25.0	56,272	1,938,574	56,272	2,016,263
Others	5.0 - 10.0	1,247	42,974	1,247	44,696
Total loans		99,298	3,420,841	97,038	3,476,932
Interest receivables			251,822		281,788
Total loans and interest receivables			3,672,663		3,758,720
Less: Current portion			(828,841)		(882,435)
Long-term portion of loans and interest receivables			2,843,822		2,876,285

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 owned by the borrowers. The collaterals (including shares in the Company valued at the shares' closing price on the Stock Exchange of Thailand ("SET") as of 31 March 2017) covered 74 percent of the loans to the borrower in Cyprus and the loans to the borrower in Singapore were excessively covered at 126 percent (On 31 December 2016, both loans were covered by the collateral values, at 106 percent and 238 percent, respectively). If the value of the pledged shares of the Company is excluded, the remaining value of the collateral would amount to 57 percent and 53 percent of the outstanding amounts of the loans receivable from these two respective groups of borrowers as of 31 March 2017, (60 percent and 53 percent, respectively, as of 31 December 2016).

(Unaudited but reviewed)

The terms of the loans granted vary from 3 months to 3 years. All principals is due upon maturity, while some loan principals that originally came due last year was rolled over and extended to the periods of either 2 or 3 years. The balance of loans rolled over was Baht 2,129 million (USD 59 million), accounting for 60 percent of the total debts. During this quarter, the subsidiary in Singapore granted additional loans of approximately Baht 70 million (USD 2 million) to the borrower in Cyprus - increasing the balance of loans receivable from the borrower to Baht 3,421 million (USD 99 million) as of 31 March 2017.

The interest rates charged under the loan agreements were in the range of 14.5 percent to 25 percent per annum. The interest earned during this quarter from these loans amounted to Baht 143 million, representing 42 percent of the Company's total consolidated profits for the quarter. The Company's average rate at which interest was earned from the two borrowers was 17 percent per annum.

The borrowers are well established and trusted corporations. They are not related to the Company and the Company has carried out internal verifications and considers them to be reliable.

The terms and conditions of lending, and the management, monitoring and subsequent modification of the unpaid loans were based on the expertise of the Company's directors and top executives, who have specialized knowledge of the business of these specific borrowers, and their relationships with the borrowers.

As at 31 March 2017 and 31 December 2016, the balances of loans and interest receivables aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2017	31 December 2016
Loans and interest receivables		
Not yet due	3,595,991	3,664,898
Past due:		
1 - 3 months	63,668	80,584
4 - 6 months	276	-
7 - 12 months	12,728	13,238
Total	<u>3,672,663</u>	<u>3,758,720</u>

Subsequent to the financial statement, on 11 April 2017, the Company disclosed “Information on Payment of Interests by Cyprus Borrowers and Singapore Borrowers and Prepayment by Cyprus Borrowers of the Loans under Certain Loan Agreements” to the Stock Exchange of Thailand (SET), which is detailed that GLH has improved its invoicing and collection processes and had collected all interest due up until 31 March 2017 within 11 April 2017. In addition, GLH received loan prepayment from Cyprus borrower on 11 April 2017, amounting to USD 12,180,805. Subsequently loan prepayment, the remaining principal loan balance amounted to USD 29,598,266. The collateral in place before prepayment remains in place as pledged for the remaining of loan principal and interest receivables, and as a result of the prepayment both debts are adequately covered, i.e. the value of the collaterals and the value of the pledged shares of the Company valued at their closing price on the SET on 9 May 2017 were included in the determination, giving coverage ratios of 105 percent and 129 percent, respectively. However, if the value of the pledged shares of the Company is excluded, the remaining value of the collaterals would amount to only 80 percent and 53 percent of the respectively of the borrowed sums receivable from these two groups.

As of 11 April 2017, there are no amounts past due interest from the Singapore and Cyprus borrowers.

