

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 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 15 August 2017 on the interim financial statements of Group Lease Public Company Limited and its subsidiaries ("the Group") as of 30 June 2017 and for the three-month and six-month periods 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 37 percent of the consolidated net assets) and profits (represented 41 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 and six-month periods ended on 30 June 2017, (the report dated 15 August 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 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I 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 3,100 million as of 30 June 2017, represents 37 percent of the consolidated net assets (As of 31 December 2016: Baht 3,759 million - 44 percent)

I draw attention to Note 9 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 but separately and significantly from the main business, loans were granted to two groups of borrowers - portrayed as one group in Cyprus and one in Singapore. Parties in the Groups are also shareholders of the Company and have pledged their holdings against those loans.

Besides pledging of the shares of the lenders, their ownership of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies were also used as collaterals against those indebtedness. In the second quarter of 2017, part of the collaterals of the Company's shares was released by the Singapore group and replaced by the value of properties in Japan (The Company advised that the pledge of the properties in Japan was registered with Japanese Registry Office already). If including the collateral value of the Company's shares at the closing price of this quarter, the Company contended that the total value of the collaterals is adequate in the range of 105 percent coverage of the Cypriot loans and 122 percent of the Singapore loans (the financial position as at 31 December 2016, the coverage was at 106 percent and 238 percent, respectively). However, the volatility of the Company's stock price in the past seven months traded heavily in the wide range of Baht 12.4 per share to Baht 65.5 per share has also affected the fluctuation of the collaterals wildly. Based on prudence, by excluding the value of the pledged shares of the lending company, the coverage of the collaterals would be inadequate for loans to these two groups with only 80 percent and 83 percent covered on the respective loans as of 30 June 2017.

Originally, the periods of the loans granted were in the range of 3 months to 3 years. The principals were all due for repayment upon maturity but were rolled over and extended to the periods of either 2 or 3 years. The loan balances which were subjected to the mentioned rollovers in 2016 amounted to Baht 2,129 million (USD 59 million), 60 percent of the total loans. In 2017, before due date, the Cyprus borrower repaid the loans of Baht 414 million (USD 12 million).

The chargeable interest rates under the loan agreements were in the range of 14.5 percent to 25 percent per annum. The interest earned during the two quarters of this year derived from these loans amounted to Baht 269 million representing 41 percent of the Company's total consolidated profits for the two quarters of this year. Both Cyprus and Singapore borrowers paid all interest due in July 2017.

In July 2017 and on due date, the Singapore borrower repaid the loan of approximately Baht 500 million (USD 15 million) and the remaining of the collateral of the lenders shares was also released. The value of the collateral for the loans to the two borrowers (including the value of the pledged shares of the Company based on the closing price on the SET on 10 August 2017) covered 104 percent and 117 percent of the outstanding value of the loans. However, if the value of the pledged shares of the Company is excluded, the value of the remaining collateral would cover only 80 percent and 117 percent of the respective loans. The volatility of the Company's stock price on the SET and loan repayment by the borrowers are the two important factors in determining the adequacy and the risks of the coverage value of the collaterals against these two loans.

The Company informed us that the borrowers are well established and trusted corporations. They are not related to the Company 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 and likewise treated in accounting as entities separated from the group of the Company.

- 3.2 Investment in associate company in Sri Lanka - Approximately Baht 2,576 million as of 30 June 2017 (Baht 2,545 million as of 31 December 2016) - Substantial gap between the carrying value of Baht 2,576 million and the value traded at the Sri Lanka Stock Exchange of Baht 909 million on 30 June 2017.

Although the acquisition cost was acquired at Baht 2,465 million and supported by the Company's shareholders at a meeting and also by an outside professional valuer but based on the value traded on the Sri Lanka Stock Exchange at the end of this quarter, the investment value amounted to Baht 909 million. Attention should be drawn to this gap. The events that led to this acquisition were previously stated in our report and now updated.

I draw attention to Note 15 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 with the market price at the Stock Exchange of Sri Lanka, during the acquisition period in late 2016 of approximately Baht 1,391 million.

As at 30 June 2017, such investment was presented as an investment in an associate in the consolidated financial statements, of Baht 2,576 million (Baht 2,545 million as of 31 December 2016) under the equity method. Based on the market price at the Stock Exchange of Sri Lanka at the end of this period, the total value was only in the range of Baht 909 million (Baht 1,285 million as of the end of the year 2016). The difference between the carrying value of the acquisition cost (Baht 2,576 million) and the market quoted price at the end quarter (Baht 909 million) is substantial requiring serious attention. The stock price of the associate at the Sri Lanka Stock Market has dropped from Baht 1.3 billion during the acquisition period in late 2016 to Baht 0.9 billion in June 2017 indicative of the possible impairment losses on this investment.

The Company is in the process of having the fair value of identifiable assets acquired and liabilities assumed by the Company at the acquisition date appraised. The Company has engaged an independent valuer to assess such fair values and the appraisal process is ongoing and mainly relates to the valuation of intangible assets and certain tangible assets. The Company expects to obtain a complete fair value valuation during the third quarter of 2017.

3.3 Convertible debentures

One major source of funds of the Company comes from one substantial holder of the Company's convertible debentures. Under the generally accepted accounting principle, this specific and highly significant 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 associated company in Sri Lanka as stated above in (3.1) and (3.2).

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 15 August 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 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	3,592,158	2,551,224	63,446	468,722
Current investments		51,710	-	-	-
Current portion of hire purchase and installment sales receivables	3, 5	3,181,677	3,138,388	1,965,686	1,946,220
Current portion of asset-backed loan receivables	6	252,903	226,272	-	-
Current portion of microfinance receivables	7	105,725	-	-	-
Current portion of consumer finance receivables under joint financing arrangements	8	17,873	11,952	-	-
Current portion of loans and interest receivables	9	1,217,334	882,435	-	-
Assets foreclosed	10	79,751	50,893	14,081	24,948
Short-term loan to and interest receivables from subsidiary	3	-	-	1,301,421	5,198,254
Other receivables	3, 11	243,309	186,247	32,364	34,425
Other current assets	3, 12	308,576	297,766	97,652	83,435
Total current assets		9,051,016	7,345,177	3,474,650	7,756,004
Non-current assets					
Pledged fixed deposit at financial institution	13	12,227	334	337	334
Investments in subsidiaries	2, 14	-	-	6,017,120	6,017,120
Investment in associate	15	2,576,213	2,545,426	-	-
Other long-term investments	3, 16	671,971	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	3,186,016	3,128,902	1,950,690	1,797,536
Long-term portion of asset-backed loan receivables	6	68,245	55,476	-	-
Long-term portion of microfinance receivables	7	2,232	-	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	8	43,407	16,683	-	-
Long-term portion of loans and interest receivables	9	1,882,805	2,876,285	-	-
Long-term loan to and interest receivables from subsidiary	3	-	-	5,558,315	-
Property, plant and equipment	17	132,698	130,672	72,389	75,365
Intangible assets	18	151,072	139,796	47,180	35,828
Goodwill		349,315	122,157	-	-
Deferred tax assets		53,560	35,523	34,851	24,241
Other non-current assets	19	96,392	107,376	60,107	70,242
Total non-current assets		9,226,153	9,920,497	13,740,989	8,020,666
Total assets		18,277,169	17,265,674	17,215,639	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 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 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	20	269,482	556,260	99,315	448,767
Trade accounts payable		9,319	11,561	6,739	3,944
Deposits from customers	21	12,613	-	-	-
Short-term loans from and interest payable to related parties	3	4,314	4,396	85,000	130,000
Current portion of long-term loans	23	967,944	585,743	712,719	402,990
Current portion of long-term loans from subsidiary	3	-	-	111,920	53,300
Current portion of debentures	24	-	499,128	-	499,128
Income tax payable		48,987	87,086	18,070	16,427
Insurance premium payables		11,201	11,600	5,298	7,551
Other payables	3, 22	281,871	204,984	346,304	187,473
Other current liabilities	3	118,877	155,539	64,832	41,554
Total current liabilities		1,724,608	2,116,297	1,450,197	1,791,134
Non-current liabilities					
Long-term portion of long-term loans	23	48,240	212,390	-	174,140
Long-term portion of long-term loans from subsidiary	3	-	-	16,000	-
Long-term portion of debentures	24	1,461,165	1,453,090	1,461,165	1,453,090
Convertible debentures - liability component	3, 25	6,730,168	4,506,287	6,730,168	4,506,287
Advance received for issuance of convertible debentures	3	-	465,799	-	465,799
Provision for long-term employee benefits		10,487	8,721	10,487	8,721
Derivatives Liability	35	1,330	-	-	-
Cash guarantee for damage on hire purchase agreements		2,180	2,180	2,064	2,064
Total non-current liabilities		8,253,570	6,648,467	8,219,884	6,610,101
Total liabilities		9,978,178	8,764,764	9,670,081	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 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	26				
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)	26	762,769	762,755	762,769	762,755
Share premium	26	5,192,673	5,191,560	5,192,673	5,191,560
Share subscription received in advance		-	365	-	365
Retained earnings					
Appropriated - statutory reserve		92,255	92,255	92,255	92,255
Unappropriated		2,358,418	2,101,423	1,438,403	1,318,457
Other components of shareholders' equity	25	(239,285)	260,257	59,458	10,043
Total shareholders' equity		8,166,830	8,408,615	7,545,558	7,375,435
Non-controlling interests of the subsidiary		132,161	92,295	-	-
Total equity		8,298,991	8,500,910	7,545,558	7,375,435
Total liabilities and shareholders' equity		18,277,169	17,265,674	17,215,639	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 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Hire purchase interest income		525,888	492,282	300,429	297,981
Asset - backed loan interest income		39,366	26,960	-	-
Microfinance interest income		6,224	-	-	-
Consumer finance under joint financing arrangements					
interest income		12,176	-	-	-
Interest on loan receivables	9	125,993	115,720	-	-
Other income					
Other interest income		8,987	6,054	113,313	80,089
Consulting service fee income		6,800	7,061	-	-
Management service fee income		-	-	21,000	21,000
Other income related to the activities of hire purchase	29	48,928	52,748	30,891	33,299
Other income related to the activities of microfinance	30	608	-	-	-
Dividend income	14	-	-	343,768	-
Gain on exchange rate		104,400	4,407	64,885	-
Others		6,944	3,403	3,838	5,697
Total revenues		886,314	708,635	878,124	438,066
Expenses					
Service and administrative expenses		271,889	221,713	138,645	122,084
Bad debts and doubtful accounts		90,755	82,875	54,272	64,204
Loss on disposals of foreclosed assets		51,131	52,370	47,715	51,058
Total expenses		413,775	356,958	240,632	237,346
Profit before share of profit from investment in associate, finance cost and income tax expenses					
Share of profit from investment in associate	15	36,729	-	-	-
Profit before finance cost and income tax expenses		509,268	351,677	637,492	200,720
Finance cost		(126,926)	(45,654)	(119,381)	(42,254)
Profit before income tax expenses		382,342	306,023	518,111	158,466
Income tax expenses	31	(45,490)	(50,173)	(28,882)	(31,869)
Profit for the period		336,852	255,850	489,229	126,597
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency - net of income tax					
		(153,675)	(34,597)	-	-
Share of other comprehensive income from investment in associate - net of income tax					
	15	(16,403)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax					
		(170,078)	(34,597)	-	-
Other comprehensive income for the period		(170,078)	(34,597)	-	-
Total comprehensive income for the period		166,774	221,253	489,229	126,597

