

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Group Lease Public Company Limited

1. Basis for Qualified Conclusion

- (a) On 16 October 2017, the Securities and Exchange Commission ("SEC") incriminated the previous Chairman and Chief Executive Officer ("ex-CEO") of the Company for fraud in diverting a sum of USD 54 million purported to be loans to two independent groups of borrowers (Cyprus and Singapore) to his ultimate control and benefits. He was also charged as having committed falsehood in accounting made through concealed acts optically portrayed as borrowing but was a round-tripping of fund-out and fund-in in pumping the Company's profits fictitiously.

The SEC's finding as stated in the charges against ex-CEO was a follow-up to my previous observations on these Cyprus-Singapore "borrowers" as extraordinary. SEC extended the investigation by tracing the flow of funds with co-operation and assistance from the Cyprus Securities and Exchange Commission. It finally concluded that the loans were fraudulent and regarded as financial shenanigans and filed criminal complaint against ex-CEO with the government's Department of Special Investigation ("DSI") mainly for breaking the laws under the Securities and Exchange Act B.E. 2535 and the Securities and Exchange Act (No. 5) B.E. 2559. The justice process is ongoing and now rested with DSI for consideration of prosecution against ex-CEO in the court of justice.

- (b) On records, the gross loans purported to be granted to these two major groups of borrowers amounted in total to USD 98 million of which the related sum of USD 54 million was charged by SEC as frauds committed by ex-CEO. After filing of the Company's 2016 audited financial statements on 28 February 2017 with our highlighted emphasis on the extra nature of the loans, thereafter loans were partially refunded in total of USD 42 million:

- USD 12 million in April 2017,
- USD 15 million in July 2017, and
- USD 15 million in August 2017,

Leaving USD 56 million still outstanding on 30 September 2017.

It is now necessary for the Company's Board of Directors headed by the new Chairman and CEO, who is related to the perpetrator, to demand full restitution from that ex-CEO. In addition, the Board of Directors is required to protect and take control of all the bank accounts of the Company's subsidiary in Singapore and all the assets of securities previously provided against the "loans" to ensure realisation on their value at maximum for eventual restitution. All the bank accounts of the Company's subsidiary in Singapore and the substantial securities are presently outside Thailand and under the control of the board of directors of the Company's subsidiary in Singapore.

- (c) In responding to the SEC's order to revise and correct past financial statements of the Company, the Company had requested from SEC for the details of the claims against ex-CEO. The Company contended that it was not forthcoming from SEC and therefore unable to revise early financial statements for the year ended 31 December 2016 and quarterly statements for the respective periods ended 31 March 2017 and 30 June 2017. However, it decided to set aside a provision for losses from that financial shenanigans of USD 56 million against the quarterly profits ended on 30 September 2017.

In addition, there was a receivable substantially incurred in 2017 and due from companies related to this ex-CEO of USD 9 million for which an additional loss was also set aside, bringing the total provision for losses from this fraud and charged against the quarterly profits ended 30 September 2017 with a total sum of USD 65 million.

- (d) Because of that executive being legally charged and under ongoing official investigation by DSI following the SEC's criminal complaint, the whole matter is now under examination for considered decision in prosecuting this ex-CEO in court. Due to the legal process not being finalised yet and also my limitation as a professional auditor in examining the real status of the borrowings further, I am therefore unable to conclude on the recoverable value of the debts except to await for the DSI's investigation of the case since it has power and official channels to eventually decide and conclude the case against ex-CEO in the court of laws and eventual court's judgement. Therefore, under this limitation by circumstance, I am unable to conclusively determine the eventuality of the SEC's criminal complaint on the loans and receivables and bona fide of interest income and also unable to conclude on the fairness of the provision for losses of USD 65 million.

(e) Relying on the SEC's allegations, among others, of fraud and falsehood in accounting committed by the ex-CEO and assuming the eventual legal process reached with the same conclusions as alleged, the past financial statements ended on the related year and periods would have to be actively corrected and revised with the now known fraud which is indicative of wholesale-fraudulent misrepresentation in the past of the loans granted by the Company to the borrowers in Cyprus and Singapore.

The Company's corrected financial positions and results of the operations related to each period would read in summary as follows:

First is to reclassify the previous named accounts - "Loans and interest receivables to Cyprus and Singapore" to the correct name of "Claims against the ex- Chairman and CEO".

- at the end of 2015 of USD 76 million,
- at the end of 2016 of USD 104 million,
- at the end of Q1/17 of USD 105 million, and
- at the end of Q2/17 of USD 90 million.

Second is to reverse all interest income related to these two group loans in the past not as high interest income but as part of the sum refunded by that ex-CEO during each respective period:

- USD 5 million for the year 2015,
- USD 14 million for the year 2016,
- USD 4 million for Q1/17, and
- USD 3 million for Q2/17

Thereby reducing the past profit of the Group by the same sums in each period.

Under this contention, the profits and net assets at the end of the respective periods shall be reduced to:

	Consolidated financial statements			
	Original	Adjusted		Reduced to
	Million Baht	Million USD	Million Baht	Million Baht
<u>Profits</u>				
For the year 2015	583	(5)	(173)	410
For the year 2016	1,063	(14)	(483)	580
For the Q1 2017	328	(4)	(143)	185
For the Q2 2017	337	(3)	(125)	212
<u>Net Assets</u>				
End of 2015	7,581	(5)	(173)	7,408
End of 2016	8,501	(19)	(656)	7,845
End of Q1 2017	8,547	(23)	(799)	7,748
End of Q2 2017	8,299	(26)	(924)	7,375

The past profit up to 30 June 2017 has to be reduced in total by Baht 924 million (or approximately Baht 0.61 per share, based on approximately 1,525 million shares outstanding on 30 September 2017).

In summary, the Company's consolidated financial statements figures as summarised above were reinstated and revised as though the loans to Cyprus and Singapore had never arisen right from the beginning. The extent of losses from the frauds which is still regarded as an asset under the caption of "Claims against ex-Chairman and CEO" is subject to the eventuality of the Company's actions.

In my conclusion, under the basis of SEC's alleged charges against the perpetrator, the extent of loss provision of USD 63 million as set aside by the Company against the 2017 third quarter's operation is still subject to uncertainties as to how the claims from him by the Company will be conducted. The realisable value as now suspended in full under the caption of an asset - "Claims against ex-Chairman and CEO" - is dependent on the disposal value of securities as previously given by the purported borrowers to the Company's subsidiary in Singapore, the stringent attempts by the current Company's Board of Directors in directing for the recovery and take control of all the bank accounts of the Company's subsidiary in Singapore and subsequent legal actions by the Company against the perpetrator for recovery of the losses.

2. Scope of Review and Qualified Conclusion

I have reviewed the accompanying consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries as at 30 September 2017, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 periods. 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.

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

Except for any adjustments that might be required as a result of the matters discussed in the Basis for Qualified Conclusion paragraph, based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, *Interim Financial Reporting*.