9. Assets foreclosed

As at 31 March 2017 and 31 December 2016, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Repossessed assets	63,377	66,823	35,022	40,078
Less: Allowance for diminution in value of assets foreclosed	(16,147)	(15,930)	(12,348)	(15,130)
Assets foreclosed, net	<u>47,230</u>	<u>50,893</u>	<u>22,674</u>	<u>24,948</u>

(Unaudited but reviewed)

10. Other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Accrued income	4,885	4,403	2,770	2,957
Advance payment - related parties	188,920	20,500	425,897	12,381
Advance payment	8,117	26,036	335	749
Other receivable - sales of assets				
Foreclosed	5,055	6,156	4,996	6,114
Other receivables - related parties	23,391	24,328	12,981	12,836
Other receivables - consulting services	6,890	57,329	-	-
Other receivables	6,028	50,021	1,674	1,914
Total	243,268	188,773	448,653	36,951
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current receivables, net	240,760	186,247	446,127	34,425

11. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Prepaid expenses	80,310	72,502	64,479	66,952
Undue input tax	1,640	1,536	1,570	1,466
Deposit for assets to be leased - related party	110,001	175,457	-	-
Withholding tax deducted at source	64,337	45,103	27,572	12,685
Others	2,376	3,169	2,376	2,332
Total	258,664	297,767	95,997	83,435

12. 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 32.4.

13. Investments in subsidiary companies

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		(Unit: Thousand Baht) Dividend received during the three-month periods ended	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 March 2016
			(%)	(%)				
Thanaban Company Limited	565,000 Thousand Baht	565,000 Thousand Baht	100.00	100.00	629,696	629,696	-	-
Group Lease Holdings Pte. Ltd.	214,448 Thousand SGD	214,448 Thousand SGD	100.00	100.00	5,387,211	5,387,211	-	-
GL Leasing (Lao) Company Limited	16,300,000 Thousand LAK	16,300,000 Thousand LAK	0.32	0.32	213	213	-	-
					<u>6,017,120</u>	<u>6,017,120</u>	<u>-</u>	<u>-</u>

Investment in GLH

On 22 March 2016, a meeting of the Board of Directors of the Company approved additional investment in 10.8 million ordinary shares of GLH (or 100% of the shares of the subsidiary in issue) at a price equal to 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 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 the same day, 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 March 2017, investment in GLH in the separate financial statements amounted to SGD 214.45 million (31 December 2016: SGD 214.45 million).

Investment in GLL

On 1 February 2016, 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 change from 5.00% and 95.00% 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 three-month periods ended	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)				
Held by Group Lease Holdings Pte. Ltd.								
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	16,300,000	99.68	99.68	71,478	71,478	-	-
	Thousand	Thousand						
	LAK	LAK						
PT. Group Lease Finance Indonesia	100,000,000	100,000,000	65.00	65.00	172,133	172,133	-	-
	Thousand	Thousand						
	IDR	IDR						
BG Microfinance Myanmar Co., Ltd.	8,000,000	-	100.00	-	455,005	-	-	-
	Thousand							
	MMK							
GL-AMMK Co., Ltd.	4,080,000	-	57.00	-	59,350	-	-	-
	Thousand							
	MMK							
					1,117,436	603,081	-	-

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 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 March 2017, 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.

Investment in BGMM

On 6 December 2016, an Extraordinary General Meeting of the Company's shareholders No.2/2016 passed the resolution to approve GLH's acquisition of 1,387,680 ordinary shares of 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 280 million). BGMM is incorporated in the Republic of the Union of Myanmar and engaged in the activity of microfinance business.

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.

On 25 January 2017, the meeting of GLH's Board of Directors passed a resolution to approve additional investment in 6,612,320 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 6,612 million. The ordinary shares capital of BGMM increase from 1,387,680 ordinary shares to 8,000,000 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.

Investment in GL-AMMK

On 6 December 2016, the Extraordinary General Meeting of the Company's shareholders No.2/2016 approved the establishment of GL-AMMK. On 24 January 2017, GL-AMMK has received its temporary registration certificate. GL-AMMK is to be incorporated and domiciled in Myanmar with registered share capital of MMK 4,080 million, or approximately Baht 104 million. This company was incorporated with the Ministry of Planning and Finance in Myanmar on 24 January 2017.

On 15 March 2017, GL-AMMK was granted permission to operate a Advisory, consultancy, managerial, administrative, technical and operational services business in Myanmar and launched the business operations during the first quarter of 2017.