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

Group Lease Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)**

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
Equity holders of the Company		337,688	256,475	489,229	126,597
Non-controlling interests of the subsidiaries		(836)	(625)		
		<u>336,852</u>	<u>255,850</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		169,044	221,368	489,229	126,597
Non-controlling interests of the subsidiaries		(2,270)	(115)		
		<u>166,774</u>	<u>221,253</u>		

(Unit: Baht)

Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company	32	0.2214	0.1681	0.3207	0.0830
Weighted average number of ordinary shares (thousand shares)		<u>1,525,538</u>	<u>1,525,385</u>	<u>1,525,538</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 comprehensive income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Hire purchase interest income		1,032,692	976,984	596,984	600,401
Asset - backed loan interest income		75,503	48,553	-	-
Microfinance interest income		10,467	-	-	-
Consumer finance under joint financing arrangements interest income		19,292	-	-	-
Interest on loan receivables	9	269,013	229,237	-	-
Other income					
Other interest income		15,678	7,132	200,452	155,477
Consulting service fee income		13,779	7,061	-	-
Management service fee income		-	-	42,000	42,000
Other income related to the activities of hire purchase	29	104,381	107,322	64,251	70,599
Other income related to the activities of microfinance	30	1,026	-	-	-
Dividend income	14	-	-	343,768	-
Gain on exchange rate		120,069	-	-	-
Others		12,496	7,722	11,452	11,458
Total revenues		1,674,396	1,384,011	1,258,907	879,935
Expenses					
Services and administrative expenses		528,900	453,209	277,801	293,843
Bad debts and doubtful accounts		167,745	154,055	94,968	119,384
Loss on disposals of foreclosed assets		109,784	109,621	99,636	105,861
Total expenses		806,429	716,885	472,405	519,088
Profit before share of profit from investment in associate, finance cost and income tax expenses					
Share of profit from investment in associate	15	92,218	-	-	-
Profit before finance cost and income tax expenses		960,185	667,126	786,502	360,847
Finance cost		(230,049)	(89,679)	(217,303)	(81,979)
Profit before income tax expenses		730,136	577,447	569,199	278,868
Income tax expenses	31	(65,928)	(99,432)	(34,165)	(55,936)
Profit for the period		664,208	478,015	535,034	222,932
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(492,292)	(170,715)	-	-
Share of other comprehensive income from investment in associate - net of income tax	15	(54,300)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(546,592)	(170,715)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income from investment in associate - net of income tax	15	603	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		603	-	-	-
Other comprehensive income for the period		(545,989)	(170,715)	-	-
Total comprehensive income for the period		118,219	307,300	535,034	222,932

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

Group Lease Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)**

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
Equity holders of the Company		665,819	478,640	535,034	222,932
Non-controlling interests of the subsidiaries		(1,611)	(625)		
		<u>664,208</u>	<u>478,015</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		123,126	307,415	535,034	222,932
Non-controlling interests of the subsidiaries		(4,907)	(115)		
		<u>118,219</u>	<u>307,300</u>		

(Unit: Baht)

Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company	32	0.4365	0.3138	0.3507	0.1461
Weighted average number of ordinary shares (thousand shares)		<u>1,525,533</u>	<u>1,525,385</u>	<u>1,525,533</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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to the owners of the Company						Other components of equity								
Note	Issued and paid-up share capital	Share premium	Share subscription received in advance	Retained earnings		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	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	
				Appropriated	Unappropriated									
	Balance as at 1 January 2016	713,643	4,254,634	981,049	76,959	1,283,825	-	-	271,349	-	271,349	7,581,459	-	7,581,459
	Profit for the period	-	-	-	-	478,640	-	-	-	-	-	478,640	(625)	478,015
	Other comprehensive income for the period	-	-	-	-	-	-	(171,225)	-	(171,225)	(171,225)	510	(170,715)	
	Total comprehensive income for the period	-	-	-	-	478,640	-	(171,225)	-	(171,225)	307,415	(115)	307,300	
	Issuance of ordinary shares during period from transferring of share subscription received in advance	49,050	931,999	(981,049)	-	-	-	-	-	-	-	-	-	
28	Dividend paid	-	-	-	-	(231,240)	-	-	-	-	(231,240)	-	(231,240)	
	Increase in non-controlling interest from acquisition of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	93,594	93,594	
	Appropriate to statutory reserve	-	-	-	13,563	(13,563)	-	-	-	-	-	-	-	
	Balance as at 30 June 2016	<u>762,693</u>	<u>5,186,633</u>	<u>-</u>	<u>90,522</u>	<u>1,517,662</u>	<u>-</u>	<u>-</u>	<u>100,124</u>	<u>-</u>	<u>100,124</u>	<u>7,657,634</u>	<u>93,479</u>	<u>7,751,113</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	-	-	-	-	665,819	-	-	-	-	-	665,819	(1,611)	664,208
	Other comprehensive income for the period	-	-	-	-	603	849	704	(544,849)	-	(543,296)	(542,693)	(3,296)	(545,989)
	Total comprehensive income for the period	-	-	-	-	666,422	849	704	(544,849)	-	(543,296)	123,126	(4,907)	118,219
26	Issuance of ordinary shares during period from the exercise of warrants	14	1,113	-	-	-	-	-	-	-	-	1,127	-	1,127
26	Issuance of ordinary shares during period from transferring of share subscription received in advance	-	-	(365)	-	-	-	-	-	-	-	(365)	-	(365)
	Increase in non-controlling interest from established a new subsidiary	-	-	-	-	-	-	-	-	-	-	-	44,773	44,773
28	Dividend paid	-	-	-	-	(415,088)	-	-	-	-	(415,088)	-	(415,088)	
25	Issue convertible debentures - equity component	-	-	-	-	-	-	-	-	49,415	49,415	49,415	-	49,415
	Effect on cumulative exchange difference adjustment	-	-	-	-	5,661	-	-	(5,661)	-	(5,661)	-	-	
	Balance as at 30 June 2017	<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>2,358,418</u>	<u>2,642</u>	<u>704</u>	<u>(302,089)</u>	<u>59,458</u>	<u>(239,285)</u>	<u>8,166,830</u>	<u>132,161</u>	<u>8,298,991</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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