I have audited the consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries and the separate statement of financial position of Group Lease Public Company Limited as at 31 December 2016, presented as comparative information, and my opinion will be changed to a qualified opinion on the matters as discussed above.

I have reviewed the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Group Lease Public Company Limited and its subsidiaries, and the separate financial statements of Group Lease Public Company Limited, presented as comparative information, and my conclusion will be changed to a qualified conclusion on the matters as discussed above.

3. Emphasis of matters

I draw attention to the following matters:

3.1) Loans and interest receivables - Baht 1,997 million (before provision for losses) as of 30 September 2017, represents 36 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.

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 845 million (USD 25.3 million) and released part of the collateral of Company's shares but still remained other parts of the collaterals. In addition, and on due date, the Singapore borrower repaid the loan of approximately Baht 557 million (USD 16.7 million) and the remaining of the collateral of the lenders shares was also released 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). As at 30 September 2017, there is no Company's shares as part of collaterals against the loans.

Please refer to the important events on this matter as disclosed by the Company in Note 9 to the interim financial statements and our qualified conclusion in the Basis of Qualified Conclusion paragraph.

- 3.2) Investment in associate company in Sri Lanka - As of 30 September 2017 - Baht 1,987 million (investment value under equity method Baht 2,569 million less provision for loss of Baht 582 million) (As of 31 December 2016 - Baht 2,545 million)

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.

The difference between the carrying value and the market value of investment in associated company is significant and is an “indicative of possible impairment on this investment.” The Company is in the process of performing the impairment testing review. The Company expects to obtain a complete impairment testing during the fourth quarter of 2017. However, the Company informed us that for conservative reason the Company has set up a provision for loss of Baht 582 million against this investment in this quarter. Please refer to the important transactions on this matter as disclosed by the Company in Note 15 to the interim financial statements.

As at 30 September 2017, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 1,987 million (investment value under equity method Baht 2,569 million less provision for loss of Baht 582 million) (Baht 2,545 million as of 31 December 2016). Based on the market price at the Stock Exchange of Sri Lanka at the end of this period, the total value was only in the range of Baht 894 million (Baht 1,285 million as of the end of the year 2016). The difference between the carrying value of investment (even after provision for loss) and the quoted market price at the quarter end is substantial and still requires attention.

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)

As discussed in Note 36 to the interim financial statements, the Company confirmed that the Company has not breached any of the representations and warranties given in convertible debentures and debentures agreements with the creditors. However, this issue has to be further confirmed with the creditors.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 13 November 2017

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	3,726,914	2,551,224	128,932	468,722
Current investments		49,000	-	-	-
Current portion of hire purchase and installment sales receivables	3, 5	3,117,427	3,138,388	1,986,909	1,946,220
Current portion of asset-backed loan receivables	6	265,565	226,272	-	-
Current portion of microfinance receivables	7	193,666	-	-	-
Current portion of consumer finance receivables under joint financing arrangements	8	27,964	11,952	-	-
Current portion of loans and interest receivables	9	2,572	882,435	-	-
Assets foreclosed	10	85,145	50,893	15,550	24,948
Short-term loan to and interest receivables from subsidiary	3	-	-	238,032	5,198,254
Other receivables	3, 11	69,012	186,247	37,387	34,425
Other current assets	3, 12	148,704	297,766	77,646	83,435
Total current assets		7,685,969	7,345,177	2,484,456	7,756,004
Non-current assets					
Pledged fixed deposit at financial institution	13	11,937	334	337	334
Investments in subsidiaries	2, 14	-	-	3,590,302	6,017,120
Investment in associate	15	1,987,409	2,545,426	-	-
Other long-term investments	3, 16	670,996	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	3,271,576	3,128,902	2,038,005	1,797,536
Long-term portion of asset-backed loan receivables	6	74,314	55,476	-	-
Long-term portion of microfinance receivables	7	10,037	-	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	8	50,314	16,683	-	-
Long-term portion of loans and interest receivables	9	41,747	2,876,285	-	-
Long-term loan to and interest receivables from subsidiary	3	-	-	5,458,039	-
Property, plant and equipment	17	134,838	130,672	70,731	75,365
Intangible assets	18	103,646	139,796	51,293	35,828
Goodwill		344,309	122,157	-	-
Deferred tax assets		58,095	35,523	43,291	24,241
Other non-current assets	19	74,026	107,376	36,628	70,242
Total non-current assets		6,833,244	9,920,497	11,288,626	8,020,666
Total assets		14,519,213	17,265,674	13,773,082	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 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 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	133,340	556,260	-	448,767
Trade accounts payable		13,617	11,561	8,749	3,944
Deposits from customers	21	15,684	-	-	-
Short-term loans from and interest payable to related parties	3	231	4,396	20,000	130,000
Current portion of long-term loans	23	222,414	585,743	-	402,990
Current portion of long-term loans from subsidiary	3	-	-	88,000	53,300
Current portion of debentures	24	-	499,128	-	499,128
Income tax payable		46,954	87,086	1,313	16,427
Insurance premium payables		8,153	11,600	5,154	7,551
Other payables	3, 22	226,761	204,984	265,134	187,473
Other current liabilities	3	113,303	155,539	76,196	41,554
Total current liabilities		780,457	2,116,297	464,546	1,791,134
Non-current liabilities					
Long-term portion of long-term loans	23	26,061	212,390	-	174,140
Long-term portion of debentures	24	1,465,244	1,453,090	1,465,244	1,453,090
Convertible debentures - liability component	3, 25	6,609,187	4,506,287	6,609,187	4,506,287
Advance received for issuance of convertible debentures	3	-	465,799	-	465,799
Provision for long-term employee benefits		11,707	8,721	11,414	8,721
Derivatives Liability	35	965	-	-	-
Deferred tax Liability		4,212	-	-	-
Cash guarantee for damage on hire purchase agreements		2,180	2,180	2,064	2,064
Total non-current liabilities		8,119,556	6,648,467	8,087,909	6,610,101
Total liabilities		8,900,013	8,764,764	8,552,455	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 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 September 2017 (Unaudited but reviewed)	31 December 2016 (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		(248,084)	2,101,423	(886,528)	1,318,457
Other components of shareholders' equity	25	(309,321)	260,257	59,458	10,043
Total shareholders' equity		5,490,292	8,408,615	5,220,627	7,375,435
Non-controlling interests of the subsidiaries		128,908	92,295	-	-
Total equity		5,619,200	8,500,910	5,220,627	7,375,435
Total liabilities and shareholders' equity		14,519,213	17,265,674	13,773,082	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 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Hire purchase interest income		516,329	487,476	311,407	298,146
Asset - backed loan interest income		43,650	31,869	-	-
Microfinance interest income		14,302	-	-	-
Consumer finance under joint financing arrangements					
interest income		16,294	508	-	-
Interest on loan receivables	9	109,427	122,097	-	-
Other income					
Other interest income		10,732	11,459	104,836	84,314
Consulting service fee income		6,630	41,678	-	-
Management service fee income		-	-	21,000	21,000
Other income related to the hire purchase activities	29	62,986	55,013	33,007	36,695
Other income related to the microfinance activities	30	1,216	-	-	-
Gain on exchange rate		383	-	19,642	-
Others		3,711	2,844	3,754	5,222
Total revenues		785,660	752,944	493,646	445,377
Expenses					
Service and administrative expenses		310,524	240,586	158,484	162,477
Bad debts and doubtful accounts		54,670	78,476	48,623	54,506
Expense allowance on loan and interest receivables	36	1,952,565	-	-	-
Loss on disposals of foreclosed assets		63,141	52,547	54,894	51,434
Expense allowance on other receivables	36	202,348	-	-	-
Expense allowance on other current assets	36	38,825	-	-	-
Expense allowance on investment loss in subsidiary	14, 36	-	-	2,426,818	-
Expense allowance on investment loss in associate	15, 36	582,085	-	-	-
Expense allowance on exclusive right	36	55,937	-	-	-
Total expenses		3,260,095	371,609	2,688,819	268,417
Profit (loss) before share of profit from investments in associate, finance cost and income tax expenses					
		(2,474,435)	381,335	(2,195,173)	176,960
Share of profit from investments in associate	15	28,882	-	-	-
Profit (loss) before finance cost and income tax expenses		(2,445,553)	381,335	(2,195,173)	176,960
Finance cost		(112,020)	(83,539)	(107,177)	(81,799)
Profit (loss) before income tax expenses		(2,557,573)	297,796	(2,302,350)	95,161
Income tax expenses	31	(50,016)	(37,388)	(22,581)	(19,111)
Profit (loss) for the period		(2,607,589)	260,408	(2,324,931)	76,050