14. Investment in associate

Details of the investment in associate which is held by the 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	
			31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Held by Group Lease Holdings Pte. Ltd.			(%)	(%)				
Commercial Credit and Finance PLC	Leasing, Microfinance, Loans and Hire Purchase business	Sri Lanka	29.99	29.99	2,492,602	2,489,024	2,567,199	2,545,426
Total					<u>2,492,602</u>	<u>2,489,024</u>	<u>2,567,199</u>	<u>2,545,426</u>

For the three-month periods ended 31 March 2017 and 2016, the Company recognised share of the comprehensive income of associate in the consolidated financial statements and recognised dividend received in the separate financial statements of subsidiary as follows;

(Unit: Thousand Baht)

Associate	Consolidated financial statements				Separate financial statements of subsidiary	
	Share of profit from investment in associate for the three-month periods ended 31 March		Share of other comprehensive income from investment in associate for the three-month periods ended 31 March		Dividend received for the three-month periods ended 31 March	
	2017	2016	2017	2016	2017	2016
Commercial Credit and Finance PLC	55,489	-	(37,294)	-	-	-
Total	<u>55,489</u>	<u>-</u>	<u>(37,294)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The subsidiary of the Company acquired 29.99% of the ordinary shares of a company listed on the stock exchange in Sri Lanka at a purchase price of Baht 2,462 million. The acquisition was approved at the Extraordinary General Meeting of the shareholders of the Company No.2/2016 on 6 December 2016 and a substantial part of the Sri Lanka shares (22.27%) were sold to the Company by a company that has a director in common with the Company. The subsidiary company's external professional appraiser valued the investment at approximately Baht 1,900 - 2,500 million, while the appointed independent financial advisor valued it at approximately Baht 1,600 - 1,700 million. On the acquisition date, based on the then market price on the Sri Lankan stock exchange, the value was at approximately Baht 1,391 million. The Company's management assessed that the purchase price represented a price/earnings ratio of 8 times of the annual earnings of the acquired associated company. During the current period, the subsidiary recorded additional acquisition related costs of Baht 3.6 million related to due diligence costs.

As at 31 March 2017, the investment was presented as an investment in an associate in the consolidated financial statements, at a value of Baht 2,567 million (Baht 2,545 million as of 31 December 2016). Based on the market price on the Sri Lankan stock exchange at the end of this quarter, the total value was only in the range of Baht 855 million (Baht 1,285 million as of the end of the year 2016). The difference between the carrying value of investment of Baht 2,567 million and the market value as quoted on the Stock Exchange of Sri Lanka of Baht 855 million on 31 March 2017 is significant.

Management's objective in investing in CCF is long-term. The Management also believes that the substantial business opportunities of CCF's activities in Sri Lanka and through its association with GL outweigh any short-term market volatility. Furthermore, more than 80% of CCF's shares are held by major shareholders who are focused on successful development and future growth rather than speculation gains and trading volume is hence very low. The market is to be considered as an inactive market. The current share price is not appropriate as a sole indicator of the fair value of the long-term investment. The reasonableness of the investment value depends on future realization of the benefits expected to be derived from the Company's expertise in the hire purchase financing of motorcycles in an undeveloped economy and the degree of future success derived therefrom.

On 29 March 2017, CCF announced on the Colombo Stock Exchange that a first interim dividend would be distributed from its operating results for the year ending 31 March 2017, consisting of a cash dividend of LKR 0.50 per share, which is to be paid on 20 April 2017.

(Unaudited but reviewed)

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	1,818,297
Total Investment in associate - CCF	<u>2,489,024</u>

At present, the Group is in the process of having the fair value of identifiable assets acquired and liabilities assumed at the acquisition date assessed by independent valuer. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets.

15. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	31 March	31 December
	2017	2016
Investments in other companies		
Bagan Innovation Technology (Singapore) Pte. Ltd.	63,775	61,848
PT Bank JTrust Indonesia Tbk.	414,502	414,502
Total	<u>478,227</u>	<u>476,350</u>

On 26 October 2016, a meeting of the Board of Directors of the Company approved the acquisition of shares of Bagan Innovation Technology (Singapore) 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.

During the current period, GLH recorded addition acquisition-related costs of Baht 1.9 million related to external legal fee and due diligence costs. As at 31 March 2017, such investment was presented as other long-term investments in the consolidated financial statements, of Baht 63.7 million (31 December 2016: Baht 61.8 million).

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 3, 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.

16. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Net book value as at 1 January 2017	130,672	75,365
Acquisitions during the period - at cost	12,742	2,508
Transfer out during the period	(65)	-
Increase from acquisition of BGMM	984	-
Depreciation for the period	(10,711)	(4,417)
Exchange differences on translation of financial statements in foreign currency	(1,808)	-
Net book value as at 31 March 2017	131,814	73,456

The Company has mortgaged land and construction thereon with a total net book value as at 31 March 2017 of Baht 26.2 million (31 December 2016: Baht 26.5 million) as collateral for short-term loans from financial institutions and long-term credit facilities as disclosed in Notes 19 and 22.

17. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Net book value as at 1 January 2017	139,796	35,828
Acquisitions during the period - at cost	10,444	7,036
Amortisation for the period	(2,108)	(870)
Exchange differences on translation of financial statements in foreign currency	(4,029)	-
Net book value as at 31 March 2017	144,103	41,994

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 exclusive rights to act as finance agent arranging hire purchase finance for motorcycles branded "Honda". On 2 May 2012, the related party granted the exclusive rights to GLF for a fee of USD 100,000 and entered into a USD 2.9 million deposit agreement under which the related party is the representative agent to contact with such company. Conditions of the deposit agreement specify that if GLF fails to meet the minimum annual sales target set, the deposit will be forfeited in proportion to the period of six years as from 2013 to 2018.

In 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 fair value of the exclusive right in consolidated financial statements was adjusted accordingly.

As at 31 March 2017, the fair value of exclusive right in consolidated financial statement amounted to USD 1.89 million (31 December 2016: USD 1.91 million).

18. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Income tax and value added				
tax refundable	59,841	63,772	59,084	62,648
Deposits	37,056	37,865	1,822	1,856
Others	6,148	5,739	5,675	5,738
Total	103,045	107,376	66,581	70,242

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

	Consolidated financial statements			
	Interest rate		31 March 2017	31 December 2016
	31 March 2017	31 December 2016		
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	-	7.12	-	2,077
Short-term loans	3.80 - 6.25	3.80 - 6.25	369,588	554,183
Total			369,588	556,260

	Separate financial statements			
	Interest rate		31 March 2017	31 December 2016
	31 March 2017	31 December 2016		
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	-	7.12	-	2,077
Short-term loans	3.80 - 6.25	3.80 - 6.25	197,740	446,690
Total			197,740	448,767

As at 31 March 2017 and 31 December 2016, 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 32.4.

20. Deposits from customers

The Microfinance Supervisory Committee of the Government of the Republic of the Union of Myanmar issued notification No. 4/2016 on 29 August 2016 detailing new regulations with respect to deposit taking from microfinance customers. This notification applies to BGMM as a deposit taking microfinance institution.

As a result of the notification, all microfinance retail customers are required to contribute a compulsory savings amount when paying for their installments. The total compulsory amount of each customer may not exceed 5% of the loan size. In addition, customers can additional contribute voluntary savings other than the related regulations. BGMM is expected to fulfill the requirements to take voluntary deposits by August 2017. In accordance with the notification, the Microfinance Supervisory Committee of the Republic of the Union of Myanmar has set required rates of interest payment to retail customers for BGGM at 15% per annum for compulsory savings and 10% per annum for voluntary savings.

As at 31 March 2017 total deposits, including accrued interest, recorded in BGMM's balance sheet amounted to MMK 446.2 million (Baht 11.3 million), and these had remaining terms ranging from 6 months to 1 year.

21. Other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Advances received from related parties	75	-	150,750	51,950
Accrued interest expenses to related parties	40,748	95,699	40,748	95,699
Accrued interest expenses	3,827	20,761	527	18,965
Accrued commission expenses	23,781	44,590	6,001	5,438
Accrued bonus	30,969	659	21,950	15
Accrued expenses	70,733	43,275	10,269	15,406
Total	<u>170,133</u>	<u>204,984</u>	<u>230,245</u>	<u>187,473</u>

22. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance		Interest rate per annum	Repayment condition
	31 March 2017	31 December 2016		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	1,114,300	577,130	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 20 December 2014</u>				
Credit facility No. 1	11,484	17,915	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	34,450	35,831	At the rate of 10.00% per annum	Six equal installment, with first installment due on six months after drawing down loans under credit facility and repayment every six months
<u>Promissory note dated 23 October 2015</u>				
Promissory note No. 1	34,450	35,831	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
Promissory note No. 2	51,675	53,746	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	31,940	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	53,153	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	(527)	(913)		
Total	1,330,925	798,133		
Less: Current portion	(774,870)	(585,743)		
Long-term portion of long-term loans	556,055	212,390		