		Separate financial statements						
		Issued and paid-up share capital	Share premium	Share subscription received in advance	Retained earnings		Other components of equity	Total shareholders' equity
Note	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	-	-	-	-	222,932	-	222,932
	Other comprehensive income for the period	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	222,932	-	222,932
	Issuance of ordinary shares during period from transferring of share subscription received in advance	49,050	931,999	(981,049)	-	-	-	-
	Dividend paid	-	-	-	-	(231,240)	-	(231,240)
	Appropriate to statutory reserve	-	-	-	13,563	(13,563)	-	-
	Balance as at 30 June 2016	<u>762,693</u>	<u>5,186,633</u>	<u>-</u>	<u>90,522</u>	<u>1,060,905</u>	<u>-</u>	<u>7,100,753</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	-	-	-	-	535,034	-	535,034
	Other comprehensive income for the period	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	535,034	-	535,034
	Issuance of ordinary shares during period from the exercise of warrants	14	1,113	-	-	-	-	1,127
	Issuance of ordinary shares during period from transferring of share subscription received in advance	-	-	(365)	-	-	-	(365)
	Dividend paid	-	-	-	-	(415,088)	-	(415,088)
	Issue convertible debentures - equity component	-	-	-	-	-	49,415	49,415
	Balance as at 30 June 2017	<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>1,438,403</u>	<u>59,458</u>	<u>7,545,558</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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	730,136	577,447	569,199	278,868
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	19,711	17,643	8,784	8,043
Amortisation	4,329	9,475	1,872	639
Bad debts and doubtful accounts	171,745	154,055	98,968	119,384
Loss (gain) on disposal of equipment	21	-	(20)	
Loss on disposals of assets foreclosed	109,784	109,621	99,636	105,861
Loss (reversal of loss) on diminution in value of assets foreclosed	(7,270)	108	(7,453)	936
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	-	7,436
Unrealised exchange (gain) loss	(124,396)	(3,432)	1,597	41,262
Provision for long-term employee benefits	1,767	-	1,767	-
Share of profit from investments in associates	(92,218)	-	-	-
Dividend income	-	-	(343,768)	-
Interest income	(15,678)	(7,132)	(200,452)	(155,477)
Interest expenses	217,679	83,378	207,454	75,915
Amortised front end fees of loans	2,520	3,550	-	3,313
Amortised transaction cost of debentures	8,947	2,751	8,947	2,751
Amortised transaction cost of convertible debentures	903	-	903	-
Profit from operating activities before changes in operating assets and liabilities	1,027,980	947,464	447,434	488,931
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(257,683)	(319,725)	(267,588)	(39,435)
Asset - backed loan receivables	(46,382)	(77,918)	-	-
Microfinance and interest receivables	(60,215)	-	-	-
Loans and interest receivables	658,581	(439,318)	-	10,352
Consumer finance under joint financing arrangements and interest receivables	(32,645)	-	-	-
Assets foreclosed	(131,308)	(111,316)	(81,316)	(111,164)
Other receivables	(51,349)	(14,124)	1,867	4,961
Other current assets	(37,767)	(76,287)	1,243	3,292
Other non-current assets	7,222	(5,735)	6,147	(5,622)

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

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows (continued)**

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Operating liabilities increase (decrease)				
Trade accounts payable	(2,244)	(15,563)	2,795	9,962
Deposit from customers	3,019	-	-	-
Insurance premium payables	(398)	(796)	(2,254)	1,212
Other payables	(17,272)	11,654	64,620	4,640
Other current liabilities	(47,592)	50,625	(9,560)	23,736
Derivatives liabilities	1,330	-	-	-
Cash flows from (used in) operating activities	1,013,277	(51,039)	163,388	390,865
Cash paid for interest expenses	(115,275)	(83,888)	(105,074)	(77,671)
Cash paid for corporate income tax	(96,668)	(72,241)	(17,818)	(31,124)
Net cash flows from (used in) operating activities	801,334	(207,168)	40,496	282,070
Cash flows from investing activities				
Increase in short-term investments	(51,710)	-	-	-
Increase in pledged fixed deposits at financial institution	(11,893)	(5)	(3)	(5)
Decrease (increase) in accounts receivable and loans to employees	(22)	185	(22)	185
Acquisition of investment in subsidiary	(18,579)	-	-	-
Cash paid for transaction cost of investments in associate	(3,579)	-	-	-
Cash paid for transaction cost of other investments	(1,927)	-	-	-
Acquisition of investment in held to maturity debt securities	(193,694)	-	-	-
Acquisitions of equipments	(23,387)	(13,705)	(5,808)	(7,393)
Acquisitions of intangible assets	(21,056)	(2,812)	(13,224)	-
Cash paid for short-term loan to subsidiaries	-	-	(1,770,518)	(1,133,468)
Dividend received	10,940	-	343,768	-
Interest received	13,345	5,996	143,304	982
Net cash flows used in investing activities	(301,562)	(10,341)	(1,302,503)	(1,139,699)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(290,261)	130,000	(352,077)	130,000
Cash received from short-term loans from related parties	344,501	-	-	130,000
Repayment of short-term loans from related parties	(344,501)	-	(45,000)	-

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

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows (continued)**

For the six-month period ended 30 June 2017

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Cash received from long-term loans from subsidiary	-	-	120,000	80,000
Repayment of long-term loans from subsidiary	-	-	(45,380)	-
Cash received from long-term loans	889,582	1,535,000	730,000	1,455,000
Repayment of long-term loans	(662,520)	(1,186,665)	(594,411)	(1,168,480)
Cash paid for front end fees of loans	(1,034)	(1,000)	-	-
Repayment of debentures	(500,000)	-	(500,000)	-
Cash received from issuance of convertible debentures	1,959,553	-	1,959,553	-
Cash received from advance received for issuance of convertible debentures	-	1,829,368	-	1,829,368
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	93,594	-	-
Dividend paid	(415,088)	(231,240)	(415,088)	(231,240)
Net cash flows from financing activities	1,024,139	2,169,057	856,731	2,224,648
Exchange differences on translation of financial statements in foreign currency	(482,977)	(105,834)	-	-
Net increase (decrease) in cash and cash equivalents	1,040,934	1,845,714	(405,276)	1,367,019
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)	3,592,158	2,890,600	63,446	1,919,243
	-	-	-	-
Supplemental cash flows information				
Non-cash item				
Transferred assets foreclosed to equipment	-	99	-	-
Transferred equipment to assets foreclosed	65	-	-	-
Transferred of share subscription received in advance during the period 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 net of share subscription payment in advance for acquisition of investment in subsidiary to investment in subsidiary	261,869	-	-	-
Receivable from sale equipment	25	-	20	-

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

Group Lease Public Company Limited and its subsidiaries

Interim financial statements

For the three-month and six-month periods ended 30 June 2017

C O N T E N T S

	<u>PAGE</u>
<i>Financial statements</i>	
Statement of financial position.....	1
Statement of comprehensive income.....	4
Statement of changes in equity.....	8
Statement of cash flows.....	10
<i>Notes to interim financial statements</i>	
1. General information.....	1
2. Significant current development during the current period.....	5
3. Related party transactions.....	9
4. Cash and cash equivalents.....	19
5. Hire purchase and installment sales receivables.....	19
6. Asset - backed loan receivables.....	23
7. Microfinance receivables.....	24
8. Consumer finance receivables under joint financing arrangements.....	26
9. Loans and interest receivables.....	28
10. Assets foreclosed.....	30
11. Other receivables.....	30
12. Other current assets.....	31
13. Pledged fixed deposit at financial institution.....	31
14. Investments in subsidiaries.....	31
15. Investment in associate.....	35
16. Other long-term investments.....	37
17. Property, plant and equipment.....	38
18. Intangible assets.....	39
19. Other non-current assets.....	40
20. Bank overdraft and short-term loans from financial institutions.....	40
21. Deposits from customers.....	41
22. Other payables.....	41
23. Long-term loans.....	42
24. Debentures.....	45
25. Convertible debentures.....	46
26. Share capital.....	50
27. Warrants.....	51
28. Dividends.....	52
29. Other income related to the hire purchase activities.....	52
30. Other income related to the microfinance activities.....	52
31. Corporate income tax.....	53

	<u>PAGE</u>
32. Earnings per share	53
33. Segment information	54
34. Commitments	59
35. Fair value of financial instruments.....	61
36. Approval of interim financial statements.....	62

Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 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, microfinance business and consumer finance 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 Notes 2.1 and 2.2.

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
		30 June 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	Financing activities in form of providing fund or capital goods including investment financing, working capital financing, multi-finance and other finance activities.

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		30 June 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 allowance for doubtful accounts for microfinance receivables based on the estimated collection losses that may be incurred in collection of receivables, taking into account 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.

Consumer finance receivables under joint financing arrangements

Joint financing arrangements

In joint financing arrangements between the subsidiary and the joint financing facility provider, provider's financing portion is maximum of 95% from the total amount to consumer and the subsidiary's financing portion is 5% or the remaining amount. The subsidiary will comply with terms and conditions including obligation as detailed in the consumer financing agreement. The subsidiary has the right to set higher interest rates to consumer than the interest rates stated in the joint financing agreement with the joint financing facility provider. For all joint financing contracts entered by the subsidiary, the financing portion of the total installments financed by the subsidiary is recorded as consumer finance receivables in the statement of financial position (net approach off joint financing arrangement).

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

The subsidiary provides allowance for doubtful accounts for consumer finance receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection.

Write-offs are considered for consumer finance receivables with installments overdue more than 720 days, with write-offs approved by the subsidiary's Board of Directors. Recoveries from written-off receivables are recognised as other income upon receipt.

Interest income on consumer finance under joint financing arrangements

Consumer finance under joint financing arrangements 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. Consumer finance interest income is presented in the statement of profit or loss after deducting the financing portions belonging to other parties participating to these joint financing transactions. Unearned consumer financing income represents the difference between the total installment payments to be received from a consumer and

the principal amount financed, and is recognised as income over the term of the contract based on effective interest rate of the related consumer finance receivables under joint financing arrangements.

Hedge accounting - Hedge of net investment in foreign operation

The Company applies hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured.

Foreign financial liabilities are used to hedge a net investment in a foreign operation including hedges of monetary items that are accounted for as part of the net investment to hedge the currency risk arising on exchange differences from translation of a foreign subsidiary's financial statements into the Group's reporting currency. The effective portion of a change in the value of a financial liability is initially recognised in other comprehensive income (loss) and will not be reclassified to the income statement until the foreign operation is disposed of. The ineffective portion of the changes in fair value is recognised immediately in the income statement.

However, if the criteria for hedge accounting are not satisfied, any gains or losses from changes in the fair values of foreign financial liabilities are recognised immediately in profit or loss.

2. Significant current development during the current period

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 30 June 2017 and its profit or loss for the period from the investment date to 30 June 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 the 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 the end of 2017.