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 nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Hire purchase interest income		1,549,021	1,464,460	908,391	898,547
Asset - backed loan interest income		119,153	80,422	-	-
Microfinance interest income		24,769	-	-	-
Consumer finance under joint financing arrangements					
interest income		35,586	508	-	-
Interest on loan receivables	9	378,440	351,334	-	-
Other income					
Other interest income		26,410	18,591	305,288	239,791
Consulting service fee income		20,409	48,739	-	-
Management service fee income		-	-	63,000	63,000
Other income related to the hire purchase activities	29	167,367	162,335	97,258	107,294
Other income related to the microfinance activities	30	2,242	-	-	-
Dividend income	14	-	-	343,768	-
Gain on exchange rate		120,452	-	19,642	-
Others		16,207	10,566	15,206	16,680
Total revenues		2,460,056	2,136,955	1,752,553	1,325,312
Expenses					
Service and administrative expenses		839,424	693,795	436,285	456,320
Bad debts and doubtful accounts		222,415	232,531	143,591	173,890
Expense allowance on loan and interest receivables	36	1,952,565	-	-	-
Loss on disposals of foreclosed assets		172,925	162,168	154,530	157,295
Expense allowance on other receivables	36	202,348	-	-	-
Expense allowance on other current assets	36	38,825	-	-	-
Expense allowance on investment loss in subsidiary	14, 36	-	-	2,426,818	-
Expense allowance on investment loss in associate	15, 36	582,085	-	-	-
Expense allowance on exclusive right	36	55,937	-	-	-
Total expenses		4,066,524	1,088,494	3,161,224	787,505
Profit (loss) before share of profit from investments in associate, finance cost and income tax expenses					
Share of profit from investments in associate	15	121,100	-	-	-
Profit (loss) before finance cost and income tax expenses		(1,485,368)	1,048,461	(1,408,671)	537,807
Finance cost		(342,069)	(173,218)	(324,480)	(163,778)
Profit (loss) before income tax expenses		(1,827,437)	875,243	(1,733,151)	374,029
Income tax expenses	31	(115,944)	(136,820)	(56,746)	(75,047)
Profit (loss) for the period		(1,943,381)	738,423	(1,789,897)	298,982

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
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to the owners of the Company														
	Note	Share subscription					Other components of equity					Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		Issued and paid-up share capital	Share premium	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			
					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		-	-	-	-	738,981	-	-	-	-	-	738,981	(558)	738,423
Other comprehensive income for the period		-	-	-	-	-	-	-	(219,218)	-	(219,218)	(219,218)	115	(219,103)
Total comprehensive income for the period		-	-	-	-	738,981	-	-	(219,218)	-	(219,218)	519,763	(443)	519,320
Issuance of ordinary shares during period														
from the exercise of warrants		44	3,497	-	-	-	-	-	-	-	-	3,541	-	3,541
Issuance of ordinary shares during period														
from transferring of share subscription received in advance		49,050	931,999	(981,049)	-	-	-	-	-	-	-	-	-	-
Share subscription received in advance														
from the exercise of warrants		-	-	622	-	-	-	-	-	-	-	622	-	622
Issue convertible debentures - equity component		-	-	-	-	-	-	-	-	10,043	10,043	10,043	-	10,043
Dividend paid	28	-	-	-	-	(231,240)	-	-	-	-	-	(231,240)	-	(231,240)
Increase in non-controlling interest														
from established a new subsidiary		-	-	-	-	-	-	-	-	-	-	-	93,594	93,594
Appropriate to statutory reserve		-	-	-	13,563	(13,563)	-	-	-	-	-	-	-	-
Balance as at 30 September 2016		762,737	5,190,130	622	90,522	1,778,003	-	-	52,131	10,043	62,174	7,884,188	93,151	7,977,339
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
Loss for the period		-	-	-	-	(1,940,683)	-	-	-	-	-	(1,940,683)	(2,698)	(1,943,381)
Other comprehensive income for the period		-	-	-	-	603	(439)	352	(613,245)	-	(613,332)	(612,729)	(5,461)	(618,190)
Total comprehensive income for the period		-	-	-	-	(1,940,080)	(439)	352	(613,245)	-	(613,332)	(2,553,412)	(8,159)	(2,561,571)
Issuance of ordinary shares during period														
from the exercise of warrants	26	14	1,113	-	-	-	-	-	-	-	-	1,127	-	1,127
Issuance of ordinary shares during period														
from transferring of share subscription received in advance	26	-	-	(365)	-	-	-	-	-	-	-	(365)	-	(365)
Increase in non-controlling interest														
from established a new subsidiary		-	-	-	-	-	-	-	-	-	-	-	44,772	44,772
Dividend paid	28	-	-	-	-	(415,088)	-	-	-	-	-	(415,088)	-	(415,088)
Issue convertible debentures - equity component	25	-	-	-	-	-	-	-	-	49,415	49,415	49,415	-	49,415
Effect on cumulative exchange difference adjustment		-	-	-	-	5,661	-	-	(5,661)	-	(5,661)	-	-	-
Balance as at 30 September 2017		762,769	5,192,673	-	92,255	(248,084)	1,354	352	(370,485)	59,458	(309,321)	5,490,292	128,908	5,619,200
		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-