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance		Interest rate	Repayment condition
	31 March 2017	31 December 2016	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	1,114,300	577,130	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
Total	1,114,300	577,130		
Less: Current portion	(603,380)	(402,990)		
Long-term portion of long-term loans	<u>510,920</u>	<u>174,140</u>		

Movements in the long-term loans account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	798,133	577,130
Add: Addition borrowings	759,482	730,000
Amortisation of deferred front end fees	374	-
Less: Repayment	(219,755)	(192,830)
Exchange differences on translation of financial statements in foreign currency	(7,309)	-
Balance as at 31 March 2017	<u>1,330,925</u>	<u>1,114,300</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 short-term loan and for use in the expansion of business.

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

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

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

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 March 2017, GLF had total assets to mortgage such loans amounting to USD 1.34 million (31 December 2016: USD 1.51 million).

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Long-term credit facilities which have not yet been drawn down	1,505.7	2,072.9	1,385.7	1,922.9

23. Debentures

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

(Unit: Thousand Baht)

Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				31 March 2017	31 December 2016
Debentures 1/2014	As detailed in the table below	3 years	27 February 2017	-	500,000
Debentures 1/2016	As detailed in the table below	3 years	29 September 2019	1,500,000	1,500,000
Less: Unamortised portion of deferred transaction costs				(42,867)	(47,782)
Debentures - net				1,457,133	1,952,218
Less: Current portion				-	(499,128)
Long-term portion of debentures				1,457,133	1,453,090

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 32.4.

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 32.4.

24. Convertible debentures

The Company has issued convertible debentures, as detailed below.

(Unit: Thousand Baht)

Convertible debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				31 March 2017	31 December 2016
Convertible debentures 1/2016	As detailed in the table below	5 years	30 July 2021	4,521,832	4,521,832
Convertible debentures 1/2017	As detailed in the table below	3 years	20 March 2020	1,735,527	-
Convertible debentures 2/2017	As detailed in the table below	3 years	30 March 2020	689,824	-
Less: Unamortised portion of deferred transaction costs				(8,585)	(5,502)
Convertible debentures - net				6,938,598	4,516,330
Less: Unrealised gain from exchange rate				(13,555)	-
Amount classified as equity				(59,458)	(10,043)
Amount classified as liability				6,865,585	4,506,287

Details of the Company's convertible debentures are as follows:

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. 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 3, 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	Holders have 2 options: a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,540,000 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
Additional information	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 3.

On 6 December 2016, the Extraordinary General Meeting of the Company's Shareholders No.2/2016 approved the issue and offering of convertible debentures to a specific foreign investor in an amount not exceeding USD 70 million or the equivalent in other currencies, approved to JTrust Asia Pte. Ltd. in an amount not exceeding USD 50 million and approved to Creation Investments Sri Lanka LLC in an amount not exceeding USD 20 million, respectively. The Meeting also approved an increase in the Company's registered capital to support the conversion of the convertible debentures.

On 20 March 2017, 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 3, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 January 2017. Key terms and conditions of the convertible debentures are as follow:

Amount of unit	500 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	20 March 2017
Term	3 years since the date of issuance (20 March 2017 to 20 March 2020)
Interest rate	5.00% per annum
Interest payment	2 times a year on every 20 March and 20 September 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	<p>Holder's have 2 options:</p> <ul style="list-style-type: none"> 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 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	Baht 70 per share
Date of conversion	Last business day of each month

On 30 March 2017, the Company issued convertible debentures to a specific foreign investor Creation Investments Sri Lanka LLC. through a private placement, a related party as disclosed in Note 3, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 January 2017. Key terms and conditions of the convertible debentures are as follow:

Amount of unit	200 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	30 March 2017
Term	3 years since the date of issuance (30 March 2017 to 30 March 2020)
Interest rate	5.00% per annum
Interest payment	2 times a year on every 30 March and 30 September 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	<p>Holder have 2 options:</p> <ul style="list-style-type: none"> 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 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	Baht 70 per share
Date of conversion	Last business day of each month

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.

(Unaudited but reviewed)

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	6,947,183
Transaction costs	(9,405)
Net proceeds	6,937,778
Amount classified as equity	(59,458)
Amount classified as liability	6,878,320
Less Unrealised gain from exchange rate	(13,555)
Add Amortised - transaction cost	820
Balance as at 31 March 2017	6,865,585

25. Share capital

25.1 Additional share subscription from the exercise of warrants

During the current period, the Company received additional share subscription totaling Baht 0.76 million from the exercise of warrants, as detailed below.