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

	(Unit: Million Baht)	
	Fair value	Net book value
Assets		
Cash and cash equivalents	5	5
Microfinance receivables	48	48
Other receivables	1	1
Property, plant and equipment	1	1
Deposits from customers	(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><u>281</u></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 the 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 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.

2.3 Cancellation of side agreement with Engine Holding Asia Pte

On 19 June 2017, the Board of Director's Meeting of the Company acknowledged the management approval for the cancellation of the side agreement made with EHA to hedge 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, as disclosed in Note 3, with the effective date being 19 May 2017. The objectives of the side agreement cancellation are to allow the USD exchange rate to float and to adopt hedge accounting for the Company's net investment in foreign operations. There was no penalty as a result of the cancellation of side agreement that would have an impact on the income statement for the current period.

2.4 Loan reallocation and adoption of hedge accounting for net investment in foreign operations

On 19 June 2017, the Board of Director's Meeting of the Company approved the following significant transactions.

- Approved the reallocation of the loans to subsidiaries in order to reorganise the group's capital structure before the adoption of hedge accounting and to manage the group's excess liquidity, with an effective date of 20 June 2017.
- As at 20 June 2017, the outstanding principal amounts of loans from the Company to GLH were USD 97.6 million and Baht 3,158.9 million. The management approved the reallocation of USD 97.6 million and Baht 2,240.1 million to equity loans as equity loans as part of net investment in foreign operations and Baht 918.8 million to short-term loan that would be settled in the foreseeable future. In addition, on 30 June 2017, the Company amended the loan agreements, whereby the loan of Baht 2,240.1 million was converted into a USD loan of USD 65.9 million, using the exchange rate as of 30 June 2017. The amendment did not result in any gain/loss on exchange which would have an impact on profit or loss.

Effects of loan reallocation arrangement

As a result of the loan reallocation, when the Company receives payment of accrued interest receivables and loans on the settlement date, the effects of cumulative exchange differences arising on the date these accrued interest receivable and loan transactions occurred and until the loan-reallocation date are reclassified in the consolidated profit or loss statement, whereas they were previously recorded as gains/losses in the other comprehensive income statement. However, the exchange differences arising from the loan reallocation date to the cash settlement date are still be recognised in the consolidated profit or loss statement. Details of the net effect on cumulative exchange differences are summarised in the table below.

(Unit: Million Baht)

Consolidated financial statements					
Total cumulative exchange differences – gain (loss)					
		Balance	Reclassified from OCI to	Recognised in PL	Total gain (loss)
Settlement date	Settlement transaction	Settlement (Recall)	PL (Initial recognition - reallocation loan date)	(reallocation date - settlement date)	recognised in consolidated PL
During June 2017	Interest receivables	142.07	3.11	-	3.11
During July 2017	Interest receivables	380.59	(10.65)	(1.91)	(12.56)
During August 2017	Short-term loan	770.47	34.02	(15.45)	18.57

- Approved the Company's adoption of hedge accounting for its net investment in foreign operations, with the effective date being 30 June 2017. The Company hedges currency risk arising from the translation of the financial statements of an overseas subsidiary (i.e. foreign operation) based on the convertible debentures denominated in the same foreign currency. For this purpose, it applies net investment hedge accounting, in which only the spot rate element of the convertible debentures is designated as the hedging instrument. The effectiveness of the Group's hedging transaction is determined on the basis of the convertible debenture rates, using the dollar-offset method. The effective portion of the changes in the value of the convertible debentures is recognised in other comprehensive income (loss) and will not be reversed and recognised in the income statement until it disposes of the foreign operation. The spot rate of the convertible debentures designated as the hedging instrument had a value of Baht 6,730.17 million as at 30 June 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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	5	15	Contract rate
Interest income	-	-	113,133	79,462	7.00% per annum
Dividend income	-	-	343,768	-	As declared
Other income	-	-	22,698	23,752	Contract rate
Interest expense	-	-	2,805	654	7.00% per annum
Transactions with related parties:					
Interest income	104	-	-	-	6.50% per annum
Other income	3,677	-	-	-	Contract rate
Interest expenses	85,829	89	85,743	-	5.00% - 10.00% per annum (2016: 10.00% per annum)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	13	33	Contract rate
Interest income	-	-	199,389	154,560	7.00% per annum
Dividend income	-	-	343,768	-	As declared
Other income	-	-	46,171	46,856	Contract rate
Interest expense	-	-	5,998	654	7.00% per annum
Transactions with related parties:					
Interest income	104	-	-	-	6.50% per annum
Other income	3,677	-	-	-	Contract rate
Interest expenses	146,117	180	145,657	-	5.00% - 10.00% per annum (2016: 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 30 June 2017	For the six-month period ended 30 June 2017	Pricing policy
Transactions between GLH and subsidiaries: (Not presented in both consolidated and separate financial statements)			
Interest income	50,725	97,582	6.50% - 10.00% per annum
Other income	6,145	10,323	Contract rate
Interest expenses	113,569	200,694	7.00% per annum
Administrative expenses	1,275	2,698	Contract rate
IT staff cost capitalization to software under development	2,670	4,769	Employment contract

Referral Business Agreement

On 1 September 2016, GLF entered into a Referral Business Agreement with GLH to refer customers to GLH through its business activities in Cambodia. GLH entered into a loan agreement with a group of companies that have business relationships with GLF in Cambodia, whereby GLH is to pay fees to GLF at a rate of 1% of monthly interest income on the loans GLH provides to the group of companies through referrals by GLF.

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

Name of related parties	Relationship with the Company
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 of that company / Common director
Century Finance Company Limited	Common director with GL-AMMK

As at 30 June 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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Hire purchase and installment sales receivables</u>				
<i>Subsidiary company</i>				
GL Finance Plc.	-	-	660	646
Total	-	-	660	646
<u>Short-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	1,301,421	5,198,254
Total	-	-	1,301,421	5,198,254
<u>Other receivables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	15,628	14,919
GL Finance Plc.	-	-	2,480	1,536
Thanaban Co.,Ltd.	-	-	8,107	8,762

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<i>Related parties</i>				
Director of the Company and subsidiaries	7,931	11,875	-	-
A.P.F. Group Co., Ltd.	4,537	4,784	-	-
Engine Holdings Asia Pte. Ltd.	1,318	1,341	-	-
Asia Partnership Fund Pte., Ltd.	12	12	-	-
Cambodian People Micro Insurance PLC.	1,232	218	-	-
APF Trading Plc.	192,061	24,328	-	-
PT Bank JTrust Indonesia Tbk.	6,423	2,270	-	-
Century Finance Company Limited	1,633	-	-	-
Total	<u>215,147</u>	<u>44,828</u>	<u>26,215</u>	<u>25,217</u>
<u>Other current assets</u>				
<i>Related party</i>				
APF Trading Plc.	147,857	175,457	-	-
Total	<u>147,857</u>	<u>175,457</u>	<u>-</u>	<u>-</u>
<u>Long-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holding Pte. Ltd.	-	-	5,558,315	-
Total	<u>-</u>	<u>-</u>	<u>5,558,315</u>	<u>-</u>
<u>Other long term investments</u>				
<i>Related party</i>				
Century Finance Company Limited	193,694	-	-	-
Total	<u>193,694</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Share subscription payment in advance for acquisition of investment in subsidiary</u>				
<i>Associated company</i>				
Commercial Credit and Finance PLC.	-	80,123	-	-
Total	<u>-</u>	<u>80,123</u>	<u>-</u>	<u>-</u>
<u>Short-term loans from and interest payable to related parties</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	85,000	130,000
<i>Related parties</i>				
Director of the Company and subsidiaries	235	248	-	-
Cambodian People Micro Insurance PLC.	4,079	4,148	-	-
Total	<u>4,314</u>	<u>4,396</u>	<u>85,000</u>	<u>130,000</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	-	127,920	53,300
Total	-	-	127,920	53,300
<u>Other payables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	145,607	49,826
GL Finance Plc.	-	-	2,916	2,124
GL Leasing (Lao) Company Limited	-	-	602	-
PT. Group Lease Finance Indonesia	-	-	283	-
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	116,197	95,699	116,197	95,699
Creation Investment Sri Lanka LLC.	8,658	-	8,658	-
Engine Holdings Asia Pte. Ltd.	461	-	461	-
PT Bank JTrust Indonesia Tbk.	1,377	-	-	-
Total	126,693	95,699	274,724	147,649
<u>Other current liabilities</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	-	236
Thanaban Co., Ltd.	-	-	1,066	1,255
<i>Related parties</i>				
Commercial Credit and Finance Plc.	-	6,643	-	-
Engine Holdings Asia Pte. Ltd.	340	-	-	-
Showa Holdings Co., Ltd.	1,203	-	-	-
APF Trading Plc.	1,151	-	-	-
Century Finance Company Limited	3,606	-	-	-
Director of the Company and subsidiaries	178	129	-	-
Total	6,478	6,772	1,066	1,491
<u>Convertible debentures</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	6,117,742	4,521,832	6,117,742	4,521,832
Creation Investment Sri Lanka LLC.	679,903	-	679,903	-
Total	6,797,645	4,521,832	6,797,645	4,521,832

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<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	-	465,799	-	465,799

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 30 June 2017, deposit of assets to be leased as presented under the caption of other current assets in the consolidated financial statements, totaling USD 4.3 million (31 December 2016: USD 4.9 million).