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 nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Share subscription received in advance	Retained earnings		Other components of equity	Total shareholders' equity
					Appropriated	Unappropriated	Convertible debentures - equity component	
Balance as at 1 January 2016		713,643	4,254,634	981,049	76,959	1,082,776	-	7,109,061
Profit for the period		-	-	-	-	298,982	-	298,982
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	298,982	-	298,982
Issuance of ordinary shares during period from the exercise of warrants		44	3,497	-	-	-	-	3,541
Issuance of ordinary shares during period from transferring of share subscription received in advance		49,050	931,999	(981,049)	-	-	-	-
Share subscription received in advance from the exercise of warrants		-	-	622	-	-	-	622
Issue convertible debentures - equity component		-	-	-	-	-	10,043	10,043
Dividend paid	28	-	-	-	-	(231,240)	-	(231,240)
Appropriate to statutory reserve		-	-	-	13,563	(13,563)	-	-
Balance as at 30 September 2016		<u>762,737</u>	<u>5,190,130</u>	<u>622</u>	<u>90,522</u>	<u>1,136,955</u>	<u>10,043</u>	<u>7,191,009</u>
Balance as at 1 January 2017		762,755	5,191,560	365	92,255	1,318,457	10,043	7,375,435
Loss for the period		-	-	-	-	(1,789,897)	-	(1,789,897)
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	(1,789,897)	-	(1,789,897)
Issuance of ordinary shares during period from the exercise of warrants	26	14	1,113	-	-	-	-	1,127
Issuance of ordinary shares during period from transferring of share subscription received in advance	26	-	-	(365)	-	-	-	(365)
Dividend paid	28	-	-	-	-	(415,088)	-	(415,088)
Issue convertible debentures - equity component	25	-	-	-	-	-	49,415	49,415
Balance as at 30 September 2017		<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>(886,528)</u>	<u>59,458</u>	<u>5,220,627</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 cash flows****For the nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before tax	(1,827,437)	875,243	(1,733,151)	374,029
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	30,240	26,793	13,092	12,448
Amortisation	7,823	12,653	3,038	915
Bad debts and doubtful accounts	244,802	232,531	165,979	173,890
Expense allowance on loan and interest receivables	1,952,565	-	-	-
Loss on disposals of foreclosed assets	172,925	162,168	154,530	157,295
Loss (reversal of loss) on diminution in value of assets foreclosed	(4,543)	4,645	(5,279)	5,442
Expense allowance on other receivables	202,348	-	-	-
Expense allowance on other current assets	38,825	-	-	-
Expense allowance on investment loss in subsidiary	-	-	2,426,818	-
Expense allowance on investment loss in associate	582,085	-	-	-
Loss (gain) on disposal and write-off of assets	(48)	19	(89)	-
Loss on write off of intangible assets	602	-	-	-
Expense allowance on exclusive right	55,937	-	-	-
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	-	7,436
Unrealised exchange (gain) loss	(112,911)	(35,038)	(16,529)	33,290
Provision for long-term employee benefits	2,986	-	2,693	-
Share of profit from investments in associate	(121,100)	-	-	-
Dividend income	-	-	(343,768)	-
Interest income	(26,410)	(18,591)	(305,288)	(239,791)
Interest expenses	324,454	164,468	309,973	156,018
Amortised front end fees of loans	3,108	4,303	-	3,313
Amortised transaction cost of debentures	13,026	4,249	13,026	4,249
Amortised transaction cost of convertible debentures	1,481	198	1,481	198
Profit from operating activities before changes in operating assets and liabilities	1,540,758	1,433,641	686,526	688,732
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(326,900)	(283,664)	(424,748)	(44,409)
Asset - backed Loan receivables	(69,316)	(119,434)	-	-
Microfinance and interest receivables	(157,057)	-	-	-
Loans and interest receivables	1,755,711	(360,741)	-	-
Consumer finance under joint financing arrangements and interest receivables	(49,643)	-	-	-
Assets foreclosed	(202,592)	(179,756)	(139,853)	(174,127)
Other receivables	(78,053)	41,172	(3,138)	(11,327)
Other current assets	54,453	(273,098)	8,117	25,749
Other non-current assets	12,514	(1,329)	12,559	(1,760)

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Operating liabilities increase (decrease)				
Trade accounts payable	3,373	(24,291)	4,805	14,078
Deposit from customers	6,089	-	-	-
Insurance premium payables	(3,447)	(1,441)	(2,398)	88
Other payables	23,844	55,337	80,478	43,620
Other current liabilities	(78,799)	54,947	(23,164)	45,633
Derivatives liabilities	965	-	-	-
Guarantee for damage from hire purchase agreements	-	(1)	-	-
Cash flows from operating activities	2,431,900	341,342	199,184	586,277
Cash paid for interest expenses	(292,501)	(169,046)	(278,849)	(163,520)
Cash paid for corporate income tax	(118,548)	(107,095)	(36,729)	(58,026)
Net cash flows from (used in) operating activities	2,020,851	65,201	(116,394)	364,731
Cash flows from investing activities				
Increase in short-term investments	(49,000)	-	-	-
Increase in pledged fixed deposits at financial institution	(11,603)	(4)	(3)	(4)
Decrease (increase) in accounts receivable and loans to employees	(1,343)	211	(1,343)	211
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	(192,718)	-	-	-
Acquisitions of equipments	(37,339)	(27,905)	(8,687)	(15,892)
Acquisitions of intangible assets	(35,511)	(11,858)	(18,503)	-
Proceeds from sales of equipments	307	-	296	-
Cash paid for loan to subsidiary	-	-	(1,770,519)	(1,202,904)
Cash received from short-term loans	-	16,580	767,064	16,580
Dividend received	32,079	-	343,768	-
Interest received	23,596	11,370	525,439	2,006
Net cash flows used in investing activities	(295,617)	(11,606)	(162,488)	(1,200,003)