	Warrant	Ordinary share	Exercise price	Amount
	(units)	(shares)	(Baht/share)	(Million Baht)
GL-W4	19,036	19,036	40.00	0.76

25.2 Reconciliation of number of ordinary shares

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

	Number of ordinary shares	Paid-up capital	Share premium
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the period	1,525,510	762,755	5,191,560
Increase in capital from exercising of the rights of the warrant	28	14	1,113
At the end of the period	1,525,538	762,769	5,192,673

26. Warrants

As at 31 March 2017, 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 40.00	1 ordinary share

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

Type of warrant	Number of warrants outstanding as at 1 January 2017	Number of warrants issued during the period	Number of warrants exercised during the period	Number of warrants outstanding as at 31 March 2017
GL-W4	164,965,117	-	19,036	164,946,081

27. Other income related to the hire purchase activities

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

28. Other income related to the microfinance activities

Other income related to the microfinance activities comprises of document service fee and fees for other services related to the microfinance business.

29. Corporate income tax

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

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	26,692	44,122	11,389	21,960
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,254)	5,137	(6,106)	2,107
Income tax expense reported in profit or loss	20,438	49,259	5,283	24,067

30. Earnings per share

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

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

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

Consolidated financial statements						
For the three-month periods ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit for the period	328,131	222,165	1,525,527	1,525,385	0.2151	0.1456
Separate financial statements						
For the three-month periods ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit for the period	45,805	96,335	1,525,527	1,525,385	0.0300	0.0632

However, no calculation of diluted earnings per share for the three-month period ended 31 March 2017 was required for GL-W4 and convertible debentures since the effect of diluted earnings per share is antidilutive.

31. Segment information

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

The following tables present revenue information regarding the Company and its subsidiaries' operating segments for the three-month period ended 31 March 2017 and 2016, respectively.

(Unit: Thousand Baht)

For the three-month period ended 31 March 2017						
	Business management and consulting services, financing to corporates and investment holding			Total reportable segments	Adjustments and eliminations	Consolidated
	Hire Purchase service	Microfinance Service				
Hire purchase interest income	513,920	-	-	513,920	-	513,920
Asset - backed loan interest income	36,137	-	-	36,137	-	36,137
Microfinance interest income	-	-	4,243	4,243	-	4,243
Interest on loan receivables	-	143,020	-	143,020	-	143,020
Other interest income	5,063	242	1,386	6,691	-	6,691
Consulting service fee income	-	6,979	-	6,979	-	6,979
Other income related to the activities of hire purchase	55,453	-	-	55,453	-	55,453
Other income related to the activities of microfinance	-	-	418	418	-	418
Others	18,824	2,334	63	21,221	-	21,221
Inter-segment revenue	33,918	(74,527)	-	(40,609)	40,609	-
Total revenue	663,315	78,048	6,110	747,473	40,609	788,082
Services and administrative expenses	(258,105)	(24,660)	(2,550)	(285,314)	28,304	(257,011)
Bad debts and doubtful accounts	(76,844)	-	(146)	(76,990)	-	(76,990)
Loss on disposals of foreclosed assets	(58,653)	-	-	(58,653)	-	(58,653)
Share of profit from investments in associates	-	55,489	-	55,489	-	55,489
Financial cost	(152,945)	(87,125)	(336)	(240,406)	137,283	(103,123)
Income tax expense	(14,945)	(4,728)	(765)	(20,438)	-	(20,438)
Segment profit	101,823	17,024	2,313	121,161	206,196	327,356

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 31 March 2016						
	Business management and consulting services, financing to corporates and investment holding			Total reportable segments	Adjustments and eliminations	Consolidated
	Hire Purchase service	investment holding	Microfinance service	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	484,702	-	-	484,702	-	484,702
Asset - backed loan interest income	21,593	-	-	21,593	-	21,593
Interest on loan receivables	-	113,520	-	113,520	-	113,520
Other interest income	1,075	-	-	1,075	-	1,075
Other income related to the activities of						
hire purchase	54,574	-	-	54,574	-	54,574
Others	4,011	308	-	4,319	-	4,319
Inter-segment revenue	98,370	42,704	-	141,074	(141,074)	-
Total revenue	664,325	156,532	-	820,857	(141,074)	679,783
Services and administrative expenses	(276,678)	(19,867)	-	(296,545)	60,642	(235,903)
Bad debts and doubtful accounts	(71,180)	-	-	(71,180)	-	(71,180)
Loss on disposals of foreclosed assets	(57,251)	-	-	(57,251)	-	(57,251)
Financial cost	(83,422)	(75,222)	-	(158,644)	114,619	(44,025)
Income tax expense	(36,132)	(13,127)	-	(49,259)	-	(49,259)
Segment profit	139,662	48,316	-	187,978	34,187	222,165