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

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2017	Increase	Decrease	30 June 2017
<u>Loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings				
Pte. Ltd.	5,198,254	1,940,000	(154,695)	(123,823)
Total	5,198,254	1,940,000	(154,695)	(123,823)

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 1 January 2017	During the period		Exchange differences on translation of financial statement in foreign currency	Balance as at 30 June 2017	
	Increase	Decrease			
Short-term loans from and interest payable to related parties					
Related parties					
Director of the Company and subsidiaries	248	-	-	(13)	235
A.P.F. Group Co., Ltd.	-	350,468	(350,468)	-	-
Cambodian People Micro Insurance PLC.	4,148	175	-	(244)	4,079
Total	4,396	350,643	(350,468)	(257)	4,314

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).

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		Balance as at 30 June 2017	
	Increase	Decrease		
Short-term loans from and interest payable to subsidiary				
Subsidiary company				
Thanaban Co., Ltd.	130,000	4,056	(49,056)	85,000
Total	130,000	4,056	(49,056)	85,000

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 30 June 2017
	Balance as at 1 January 2017	During the period		
		Increase	Decrease	
<u>Long-term loans from and interest payable to subsidiary</u>				
<u>Subsidiary company</u>				
Thanaban Co., Ltd.	53,300	121,942	(47,322)	127,920
Total	53,300	121,942	(47,322)	127,920

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 25. The Company entered into the related agreement to hedge foreign exchange risk as the following:

During the year 2016, the Company entered into a side agreement with Engine Holding Asia Pte. Ltd. (“EHA”) to hedge 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 and the selling exchange rate announced by the Bank of Thailand at the end of each month is applied to interest on the convertible debentures. If the exchange rate per the side agreement differs from the rate applicable on the date the convertible debentures are redeemed and principal and interest are paid, to JTrust Asia Pte. Ltd., EHA will receive or pay the 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.

As disclosed in Note 2.3, on 19 June 2017, the Board of Director's Meeting of the Company acknowledged the management approval for the cancellation with the effective date on 19 May 2017 in order to allow the USD exchange rate to float and to adopt hedge accounting for the Company's net investment in foreign operations. There was no penalty as a result of the cancellation of side agreement that would have an impact on the income statement for the current period.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 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 periods ended 30 June				For the six-month periods ended 30 June			
	2017		2016		2017		2016	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	7,808	185	8,468	733	16,178	370	17,624	1,210
Post-employment benefits	13	-	-	-	26	-	-	-
Total	7,821	185	8,468	733	16,204	370	17,624	1,210
	Separate financial statements							
	For the three-month periods ended 30 June				For the six-month periods ended 30 June			
	2017		2016		2017		2016	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	7,146	53	8,092	53	14,854	106	16,822	88
Post-employment benefits	13	-	-	-	26	-	-	-
Total	7,159	53	8,092	53	14,880	106	16,822	88

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Cash	11,509	3,126	244	184
Bank deposits	3,580,649	2,548,098	63,202	468,538
Total	3,592,158	2,551,224	63,446	468,722

As at 30 June 2017 and 31 December 2016, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.15% - 8.25% per annum and 0.90% - 7.50% per annum, respectively (the Company only: 0.15% - 0.38% per annum and 0.90% - 1.00% per annum, respectively).

5. Hire purchase and installment sales receivables

5.1 As at 30 June 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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Normal receivables						
Hire purchase and installment sales receivables	4,523,096	4,438,329	4,191,091	4,184,557	8,714,187	8,622,886
Accrued hire purchase and installment sales income	180,140	180,300	-	-	180,140	180,300
Less: Unearned hire purchase and installment sales income, net	(1,515,753)	(1,466,642)	(973,967)	(1,041,265)	(2,489,720)	(2,507,907)
Total normal receivable	3,187,483	3,151,987	3,217,124	3,143,292	6,404,607	6,295,279

(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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Terminated agreements receivables						
Hire purchase and installment sales receivables	181,038	187,958	127,535	110,236	308,573	298,194
Accrued hire purchase and installment sales income	19,116	18,590	-	-	19,116	18,590
Less: Unearned hire purchase and installment sales income, net	(62,889)	(60,143)	(31,847)	(27,433)	(94,736)	(87,576)
Total terminated agreements receivables	137,265	146,405	95,688	82,803	232,953	229,208
Total receivables	3,324,748	3,298,392	3,312,812	3,226,095	6,637,560	6,524,487
Less: Allowance for doubtful accounts	(143,071)	(160,004)	(126,796)	(97,193)	(269,867)	(257,197)
Hire purchase and installment sales receivables, net	3,181,677	3,138,388	3,186,016	3,128,902	6,367,693	6,267,290

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Normal receivables						
Hire purchase and installment sales receivables	2,871,060	2,805,568	2,480,006	2,289,212	5,351,066	5,094,780
Accrued hire purchase and installment sales income	102,306	97,651	-	-	102,306	97,651
Less: Unearned hire purchase and installment sales income, net	(1,025,411)	(978,388)	(539,301)	(500,824)	(1,564,712)	(1,479,212)
Total normal receivable	1,947,955	1,924,831	1,940,705	1,788,388	3,888,660	3,713,219
Terminated agreements receivables						
Hire purchase and installment sales receivables	171,365	173,905	124,513	109,083	295,878	282,988
Accrued hire purchase and installment sales income	18,066	17,328	-	-	18,066	17,328
Less: Unearned hire purchase and installment sales income, net	(59,537)	(57,498)	(31,245)	(27,216)	(90,782)	(84,714)
Total terminated agreements receivables	129,894	133,735	93,268	81,867	223,162	215,602
Total receivables	2,077,849	2,058,566	2,033,973	1,870,255	4,111,822	3,928,821
Less: Allowance for doubtful accounts	(112,163)	(112,346)	(83,283)	(72,719)	(195,446)	(185,065)
Hire purchase and installment sales receivables, net	1,965,686	1,946,220	1,950,690	1,797,536	3,916,376	3,743,756

5.2 As at 30 June 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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	Hire purchase and installment sales receivables					
Not yet due	5,692,704	5,601,386	43,645	40,539	5,649,059	5,560,847
Past due:						
1 month	399,194	364,616	25,135	24,453	374,059	340,163
2 - 3 months	240,095	268,833	41,253	46,049	198,842	222,784
4 - 6 months	124,765	128,480	43,472	44,165	81,293	84,315
7 - 9 months	93,084	94,918	49,005	50,605	44,079	44,313
10 - 12 months	86,568	63,810	66,208	48,944	20,360	14,866
Over 12 months	1,150	2,444	1,149	2,442	1	2
Total	6,637,560	6,524,487	269,867	257,197	6,367,693	6,267,290

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	Hire purchase and installment sales receivables					
Not yet due	3,541,752	3,352,810	34,877	33,049	3,506,875	3,319,761
Past due:						
1 month	226,164	228,878	22,415	22,698	203,749	206,180
2 - 3 months	160,582	176,054	31,885	34,973	128,697	141,081
4 - 6 months	72,009	76,372	28,592	30,348	43,417	46,024
7 - 9 months	56,093	59,836	33,459	35,723	22,634	24,113
10 - 12 months	54,218	32,569	43,214	25,974	11,004	6,595
Over 12 months	1,004	2,302	1,004	2,300	-	2
Total	4,111,822	3,928,821	195,446	185,065	3,916,376	3,743,756

5.3 As at 30 June 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			
	30 June 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,903,390	3,324,748	4,825,177	3,298,392
After one year but not more than five years	4,318,626	3,312,812	4,294,793	3,226,095
Total	9,222,016	6,637,560	9,119,970	6,524,487
Less: Amounts representing finance charges	(2,584,456)		(2,595,483)	
Present value of minimum lease payments	6,637,560		6,524,487	

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,162,797	2,077,849	3,094,452	2,058,566
After one year but not more than five years	2,604,519	2,033,973	2,398,295	1,870,255
Total	5,767,316	4,111,822	5,492,747	3,928,821
Less: Amounts representing finance charges	(1,655,494)		(1,563,926)	
Present value of minimum lease payments	4,111,822		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 30 June 2017 and 31 December 2016, there are outstanding hire purchase receivable amounting to approximately Baht 216 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 six-month periods ended 30 June 2017 and 2016 would be reduced by Baht 4.3 million and Baht 5.6 million, respectively (the Company only: Baht 4.1 million and Baht 5.3 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 30 June 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 1,188 million and Baht 1,360 million, respectively (the Company only: Baht 1,074 million and Baht 1,329 million, respectively), in order to secure credit facilities granted by commercial banks as disclosed in Notes 20 and 23.