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(429,092)	5,999	(452,077)	(30,000)
Cash received from short-term loans from related parties	344,501	-	-	130,000
Repayment of short-term loans from related parties	(347,838)	-	(110,000)	-
Cash received from long-term loans from subsidiary	-	-	120,000	80,000
Repayment of long-term loans from subsidiary	-	-	(85,300)	(16,020)
Cash received from long-term loans	889,582	1,735,000	730,000	1,655,000
Repayment of long-term loans	(1,427,428)	(2,790,926)	(1,307,130)	(2,750,660)
Cash paid for front end fees of long-term loans	(1,034)	(1,552)	-	-
Repayment of debentures	(500,000)	-	(500,000)	-
Cash received from issuance of debentures	-	1,500,000	-	1,500,000
Cash paid for transaction costs of debentures	-	(44,320)	-	(44,320)
Cash received from issuance of convertible debentures	1,837,992	4,542,368	1,959,553	4,542,368
Cash paid for transaction costs of convertible debentures	(1,627)	(5,764)	(1,627)	(5,764)
Cash received from exercise of warrants	761	3,541	761	3,541
Cash received from share subscription received in advance	-	622	-	622
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 (used in) financing activities	(4,498)	4,807,322	(60,908)	4,833,527
Exchange differences on translation of financial				
statements in foreign currency	(545,046)	(220,922)	-	-
Net increase (decrease) in cash and cash equivalents	1,175,690	4,639,995	(339,790)	3,998,255
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)	3,726,914	5,684,881	128,932	4,550,479
	-	-	-	-
Supplemental cash flows information				
Non-cash item				
Transferred assets foreclosed to equipments	22	99	-	-
Transferred equipment to assets foreclosed	65	-	-	-
Transferred of share subscription received in advance				
to ordinary shares and share premium	761	981,049	761	981,049
Transferred short-term loans to subsidiary to share				
subscription payment in advance	-	-	-	276,164
Transferred of advance received for issuance of				
convertible debentures to convertible debentures	465,798	-	465,798	-
Transaction cost of debentures payable	-	6,835	-	6,835
Transaction cost of convertible debentures payable	-	232	-	232
Transferred net of share subscription payment in advance for acquisition				
of investment in subsidiary to investment in subsidiary	261,869	-	-	-
Receivable from sale equipment	20	-	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 nine-month periods ended 30 September 2017

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Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 under joint financing arrangements.

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 September 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 September 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 consolidated 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 the consolidated income statement.

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 September 2017 and its profit or loss for the period from the investment date to 30 September 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	243	
Total consideration paid	<u>286</u>	
Less: Cash and cash equivalents of the subsidiary	(5)	
Cash paid for acquisition of subsidiary of the Group	<u>281</u>	

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

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. Ltd.

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 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, 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 statements 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			
		For the nine-month periods ended 30 September 2017			
		Total cumulative exchange differences - gain (loss)			
Settlement date	Settlement transaction	Balance Settlement (Recall)	Reclassified from OCI to PL (Initial recognition - reallocation loan date)	Recognised in PL (reallocation date - settlement date)	Total gain (loss) recognised in consolidated PL
During 2017	Interest receivables	523.83	(7.53)	(1.88)	(9.41)
During August 2017	Short-term loan	770.47	34.02	(15.49)	18.53

- 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.
- As at 30 September 2017 the value of the convertible debentures designated as a hedging instrument, translated using the spot rate, was Baht 6,609.2 million, and a resulting unrealised gain of Baht 121.6 million was recognised in other comprehensive income (loss) for the nine-month period ended 30 September 2017 in the consolidated financial statements. In the current period there was no ineffective portion for hedges of the net investment in foreign operations, and the interest expense of Baht 229.3 million arising in connection with the convertible debentures was recognised under finance cost in the consolidated financial statements.

3. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				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	-	-	3	13	Contract rate
Interest income	-	-	104,898	83,285	7.00% per annum
Other income	-	-	22,684	23,469	Contract rate
Interest expenses	-	-	3,001	3,609	7.00% per annum

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
Transactions with related parties:					
Interest income	3,118	-	-	-	6.50% per annum
Other income	1,261	-	-	-	Contract rate
Interest expenses	83,745	37,225	83,659	-	5.00% - 10.00% per annum (2016: 10.00% per annum)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment					
sales income	-	-	16	46	Contract rate
Interest income	-	-	304,287	237,845	7.00% per annum
Dividend income	-	-	343,768	-	As declared
Other income	-	-	68,855	70,325	Contract rate
Interest expenses	-	-	8,999	4,263	7.00% per annum
Transactions with related parties:					
Interest income	3,222	-	-	-	6.50% per annum
Other income	4,938	-	-	-	Contract rate
Interest expenses	229,862	37,405	229,316	-	5.00% - 10.00% per annum (2016: 10.00% per annum)

(Unit: Thousand Baht)

	For the three-month	For the nine-month	Pricing policy
	period ended	period ended	
	30 September 2017	30 September 2017	
Transactions between GLH and subsidiaries:			
(Not presented in both consolidated and separate financial statements)			
Interest income	46,502	144,084	7.50% - 10.00% per annum
Other income	27,197	48,460	Contract rate
Interest expenses	66,860	267,554	7.00% per annum
Administrative expenses	1,094	3,792	Contract rate
IT staff cost capitalization to software under development	3,132	7,901	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
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 September 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 September	31 December	30 September	31 December
	2017	2016	2017	2016
<u>Hire purchase and installment sales receivables</u>				
<i>Subsidiary company</i>				
GL Finance Plc.	-	-	220	646
Total	-	-	220	646
<u>Short-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	238,032	5,198,254
Total	-	-	238,032	5,198,254
<u>Other receivables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	19,050	14,919
GL Finance Plc.	-	-	-	1,536
Thanaban Co.,Ltd.	-	-	8,042	8,762
PT. Group Lease Finance Indonesia	-	-	53	-
<i>Related parties</i>				
Director of the subsidiaries	8,448	11,875	-	-
A.P.F. Group Co., Ltd.	4,455	4,784	-	-
Engine Holdings Asia Pte. Ltd.	974	1,341	-	-
Asia Partnership Fund Pte., Ltd.	12	12	-	-
Cambodian People Micro Insurance PLC.	3,328	218	-	-
APF Trading Plc.	189,097	24,328	-	-
PT Bank JTrust Indonesia Tbk.	3,482	2,270	-	-
Century Finance Company Limited	5,470	-	-	-
Total	215,266	44,828	27,145	25,217
Less: Allowance for doubtful accounts (Note 36)	(202,348)	-	-	-
Net	12,918	44,828	27,145	25,217
<u>Other current assets</u>				
<i>Related party</i>				
APF Trading Plc.	38,825	175,457	-	-
Total	38,825	175,457	-	-
Less: Allowance for doubtful accounts (Note 36)	(38,825)	-	-	-
Net	-	175,457	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
<u>Long-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holding Pte. Ltd.	-	-	5,458,039	-
Total	-	-	5,458,039	-
<u>Other long-term investments</u>				
<i>Related party</i>				
Century Finance Company Limited	192,718	-	-	-
Total	192,718	-	-	-
<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	-	80,123	-	-
<u>Short-term loans from and interest payable to related parties</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	20,000	130,000
<i>Related parties</i>				
Director of the subsidiaries	231	248	-	-
Cambodian People Micro Insurance PLC.	-	4,148	-	-
Total	231	4,396	20,000	130,000
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	-	88,000	53,300
Total	-	-	88,000	53,300
<u>Other payables</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	144,046	49,826
GL Finance Plc.	-	-	-	2,124
GL Leasing (Lao) Company Limited	-	-	588	-
PT. Group Lease Finance Indonesia	-	-	262	-
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	38,794	95,699	38,794	95,699
Engine Holdings Asia Pte. Ltd.	461	-	461	-
Total	39,255	95,699	184,151	147,649