Segment assets of the Company and its subsidiaries as at 31 March 2017 and 31 December 2016 are as follows:

(Unit: Thousand Baht)

	Business management and consulting services, financing to corporates and investment holding			Total reportable segments	Unallocated assets	Consolidated
	Hire Purchase service	investment holding	Microfinance service	Total reportable segments	Unallocated assets	Consolidated
Segment assets						
At 31 March 2017	8,178,317	10,276,426	472,023	18,926,766	-	18,926,766
At 31 December 2016	8,498,680	8,766,994	-	17,265,674	-	17,265,674

Geographic information

Revenue from external customers is based on locations of the customers for the three-month period ended 31 March 2017 and 2016, respectively.

	(Unit: Thousand Baht)	
	For the three-month period ended 31 March	
	2017	2016
Revenue from external customers		
Thailand	406,852	395,189
Cambodia	180,536	153,643
Singapore	87,835	87,772
Cyprus	53,635	23,612
Luxembourg	3,422	2,417
Laos	30,740	17,150
Indonesia	11,761	-
Myanmar	6,322	-
Japan	6,979	-
Total	788,082	679,783

32. Commitments**32.1 Capital commitments**

As at 31 March 2017, the Company had capital commitments of approximately USD 0.05 million, relating to the purchase of software licenses and Baht 0.78 million, relating to the building improvement and lease area (31 December 2016: Baht 0.01 million).

32.2 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			
	31 March 2017		31 December 2016	
	Payable			
	In up to 1 year	In over 1 and up to 5 years	In up to 1 year	In over 1 and up to 5 years
Thousand Baht	15,370	10,175	15,280	13,705
Thousand USD	107	4	157	36
Thousand IDR	1,216,631	-	1,216,631	1,216,631
Thousand MMK	47,472	8,400	-	-
Thousand SGD	159	-	-	-

	Separate financial statement			
	31 March 2017		31 December 2016	
	Payable			
	In up to 1 year	In over 1 and up to 5 years	In up to 1 year	In over 1 and up to 5 years
Thousand Baht	6,486	3,328	6,851	2,802

32.3 Service commitments

As at 31 March 2017, the Company is required to pay fees of USD 0.02 million, JPY 0.60 million and THB 0.20 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (31 December 2016: USD 0.02 million, JPY 0.60 million and Baht 0.40 million per month).

32.4 Guarantees

- 1) As at 31 March 2017, 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 4.0 million and Baht 36.6 million (31 December 2016: USD 2.0 million and Baht 36.6 million).
- 2) As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 975.3 million (31 December 2016: Baht 1,275.3 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 975.0 million (31 December 2016: Baht 1,275.0 million) to guarantee debentures and Baht 0.3 million (31 December 2016: Baht 0.3 million) to guarantee electricity use and use of post services.

33. Contingent liabilities

Interest Rate Swap Transaction Agreements

A subsidiary has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 March 2017 is amounting to Baht 31.94 million. The contracts are for a period of 15 months, maturing in September 2017. At each of the maturity dates, the subsidiary is required to pay interest to the bank based at fixed rate stipulated in the agreements (4.90% p.a.) and the bank is required to pay interest to the subsidiary at the floating rate plus stipulated rate. The agreement contains other conditions. The subsidiary would have had unrealised loss of approximately Baht 0.2 million, if it had recorded the above contracts at fair value.

34. Events after the reporting period

- 34.1 On 26 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of a dividend from the operating results of the year 2016 totaling no more than Baht 418.00 million, or Baht 0.2740 per share, to the Company's shareholders. The dividend will be paid to the shareholders on 25 May 2017.
- 34.2 On 9 May 2017, the Board of Directors' Meeting of the GLH passed a resolution to approve the payment of an interim dividend to its shareholders for the year 2016 totaling USD 9,993,258.

35. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2017.