6. Asset - backed loan receivables

6.1 As at 30 June 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			
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Normal receivables						
Asset - backed loan receivables	343,572	307,497	89,532	71,609	433,104	379,106
Interest receivables	13,006	11,562	-	-	13,006	11,562
Less: Unearned interest income, net	(100,145)	(89,089)	(19,786)	(14,994)	(119,931)	(104,083)
Total normal receivables	256,433	229,970	69,746	56,615	326,179	286,585
Terminated agreements receivables						
Asset - backed on receivables	14,128	9,879	893	656	15,021	10,535
Interest receivables	1,772	1,264	-	-	1,772	1,264
Less: Unearned interest income, net	(3,992)	(2,833)	(155)	(98)	(4,147)	(2,931)
Total terminated agreements receivables	11,908	8,310	738	558	12,646	8,868
Total receivables	268,341	238,280	70,484	57,173	338,825	295,453
Less: Allowance for doubtful accounts	(15,438)	(12,008)	(2,239)	(1,697)	(17,677)	(13,705)
Asset - backed on receivables, net	252,903	226,272	68,245	55,476	321,148	281,748

6.2 As at 30 June 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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016
Asset-backed loan receivables						
Not yet due	268,519	239,307	2,640	2,369	265,879	236,938
Past due:						
1 month	35,738	27,242	3,462	2,646	32,276	24,596
2 - 3 months	21,593	20,036	4,273	4,007	17,320	16,029
4 - 6 months	5,591	4,970	2,188	1,988	3,403	2,982
7 - 9 months	3,969	2,115	2,382	1,269	1,587	846
10 - 12 months	3,415	1,783	2,732	1,426	683	357
Total	338,825	295,453	17,677	13,705	321,148	281,748

6.3 As at 30 June 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			
	30 June 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	372,478	268,341	330,202	238,280
After one year but not more than five years	90,425	70,484	72,265	57,173
Total	462,903	338,825	402,467	295,453
Less: Amounts representing finance charges	(124,078)		(107,014)	
Present value of minimum loan payments	338,825		295,453	

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

6.5 As at 30 June 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 96 million and Baht 52 million, respectively, in order to secure credit facilities granted by commercial bank as disclosed in Note 23.

7. Microfinance receivables

7.1 As at 30 June 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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Normal receivables						
Microfinance receivables	121,574	-	3,062	-	124,636	-
Accrued microfinance receivables	388	-	-	-	388	-
Less: Unearned interest income, net	(15,627)	-	(830)	-	(16,457)	-
Total receivables	106,335	-	2,232	-	108,567	-
Less: Allowance for doubtful accounts	(610)	-	-	-	(610)	-
Microfinance receivables, net	105,725	-	2,232	-	107,957	-

7.2 As at 30 June 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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016
Microfinance receivables						
Not yet due	108,418	-	610	-	107,808	-
Past due:						
1 month	149	-	-	-	149	-
2 - 3 months	-	-	-	-	-	-
4 - 6 months	-	-	-	-	-	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	<u>108,567</u>	<u>-</u>	<u>610</u>	<u>-</u>	<u>107,957</u>	<u>-</u>

7.3 As at 30 June 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			
	30 June 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	121,962	106,335	-	-
After one year but not more than three years	3,062	2,232	-	-
Total	<u>125,024</u>	<u>108,567</u>	<u>-</u>	<u>-</u>
Less: Amounts representing finance charges	<u>(16,457)</u>		<u>-</u>	
Present value of minimum loan payments	<u>108,567</u>		<u>-</u>	

8. Consumer finance receivables under joint financing arrangements

8.1 As at 30 June 2017 and 31 December 2016, the balances of consumer financing receivables under joint financing arrangements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of consumer finance receivables under joint financing arrangements		Long-term portion of consumer finance receivables under joint financing arrangements		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Normal receivables						
Consumer finance receivables under joint financing arrangements	207,123	45,933	345,305	86,706	552,428	132,639
Accrued interest receivables	21,636	3,869	-	-	21,636	3,869
Less: Unearned financing income, net	(95,695)	(15,696)	(83,920)	(29,038)	(179,615)	(44,734)
Less: Portions financed by bank under joint financing arrangement	(115,191)	(22,154)	(217,978)	(40,985)	(333,169)	(63,139)
Total receivables	17,873	11,952	43,407	16,683	61,280	28,635
Less: Allowance for doubtful accounts	-	-	-	-	-	-
Consumer finance receivables under joint financing arrangements, net	17,873	11,952	43,407	16,683	61,280	28,635

No allowance for impairment loss was provided on consumer finance receivables under joint financing arrangements as at 30 June 2017 and 31 December 2016. The management estimates that all such receivables are collectible. The Company's subsidiary is in the process of setting up an allowance policy on these receivables and is expected to complete it by 31 December 2017.

8.2 As at 30 June 2017 and 31 December 2016, the balances of consumer finance receivables under joint financing arrangements (net of unearned financing income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Consumer finance receivables under joint financing arrangements		Allowance for doubtful accounts		Consumer finance receivables under joint financing arrangements, net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Consumer finance receivables under joint financing arrangements						
Not yet due	52,200	28,635	-	-	52,200	28,635
Past due:						
1 month	5,436	-	-	-	5,436	-
2 - 3 months	3,644	-	-	-	3,644	-
4 - 6 months	-	-	-	-	-	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	61,280	28,635	-	-	61,280	28,635

- 8.3 As at 30 June 2017 and 31 December 2016, the future minimum loan payment receivable under consumer finance receivables under joint financing arrangements together with the present value of the net minimum loan payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	228,759	133,064	49,802	34,106
After one year but not more than four years	345,305	261,385	86,706	57,668
Total	574,064	394,449	136,508	91,774
Less: Amounts representing finance charges	(179,615)	-	(44,734)	-
Less: Portions financed by bank under joint financing arrangements	(333,169)	(333,169)	(63,139)	(63,139)
Present value of minimum loan payments	61,280	61,280	28,635	28,635

- 8.4 The subsidiary's loan agreements have terms of 2 - 4 years and require settlement in equal installment.
- 8.5 As at 30 June 2017 and 31 December 2016, the Company's subsidiary had transferred rights of claim under consumer financing agreements with outstanding balances (net of unearned interest income) of IDR 129,638 million and IDR 23,559 million, respectively, in order to secure credit facilities granted by commercial bank.
- 8.6 A subsidiary entered into a joint financing facility agreement with a related - commercial bank to obtain revolving joint financing facilities of IDR 100,000 million. Moreover, during the year 2017, the subsidiary entered into an additional joint financing facility agreement, for joint financing facilities amounting to IDR 200,000 million. The purpose of these joint financing agreements is to provide loans to consumers for purchases of agricultural machinery and tools, vehicles, solar panels and white goods. The duration of the agreements is 72 months from the first draw down, or for as long as both parties are willing to continue the agreements. The interest rates are 13% per annum. This joint financing agreement is secured by assets of the debtor. As at 30 June 2017 and 31 December 2016, the credit facilities under the joint financing agreements which have not yet been drawn down amounted to IDR 171,134 million and IDR 76,790 million, respectively.

9. 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			
		30 June 2017		31 December 2016	
Location of borrowers	Interest rate (% per annum)	Thousand USD	Equivalent to Thousand Baht	Thousand USD	Equivalent to Thousand Baht
Cyprus	14.5 - 17.0	29,598	1,005,791	39,519	1,415,973
Singapore	14.5 - 25.0	56,272	1,912,200	56,272	2,016,263
Others	5.0 - 10.0	1,241	42,170	1,247	44,696
Total loans		87,111	2,960,161	97,038	3,476,932
Interest receivables			139,978		281,788
Total loans and interest receivables			3,100,139		3,758,720
Less: Current portion			(1,217,334)		(882,435)
Long-term portion of loans and interest receivables			1,882,805		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 as owned by the borrowers. In the second quarter of 2017, part of the collaterals of the Company's shares was released by Singapore group and replaced by the value of properties in Japan (The pledge of the properties in Japan has been registered with Japanese Registry Office already). The collaterals (including shares in the Company valued at the shares' closing price on the Stock Exchange of Thailand ("SET") as of 30 June 2017) covered 105 percent of the loans to the borrower in Cyprus and the loans to the borrower in Singapore were covered at 122 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 80 percent and 83 percent of the outstanding balances of the respective loans as of 30 June 2017.

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 in 2016 was Baht 2,129 million (USD 59 million), accounting for 60 percent of the total loan debts. In 2017, before due date, the Cyprus borrower repaid the loans of Baht 414 million (USD 12 million).

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 year from these loans amounted to Baht 269 million representing 41 percent of the Company's total consolidated profits for this period. Both Cyprus and Singapore borrowers paid all interest due in July 2017.

In July 2017 and due date, the Singapore borrower repaid the loan of approximately Baht 500 million (USD 15 million) and the remaining of the collateral of the lenders shares was also released. The value of the collateral for the loans to the two borrowers (including the value of the pledged shares of the Company as valued at the closing price at SET on 10 August 2017) covered at 104 percent and 117 percent of the outstanding value of the loans. However, if the value of the pledged shares of the Company is excluded, the value of the remaining collateral would cover 80 percent and 117 percent of the respective loans.

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2017	31 December 2016
Loans and interest receivables		
Not yet due	3,100,139	3,664,898
Past due:		
1 - 3 months	-	80,584
7 - 12 months	-	13,238
Total	<u>3,100,139</u>	<u>3,758,720</u>

10. Assets foreclosed

As at 30 June 2017 and 31 December 2016, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Repossessed assets	92,462	66,823	21,759	40,078
Less: Allowance for diminution in value of assets foreclosed	(12,711)	(15,930)	(7,678)	(15,130)
Assets foreclosed, net	<u>79,751</u>	<u>50,893</u>	<u>14,081</u>	<u>24,948</u>

11. Other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Accrued income	6,402	4,403	2,867	2,957
Advance payment - related parties	189,073	20,500	14,034	12,381
Advance payment	6,300	26,036	179	749
Other receivable - sales of assets foreclosed	4,141	6,156	4,048	6,114
Other receivables - related parties	26,074	24,328	12,181	12,836
Other receivables - consulting services	6,796	57,329	-	-
Other receivables	<u>7,062</u>	<u>50,021</u>	<u>1,581</u>	<u>1,914</u>
Total	245,848	188,773	34,890	36,951
Less: Allowance for doubtful accounts	(2,539)	(2,526)	(2,526)	(2,526)
Other receivables, net	<u>243,309</u>	<u>186,247</u>	<u>32,364</u>	<u>34,425</u>

12. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Prepaid expenses	83,637	72,502	63,178	66,952
Undue input tax	2,295	1,536	2,225	1,466
Deposit for assets to be leased - related party	147,857	175,457	-	-
Withholding tax deducted at source	72,446	45,103	29,908	12,685
Others	2,341	3,168	2,341	2,332
Total	308,576	297,766	97,652	83,435

13. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company and its subsidiaries, as disclosed in Note 34.4.

14. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholdings percentage		Cost		Dividend received during the six-month periods ended	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 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	343,768	-
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>343,768</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.

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 (equivalent to Baht 343.77 million).

As at 30 June 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:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholdings percentage		Cost		Dividend received during the six-month periods ended	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 2016
			(%)	(%)				
<u>Held by Group Lease Holdings Pte. Ltd.</u>								
GL Finance Plc.	10,300 Thousand USD	10,300 Thousand USD	100.00	100.00	359,470	359,470	-	-
GL Leasing (Lao) Company Limited	16,300,000 Thousand LAK	16,300,000 Thousand LAK	99.68	99.68	71,478	71,478	-	-
PT. Group Lease Finance Indonesia	100,000,000 Thousand IDR	100,000,000 Thousand IDR	65.00	65.00	172,133	172,133	-	-
BG Microfinance Myanmar Co., Ltd.	8,000,000 Thousand MMK	-	100.00	-	455,005	-	-	-
GL-AMMK Co., Ltd.	4,080,000 Thousand MMK	-	57.00	-	59,350	-	-	-
					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 30 June 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, the 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 an Advisory, consultancy, managerial, administrative, technical and operational services business in Myanmar and launched the business operations during the first quarter of 2017.

15. 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	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 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	2,576,213	2,545,426
Total					<u>2,492,602</u>	<u>2,489,024</u>	<u>2,576,213</u>	<u>2,545,426</u>

For the six-month periods ended 30 June 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 six-month periods ended 30 June		Share of other comprehensive income from investment in associate for the six-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
	2017	2016	2017	2016	2017	2016
Commercial Credit and Finance PLC	92,218	-	(53,697)	-	10,940	-
Total	<u>92,218</u>	<u>-</u>	<u>(53,697)</u>	<u>-</u>	<u>10,940</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 with the stock price of the associate at the Sri Lanka Stock Market during the acquisition period in late 2016, 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 30 June 2017, the investment was presented as an investment in an associate in the consolidated financial statements, at a value of Baht 2,576 million (31 December 2016: Baht 2,545 million). 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 909 million (31 December 2016: Baht 1,285 million). The difference between the carrying value of investment of Baht 2,576 million and the market value as quoted on the Stock Exchange of Sri Lanka of Baht 909 million on 30 June 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 was paid on 20 April 2017.

On 9 June 2017, CCF announced on the Colombo Stock Exchange that a final dividend would be distributed from its operating results for the year ending 31 March 2017, consisting of a cash dividend of LKR 1.00 per share, which was paid on 11 July 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	30,121
The excess of purchase price over net asset value	1,818,297
Total Investment in associate - CCF	<u>2,492,602</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.

16. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	30 June	31 December
	2017	2016
<u>Investments in held-to-maturity debt securities</u>		
Convertible loan (Mature in 2020)	193,694	-
<u>Investments in other companies</u>		
Bagan Innovation Technology (Singapore) Pte. Ltd.	63,775	61,848
PT Bank JTrust Indonesia Tbk.	414,502	414,502
Total investments in other companies	<u>478,277</u>	<u>476,350</u>
Total	<u>671,971</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 period, GLH recorded addition acquisition-related costs of Baht 1.9 million related to external legal fee and due diligence costs. As at 30 June 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). As at 30 June 2017, the shareholding percentage of JTrust Bank held by GLH is 2.84%. JTrust Bank is incorporated in Indonesia and its main activity is commercial banking.

On 28 June 2017, GLH has invested USD 5.7 million in a private placement convertible loan issued by Century Finance Company Limited ("CFCL"), a company incorporated under the laws of the Republic of the Union of Myanmar. The loan is convertible to ordinary shares of CFCL and GLH will hold 57% of CFCL after conversion of the full loan. The loan carried interest at 6.5% per annum. The interest is recognised on an accrual basis in the consolidated financial statements.

17. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	23,387	5,808
Transfer out during the period	(65)	-
Increase from acquisition of BGMM	984	-
Disposals/Write-off	(46)	-
Depreciation for the period	(19,711)	(8,784)
Exchange differences on translation of financial statements in foreign currency	(2,523)	-
Net book value as at 30 June 2017	132,698	72,389

The Company has mortgaged land and construction thereon with a total net book value as at 30 June 2017 of Baht 25.3 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 20 and 23.

18. 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	21,056	13,224
Amortisation for the period	(4,329)	(1,872)
Exchange differences on translation of financial statements in foreign currency	(5,451)	-
Net book value as at 30 June 2017	<u>151,072</u>	<u>47,180</u>

Exclusive right agreement

A related party entered into a 5-year Exclusive Right Agreement (automatically renewed for a further two years unless the parties mutually agree in writing not to renew the agreement within six months before the termination date) with a company 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 30 June 2017, the fair value of exclusive right in consolidated financial statement amounted to USD 1.86 million (31 December 2016: USD 1.91 million).

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Income tax and value added				
tax refundable	53,278	63,772	52,676	62,648
Deposits	36,954	37,865	1,671	1,856
Others	6,160	5,739	5,760	5,738
Total	<u>96,392</u>	<u>107,376</u>	<u>60,107</u>	<u>70,242</u>

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

	Consolidated financial statements			
	Interest rate		Balance	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	-	7.12	-	2,077
Short-term loans	3.80 - 6.00	3.80 - 6.25	269,482	554,183
Total			<u>269,482</u>	<u>556,260</u>

	Separate financial statements			
	Interest rate		Balance	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	-	7.12	-	2,077
Short-term loans	3.80	3.80 - 6.25	99,315	446,690
Total			<u>99,315</u>	<u>448,767</u>

As at 30 June 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 34.4.

21. 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 contribute voluntary savings. 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 BGMM at 15% per annum for compulsory savings and 10% per annum for voluntary savings.

As at 30 June 2017 total deposits, including accrued interest, recorded in BGMM's balance sheet amounted to MMK 507 million (Baht 12.6 million), and these had remaining terms ranging from 6 months to 1 year.

22. Other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Accrued interest expenses to related parties	124,855	95,699	124,855	95,699
Accrued interest expenses	12,652	20,761	11,083	18,965
Accrued commission expenses	21,822	44,590	6,593	5,438
Accrued bonus	53,677	659	43,901	15
Accrued expenses - related parties	1,838	-	149,870	51,950
Accrued expenses	67,027	43,275	10,002	15,406
Total	281,871	204,984	346,304	187,473

23. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance		Interest rate	Repayment condition
	30 June 2017	31 December 2016	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	712,719	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	11,327	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	22,654	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	33,982	35,831	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
Promissory note No. 2	50,972	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	127,920	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	47,030	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
<u>Loan agreement dated 18 May 2017</u>				
Credit facility No. 1	9,860	-	At the rate of 7.00% per annum	Twenty-four 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	(280)	(913)		
Total	1,016,184	798,133		
Less: Current portion	(967,944)	(585,743)		
Long-term portion of long-term loans	48,240	212,390		

(Unit: Thousand Baht)

	Separate financial statements			
	Balance		Interest rate	Repayment condition
	30 June 2017	31 December 2016	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	712,719	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	712,719	577,130		
Less: Current portion	(712,719)	(402,990)		
Long-term portion of long-term loans	-	174,140		

Movements in the long-term loans account during the six-month period ended 30 June 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	889,582	730,000
Amortisation of deferred front end fees	616	-
Less: Repayment	(662,520)	(594,411)
Exchange differences on translation of financial statements in foreign currency	(9,627)	-
Balance as at 30 June 2017	1,016,184	712,719

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.

During the year 2017 and 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 10 million and Baht 60 million, respectively. 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, fixed deposit at finance institution by GLL, and proportional assets of GLF. As at 30 June 2017, GLF had total assets to mortgage such loans amounting to USD 1.01 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	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Long-term credit facilities which have not yet been drawn down	1,787.3	2,072.9	1,787.3	1,922.9

24. Debentures

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

(Unit: Thousand Baht)

Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				30 June 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				(38,835)	(47,782)
Debentures - net				1,461,165	1,952,218
Less: Current portion				-	(499,128)
Long-term portion of debentures				1,461,165	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 34.4.

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 34.4.

25. 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	
				30 June 2017	31 December 2016
Convertible debentures 1/2016	As detailed in the table below	5 years	30 July 2021	4,417,985	4,521,832
Convertible debentures 1/2017	As detailed in the table below	3 years	20 March 2020	1,699,757	-
Convertible debentures 2/2017	As detailed in the table below	3 years	30 March 2020	679,903	-
Less: Unamortised portion of deferred transaction costs				(8,019)	(5,502)
Convertible debentures - net				6,789,626	4,516,330
Less: Amount classified as equity				(59,458)	(10,043)
Amount classified as liability				6,730,168	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	<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 3,540,000 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. During the year 2017, the Company cancelled the side agreements as disclosed in Note 2.3.

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 ne exceeding USD 50 million and approved to Creation Investments Sri Lanka LLC in an amount ne 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 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	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 3,465,480 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.