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
<u>Other current liabilities</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	-	236
Thanaban Co., Ltd.	-	-	982	1,255
<i>Associated company</i>				
Commercial Credit and Finance PLC.	-	6,643	-	-
<i>Related parties</i>				
Showa Holdings Co., Ltd.	1,182	-	-	-
APF Trading Plc.	1,879	-	-	-
Century Finance Company Limited	2	-	-	-
Director of the subsidiaries	214	129	-	-
Total	<u>3,277</u>	<u>6,772</u>	<u>982</u>	<u>1,491</u>
<u>Convertible debentures</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	6,008,192	4,521,832	6,008,192	4,521,832
Creation Investment Sri Lanka LLC.	<u>667,892</u>	<u>-</u>	<u>667,892</u>	<u>-</u>
Total	<u>6,676,084</u>	<u>4,521,832</u>	<u>6,676,084</u>	<u>4,521,832</u>
<u>Advance received for issuance of convertible debentures</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	-	179,154	-	179,154
Creation Investment Sri Lanka LLC.	<u>-</u>	<u>286,645</u>	<u>-</u>	<u>286,645</u>
Total	<u>-</u>	<u>465,799</u>	<u>-</u>	<u>465,799</u>

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

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

Reference is made to the revelation by the SEC of information regarding investigation on a former executive of the Company by a governmental regulatory authority, according to SEC News Releases No. 95/2017 and 97/2017. Pursuant to the fact that such issue might significantly affect the image of the Company and confidence of investors, the management of the Company has considered and decided that it might be favorable for the Company to set up certain provisions for doubtful accounts from other receivables and other net current assets which are relating to the former disqualified executive of the Company in an amount which is equivalent to the net of other receivables outstanding and other current assets pursuant to the conservatism principle in order to demonstrate transparency and good governance in the Company's operations, as well as integrity to investors which will benefit the investors in their consideration of the Company's status. The details of all provisioned items are listed in the table below:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
<u>Allowance - Other receivables</u>				
<i>Related parties</i>				
Director of the subsidiaries	8,003	-	-	-
A.P.F. Group Co., Ltd.	4,455	-	-	-
Engine Holdings Asia Pte. Ltd.	512	-	-	-
Asia Partnership Fund Pte., Ltd.	12	-	-	-
Cambodian People Micro Insurance PLC.	3,328	-	-	-
APF Trading Plc.	187,219	-	-	-
Showa Holdings Co., Ltd.	(1,181)	-	-	-
Total	202,348	-	-	-
<u>Allowance - Other current assets</u>				
<i>Related party</i>				
APF Trading Plc.	38,825	-	-	-
Total	38,825	-	-	-

In this regard, the management of the Company trusts that the amount of debts will be fully repaid in the future pursuant to the terms and conditions of their respective contracts. The Company shall then reverse such provisional entries for the same amount and the outstanding amounts shall be reduced by the respective repayment.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 30 September 2017
	Balance as at	During the period		Loss from	
	1 January			exchange rate	
	2017	Increase	Decrease		
<u>Loans to and interest receivable from subsidiary</u>					
<i>Subsidiary company</i>					
Group Lease Holdings					
Pte. Ltd.	5,198,254	2,029,163	(1,303,956)	(227,390)	5,696,071
Total	5,198,254	2,029,163	(1,303,956)	(227,390)	5,696,071

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 30 September 2017
	Balance as at	During the period		Exchange differences	
	1 January			on translation of	
	2017	Increase	Decrease	financial statement in foreign currency	
<u>Short-term loans from and interest payable to related parties</u>					
<i>Related parties</i>					
Director of the subsidiaries	248	-	-	(17)	231
A.P.F. Group Co., Ltd.	-	350,468	(350,468)	-	-
Cambodian People Micro Insurance PLC.	4,148	260	(4,028)	(380)	-
Total	4,396	350,728	(354,496)	(397)	231

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 September 2017
	Balance as at	During the period		
	1 January	Increase	Decrease	
	2017			
<u>Short-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	130,000	5,033	(115,033)	20,000
Total	130,000	5,033	(115,033)	20,000

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 September 2017
	Balance as at	During the period		
	1 January	Increase	Decrease	
	2017			
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	53,300	123,966	(89,266)	88,000
Total	53,300	123,966	(89,266)	88,000

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 nine-month periods ended 30 September 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 September				For the nine-month periods ended 30 September			
	2017		2016		2017		2016	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	8,266	167	9,634	332	24,444	538	27,258	1,542
Post-employment benefits	13	-	-	-	40	-	-	-
Total	8,279	167	9,634	332	24,484	538	27,258	1,542

(Unaudited but reviewed)

		Separate financial statements							
		For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
		2017		2016		2017		2016	
		Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	USD	Baht	USD	Baht	USD	Baht	USD
Short-term employee									
benefits		7,604	41	8,216	53	22,458	147	25,038	141
Post-employment									
benefits		13	-	-	-	40	-	-	-
Total		7,617	41	8,216	53	22,498	147	25,038	141

4. Cash and cash equivalents

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2017	2016	2017	2016
Cash		12,003	3,126	231	184
Bank deposits		3,714,911	2,548,098	128,701	468,538
Total		3,726,914	2,551,224	128,932	468,722

As at 30 September 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 September 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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Normal receivables						
Hire purchase and installment sales receivables	4,437,322	4,438,329	4,251,973	4,184,557	8,689,295	8,622,886
Accrued hire purchase and installment sales income	174,438	180,300	-	-	174,438	180,300
Less: Unearned hire purchase and installment sales income, net	(1,501,609)	(1,466,642)	(967,535)	(1,041,265)	(2,469,144)	(2,507,907)
Total normal receivable	3,110,151	3,151,987	3,284,438	3,143,292	6,394,589	6,295,279
Terminated agreements receivables						
Hire purchase and installment sales receivables	178,091	187,958	130,853	110,236	308,944	298,194
Accrued hire purchase and installment sales income	19,569	18,590	-	-	19,569	18,590
Less: Unearned hire purchase and installment sales income, net	(64,357)	(60,143)	(32,249)	(27,433)	(96,606)	(87,576)
Total terminated agreements receivables	133,303	146,405	98,604	82,803	231,907	229,208
Total receivables	3,243,454	3,298,392	3,383,042	3,226,095	6,626,496	6,524,487
Less: Allowance for doubtful accounts	(126,027)	(160,004)	(111,466)	(97,193)	(237,493)	(257,197)
Hire purchase and installment sales receivables, net	3,117,427	3,138,388	3,271,576	3,128,902	6,389,003	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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Normal receivables						
Hire purchase and installment sales receivables	2,932,219	2,805,568	2,583,284	2,289,212	5,515,503	5,094,780
Accrued hire purchase and installment sales income	103,191	97,651	-	-	103,191	97,651
Less: Unearned hire purchase and installment sales income, net	(1,064,543)	(978,388)	(553,535)	(500,824)	(1,618,078)	(1,479,212)
Total normal receivable	1,970,867	1,924,831	2,029,749	1,788,388	4,000,616	3,713,219
Terminated agreements receivables						
Hire purchase and installment sales receivables	164,085	173,905	123,855	109,083	287,940	282,988
Accrued hire purchase and installment sales income	17,777	17,328	-	-	17,777	17,328
Less: Unearned hire purchase and installment sales income, net	(57,969)	(57,498)	(30,724)	(27,216)	(88,693)	(84,714)
Total terminated agreements receivables	123,893	133,735	93,131	81,867	217,024	215,602
Total receivables	2,094,760	2,058,566	2,122,880	1,870,255	4,217,640	3,928,821
Less: Allowance for doubtful accounts	(107,851)	(112,346)	(84,875)	(72,719)	(192,726)	(185,065)
Hire purchase and installment sales receivables, net	1,986,909	1,946,220	2,038,005	1,797,536	4,024,914	3,743,756

(Unaudited but reviewed)

5.2 As at 30 September 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 September	31 December	30 September	31 December	30 September	31 December
	2017	2016	2017	2016	2017	2016
Hire purchase and installment sales receivables						
Not yet due	5,672,616	5,601,386	40,777	40,539	5,631,839	5,560,847
Past due:						
1 month	416,158	364,616	25,079	24,453	391,079	340,163
2 - 3 months	233,067	268,833	38,807	46,049	194,260	222,784
4 - 6 months	128,978	128,480	38,575	44,165	90,403	84,315
7 - 9 months	91,867	94,918	41,258	50,605	50,609	44,313
10 - 12 months	79,453	63,810	50,133	48,944	29,320	14,866
Over 12 months	4,357	2,444	2,864	2,442	1,493	2
Total	6,626,496	6,524,487	237,493	257,197	6,389,003	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 September	31 December	30 September	31 December	30 September	31 December
	2017	2016	2017	2016	2017	2016
Hire purchase and installment sales receivables						
Not yet due	3,662,107	3,352,810	36,068	33,049	3,626,039	3,319,761
Past due:						
1 month	221,671	228,878	21,958	22,698	199,713	206,180
2 - 3 months	153,915	176,054	30,546	34,973	123,369	141,081
4 - 6 months	71,275	76,372	28,304	30,348	42,971	46,024
7 - 9 months	55,402	59,836	33,044	35,723	22,358	24,113
10 - 12 months	51,440	32,569	40,976	25,974	10,464	6,595
Over 12 months	1,830	2,302	1,830	2,300	-	2
Total	4,217,640	3,928,821	192,726	185,065	4,024,914	3,743,756

5.3 As at 30 September 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 September 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,809,420	3,243,454	4,825,177	3,298,392
After one year but not more than five years	4,382,826	3,383,042	4,294,793	3,226,095
Total	9,192,246	6,626,496	9,119,970	6,524,487
Less: Amounts representing finance charges	(2,565,750)		(2,595,483)	
Present value of minimum lease payments	6,626,496		6,524,487	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,217,272	2,094,760	3,094,452	2,058,566
After one year but not more than five years	2,707,139	2,122,880	2,398,295	1,870,255
Total	5,924,411	4,217,640	5,492,747	3,928,821
Less: Amounts representing finance charges	(1,706,771)		(1,563,926)	
Present value of minimum lease payments	4,217,640		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 September 2017 and 31 December 2016, there are outstanding hire purchase receivable amounting to approximately Baht 221 million and Baht 214 million, respectively (the Company only: Baht 201 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 nine-month periods ended 30 September 2017 and 2016 would be reduced by Baht 5.4 million and Baht 5.6 million, respectively (the Company only: Baht 5.0 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 September 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 81 million and Baht 1,360 million, respectively (the Company only: nil 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 September 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 September	31 December	30 September	31 December	30 September	31 December
2017	2016	2017	2016	2017	2016	
Normal receivables						
Asset - backed loan receivables	361,309	307,497	97,846	71,609	459,155	379,106
Interest receivables	14,097	11,562	-	-	14,097	11,562
Less: Unearned interest income, net	(105,673)	(89,089)	(21,830)	(14,994)	(127,503)	(104,083)
Total normal receivables	269,733	229,970	76,016	56,615	345,749	286,585
Terminated agreements receivables						
Asset - backed on receivables	14,434	9,879	1,030	656	15,464	10,535
Interest receivables	1,809	1,264	-	-	1,809	1,264
Less: Unearned interest income, net	(4,094)	(2,833)	(203)	(98)	(4,297)	(2,931)
Total terminated agreements receivables	12,149	8,310	827	558	12,976	8,868
Total receivables	281,882	238,280	76,843	57,173	358,725	295,453
Less: Allowance for doubtful accounts	(16,317)	(12,008)	(2,529)	(1,697)	(18,846)	(13,705)
Asset - backed on receivables, net	265,565	226,272	74,314	55,476	339,879	281,748

6.2 As at 30 September 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 September	31 December	30 September	31 December	30 September	31 December
	2017	2016	2017	2016	2017	2016
Asset-backed loan receivables						
Not yet due	280,878	239,307	2,724	2,369	278,154	236,938
Past due:						
1 month	39,648	27,242	3,817	2,646	35,831	24,596
2 - 3 months	24,540	20,036	4,757	4,007	19,783	16,029
4 - 6 months	5,896	4,970	2,218	1,988	3,678	2,982
7 - 9 months	3,930	2,115	2,264	1,269	1,666	846
10 - 12 months	3,833	1,783	3,066	1,426	767	357
Total	358,725	295,453	18,846	13,705	339,879	281,748

- 6.3 As at 30 September 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 September 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	391,649	281,882	330,202	238,280
After one year but not more than five years	98,876	76,843	72,265	57,173
Total	490,525	358,725	402,467	295,453
Less: Amounts representing finance charges	(131,800)		(107,014)	
Present value of minimum loan payments	358,725		295,453	

- 6.4 The subsidiaries' loan agreements have terms of 1 to 5 years and require settlement in equal installment.
- 6.5 As at 30 September 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 60 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 September 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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Normal receivables						
Microfinance receivables	225,209	-	15,021	-	240,230	-
Accrued microfinance receivables	955	-	-	-	955	-
Less: Unearned interest income, net	(30,804)	-	(4,984)	-	(35,788)	-
Total receivables	195,360	-	10,037	-	205,397	-
Less: Allowance for doubtful accounts	(1,694)	-	-	-	(1,694)	-
Microfinance receivables, net	193,666	-	10,037	-	203,703	-

(Unaudited but reviewed)

7.2 As at 30 September 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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Microfinance receivables						
Not yet due	205,070	-	1,694	-	203,376	-
Past due:						
1 month	235	-	-	-	235	-
2 - 3 months	83	-	-	-	83	-
4 - 6 months	9	-	-	-	9	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	<u>205,397</u>	<u>-</u>	<u>1,694</u>	<u>-</u>	<u>203,703</u>	<u>-</u>

7.3 As at 30 September 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 September 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	226,164	195,360	-	-
After one year but not more than five years	15,021	10,037	-	-
Total	<u>241,185</u>	<u>205,397</u>	<u>-</u>	<u>-</u>
Less: Amounts representing finance charges	<u>(35,788)</u>		<u>-</u>	
Present value of minimum loan payments	<u>205,397</u>		<u>-</u>	

7.4 The subsidiaries' microfinance loan agreements have terms of 1 to 5 years and require settlement in equal installment.