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	6,797,645
Transaction costs	<u>(9,405)</u>
Net proceeds	<u>6,788,240</u>
Amount classified as equity	(59,458)
Amount classified as liability	6,728,782
Add Amortised - transaction cost	<u>1,386</u>
Balance as at 30 June 2017	<u><u>6,730,168</u></u>

26. Share capital

26.1 Resolution of the Annual General Meeting of the Company’s shareholders

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 was paid to the shareholders on 25 May 2017.

26.2 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

26.3 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

27. Warrants

As at 30 June 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 30 June 2017
GL-W4	164,965,117	-	19,036	164,946,081

28. Dividends

Dividends declared in the second quarter of 2017 consist of the following:

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividends from 2016 operations	Annual General Meeting of the shareholders on 26 April 2017	415,088	0.2740
		<u>415,088</u>	<u>0.2740</u>

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

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

29. 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.

30. 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.

31. Corporate income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	57,273	46,620	33,386	29,581
Deferred tax:				
Relating to origination of temporary differences	(11,783)	3,553	(4,504)	2,288
Income tax expense reported in profit or loss	45,490	50,173	28,882	31,869

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	83,965	90,742	44,775	51,541
Deferred tax:				
Relating to origination of temporary differences	(18,037)	8,690	(10,610)	4,395
Income tax expense reported in profit or loss	65,928	99,432	34,165	55,936

32. 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.

	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit for the period (Thousand Baht)	337,688	256,475	489,229	126,597
Number of ordinary shares (Thousand shares)	1,525,538	1,525,385	1,525,538	1,525,385
Earnings per share (Baht/share)	0.2214	0.1681	0.3207	0.0830
	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit for the period (Thousand Baht)	665,819	478,640	535,034	222,932
Number of ordinary shares (Thousand shares)	1,525,533	1,525,385	1,525,533	1,525,385
Earnings per share (Baht/share)	0.4365	0.3138	0.3507	0.1461

However, no calculation of diluted earnings per share for the six-month period ended 30 June 2017 was required for GL-W4 and convertible debentures since the effect of diluted earnings per share is antidilutive.

33. 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 and six-month period ended 30 June 2017 and 2016, respectively.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 June 2017

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Consumer finance		Item not allocated	Consolidated
				Microfinance service	under joint financing arrangements service		
Revenues							
External customer	614,182	125,993	6,800	6,832	12,176	-	765,983
Other income	107,490	5,848	-	2,936	4,057	-	120,331
Inter segment revenue	445,661	20,955	1,154	-	(139)	-	467,631
Total revenues	1,167,333	152,796	7,954	9,768	16,094	-	1,353,945
Adjustments and eliminations	(445,661)	(20,955)	(1,154)	-	139	-	(467,631)
Total revenues-net	721,672	131,841	6,800	9,768	16,233	-	886,314
Services and administrative expenses	(223,355)	(27,109)	(4,343)	(3,687)	(13,395)	-	(271,889)
Bad debts and doubtful accounts	(90,724)	-	-	(31)	-	-	(90,755)
Loss on disposals of foreclosed assets	(51,131)	-	-	-	-	-	(51,131)
Share of profit from investment in associate	-	-	-	-	-	36,729	36,729
Financial cost	-	-	-	-	-	(126,926)	(126,926)
Income tax expense	-	-	-	-	-	(45,490)	(45,490)
Segment profit	356,462	104,732	2,457	6,050	2,838	(135,687)	336,852

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 June 2016

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Consumer finance under joint financing arrangements service	Item not allocated	Consolidated
Revenues						
External customer	571,990	115,720	7,061	-	-	694,771
Other income	3,591	3	-	5,863	-	9,457
Inter segment revenue	103,749	44,055	3,004	7	-	150,815
Total revenues	679,330	159,778	10,065	5,870	-	855,043
Adjustments and eliminations	(103,749)	(44,055)	(3,004)	(7)	-	(150,815)
Total revenues-net	575,581	115,723	7,061	5,863	-	704,228
Services and administrative expenses	(188,306)	(20,037)	-	(8,963)	-	(217,306)
Bad debts and doubtful accounts	(82,875)	-	-	-	-	(82,875)
Loss on disposals of foreclosed assets	(52,370)	-	-	-	-	(52,370)
Financial cost	-	-	-	-	(45,654)	(45,654)
Income tax expense	-	-	-	-	(50,173)	(50,173)
Segment profit	252,030	95,686	7,061	(3,100)	(95,827)	255,850

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2017

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Consumer finance		Item not allocated	Consolidated
				Microfinance service	under joint financing arrangements service		
Revenues							
External customer	1,212,576	269,013	13,779	11,493	19,292	-	1,526,153
Other income	127,226	8,075	349	4,385	8,208	-	148,243
Inter segment revenue	479,439	(56,712)	4,294	-	-	-	427,021
Total revenues	1,819,241	220,376	18,422	15,878	27,500	-	2,101,417
Adjustments and eliminations	(479,439)	56,712	(4,294)	-	-	-	(427,021)
Total revenues-net	1,339,802	277,088	14,128	15,878	27,500	-	1,674,396
Services and administrative expenses	(444,474)	(47,793)	(6,898)	(6,237)	(23,498)	-	(528,900)
Bad debts and doubtful accounts	(167,568)	-	-	(177)	-	-	(167,745)
Loss on disposals of foreclosed assets	(109,784)	-	-	-	-	-	(109,784)
Share of profit from investment in associate	-	-	-	-	-	92,218	92,218
Financial cost	-	-	-	-	-	(230,049)	(230,049)
Income tax expense	-	-	-	-	-	(65,928)	(65,928)
Segment profit	617,976	229,295	7,230	9,464	4,002	(203,759)	664,208

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2016

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Consumer finance		Item not allocated	Consolidated
				under joint financing arrangements service			
Revenues							
External customer	1,132,859	229,237	7,061	-	-	-	1,369,157
Other income	8,677	314	-	5,863	-	-	14,854
Inter segment revenue	202,119	83,754	6,009	7	-	-	291,889
Total revenues	1,343,655	313,305	13,070	5,870	-	-	1,675,900
Adjustments and eliminations	(202,119)	(83,754)	(6,009)	(7)	-	-	(291,889)
Total revenues-net	1,141,536	229,551	7,061	5,863	-	-	1,384,011
Services and administrative expenses	(401,933)	(42,313)	-	(8,963)	-	-	(453,209)
Bad debts and doubtful accounts	(154,055)	-	-	-	-	-	(154,055)
Loss on disposals of foreclosed assets	(109,621)	-	-	-	-	-	(109,621)
Financial cost	-	-	-	-	-	(89,679)	(89,679)
Income tax expense	-	-	-	-	-	(99,432)	(99,432)
Segment profit	475,927	187,238	7,061	(3,100)	(189,111)	(189,111)	478,015

Segment assets of the Company and its subsidiaries as at 30 June 2017 and 31 December 2016 are as follows:

(Unit: Thousand Baht)

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance		Consolidated
					service	Item not allocated	
Segment assets							
At 30 June 2017	7,734,301	3,162,834	4,659	393,943	89,011	6,892,421	18,277,169
At 31 December 2016	7,446,681	4,220,656	-	-	46,825	5,551,512	17,265,674

(Unaudited but reviewed)

Geographic information

Revenue from external customers is based on locations of the customers for the three-month and six-month periods ended 30 June 2017 and 2016, respectively.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Revenue from external customers				
Thailand	501,856	386,325	908,708	781,514
Cambodia	188,670	166,636	369,206	320,279
Singapore	88,728	86,627	176,563	174,399
Cyprus	39,806	26,198	93,441	49,810
Luxembourg	1,273	2,386	4,695	4,803
Laos	31,156	22,676	61,896	39,826
Indonesia	16,721	6,319	28,482	6,319
Myanmar	11,304	-	17,626	-
Japan	6,800	7,061	13,779	7,061
Total	<u>886,314</u>	<u>704,228</u>	<u>1,674,396</u>	<u>1,384,011</u>

34. Commitments

34.1 Capital commitments

As at 30 June 2017, the Company had capital commitments of approximately USD 0.02 million, relating to the purchase of software licenses and Baht 0.99 million, relating to the building improvement and lease area (31 December 2016: Baht 0.01 million).

34.2 Operating lease commitments

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

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

	Consolidated financial statement			
	30 June 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	17,942	11,503	15,280	13,705
Thousand USD	27	3	157	36
Thousand IDR	1,216,631	-	1,216,631	-
Thousand SGD	159	21	-	-

	Separate financial statement			
	30 June 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	7,729	3,768	6,851	2,802

34.3 Service commitments

As at 30 June 2017, the Company is required to pay fees of USD 0.02 million, JPY 0.6 million, SGD 0.01 million and Baht 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).

34.4 Guarantees

- 1) As at 30 June 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 30 June 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.

34.5 Exclusive Referral Agreement

On 26 June 2017, GLF entered into a 3-year Exclusive Referral Agreement (automatically renewed for a further two years unless both parties mutually agree in writing not to renew the agreement at least six months before the expiration date) with a company which is a distributor of Honda motorcycles in Cambodia. The agreement grants GLF the right to act as the exclusive finance agent to arrange hire purchase finance for Honda brand motorcycles. GLF is required to pay a fee at a rate of 3.6% of the finance amount provided to each customer who purchases a motorcycle.

35. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

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

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

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

(Unaudited but reviewed)

As at 30 June 2017, the Company and its subsidiaries had assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
As at 30 June 2017				
Level 1	Level 2	Level 3	Total	
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	1.3	-	1.3

During the current period, there were no transfers within the fair value hierarchy.

36. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 15 August 2017.