8. Consumer finance receivables under joint financing arrangements

8.1 As at 30 September 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 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Hire purchase receivables						
Hire purchase receivables under						
joint financing arrangements	266,538	45,933	391,626	86,706	658,164	132,639
Accrued interest receivables	13,657	3,869	-	-	13,657	3,869
Less: Unearned financing income, net	(115,193)	(15,696)	(91,587)	(29,038)	(206,780)	(44,734)
Less: Portions financed by bank under joint						
financing arrangement	(137,373)	(22,154)	(249,725)	(40,985)	(387,098)	(63,139)
Total Hire purchase receivables	27,629	11,952	50,314	16,683	77,943	28,635
Less: Allowance for doubtful accounts	-	-	-	-	-	-
Hire purchase receivables under joint financing arrangements, net	27,629	11,952	50,314	16,683	77,943	28,635
Microfinance receivables						
Microfinance receivables under						
joint financing arrangements	3,962	-	-	-	3,962	-
Accrued interest receivables	120	-	-	-	120	-
Less: Unearned financing income, net	(955)	-	-	-	(955)	-
Less: Portions financed by bank under joint						
financing arrangement	(2,792)	-	-	-	(2,792)	-
Total Microfinance receivables	335	-	-	-	335	-
Less: Allowance for doubtful accounts	-	-	-	-	-	-
Microfinance receivables under joint financing arrangements, net	335	-	-	-	335	-
Consumer finance receivables under joint financing arrangements, net	27,964	11,952	50,314	16,683	78,278	28,635

No allowance for doubtful accounts was provided on consumer finance receivables under joint financing arrangements as at 30 September 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.

(Unaudited but reviewed)

8.2 As at 30 September 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)

Consolidated financial statements						
Aging	Consumer finance receivables under joint financing arrangements				Consumer finance receivables under joint financing arrangements, net	
			Allowance for doubtful accounts			
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Hire purchase receivables						
Not yet due	66,444	28,635	-	-	66,444	28,635
Past due:						
1 month	6,876	-	-	-	6,876	-
2 - 3 months	3,884	-	-	-	3,884	-
4 - 6 months	739	-	-	-	739	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	77,943	28,635	-	-	77,943	28,635
Microfinance receivables						
Not yet due	335	-	-	-	335	-
Past due:						
1 month	-	-	-	-	-	-
2 - 3 months	-	-	-	-	-	-
4 - 6 months	-	-	-	-	-	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	335	-	-	-	335	-
Total Consumer finance receivables under joint financing arrangements	78,278	28,635	-	-	78,278	28,635

- 8.3 As at 30 September 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 September 2017		31 December 2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Hire purchase receivables				
Within one year	280,195	165,002	49,802	34,106
After one year but not more than four years	391,626	300,039	86,706	57,668
Total	671,821	465,041	136,508	91,774
Less: Amounts representing finance charges	(206,780)	-	(44,734)	-
Less: Portions financed by bank under joint financing arrangements	(387,098)	(387,098)	(63,139)	(63,139)
Present value of minimum loan payments	77,943	77,943	28,635	28,635
Microfinance receivables				
Within one year	4,082	3,127	-	-
After one year but not more than four years	-	-	-	-
Total	4,082	3,127	-	-
Less: Amounts representing finance charges	(955)	-	-	-
Less: Portions financed by bank under joint financing arrangements	(2,792)	(2,792)	-	-
Present value of minimum loan payments	335	335	-	-
Total Present value of minimum loan payments	78,278	78,278	28,635	28,635

- 8.4 The subsidiary's loan agreements have terms of 2 to 4 years for consumer finance receivables under joint financing arrangement and require settlement in equal installment.
- 8.5 As at 30 September 2017 and 31 December 2016, the Company's subsidiary had transferred rights of claim the assets of debtor for the portions financed by bank under hire purchase agreements under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 155,461 million and IDR 23,559 million, respectively, in order to secure joint financing facilities granted by related - commercial bank.

As at 30 September 2017, the Company's subsidiary had transferred rights of claim under Microfinance agreements under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 1,122 million, in order to secure credit facilities granted by commercial

- 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 non-revolving 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 sharing capital contribution between the subsidiary and commercial bank to finance each debtor according to agreed portion and secured by assets being financed by subsidiary and commercial bank. As at 30 September 2017 and 31 December 2016, the credit facilities under the joint financing agreements which have not yet been drawn down amounted to IDR 119,838 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 September 2017		31 December 2016	
Location of borrowers	Interest rate (% per annum)	Thousand USD	Equivalent to Thousand Baht	Thousand USD	Equivalent to Thousand Baht
Cyprus	15.0 - 17.0	16,462	549,299	39,519	1,415,973
Singapore	14.5 - 25.0	39,572	1,320,453	56,272	2,016,263
Others	5.0 - 10.0	1,241	41,410	1,247	44,696
Total loans		57,275	1,911,162	97,038	3,476,932
Interest receivables			85,722		281,788
Total loans and interest receivables			1,996,884		3,758,720
Less: Allowance for loan and interest receivables (Note 36)			(1,952,565)		-
Less: Current portion			(2,572)		(882,435)
Long-term portion of loans and interest receivables			41,747		2,876,285

The loans of subsidiary company 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). In the third quarter of 2017, some loans became due and others were prepaid. The Company's shares as collateral have been fully released as of 30 September 2017, meaning there are no longer any Company's shares pledged as securities for any of the remaining loans.

The collaterals as of 30 September 2017 covered 144 percent of the loans to the borrower in Cyprus and the loans to the borrower in Singapore were covered at 121 percent (on 31 December 2016, both loans were covered by the collateral values, at 106 percent and 238 percent, respectively).

The terms of the loans granted vary from 3 months to 3 years. All principals are due upon maturity, while some loan principals that originally came due last year were 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 845 million (USD 25.3 million).

The interest rates charged under the loan agreements were in the range of 14.5 percent to 25.0 percent per annum. The interest earned during this year from these loans amounted to Baht 366 million.

In July 2017, August 2017 and due date, the Singapore borrower repaid the loans of approximately Baht 557 million (USD 16.7 million) and the remaining of the collateral of the lenders shares was also released.

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.

On 16 October 2017, the SEC has disclosed that SEC has filed a criminal complaint against Mr. Mitsuji Konoshita, the former CEO and Chairman of the Board of Directors, with the Department of Special Investigation (DSI) for committing fraud, misappropriating the company's assets and falsifying account records by executing concealed transactions through several associated companies abroad to exaggerate the company's operating results. Resulting Mr. Mitsuji Konoshita be liable to having untrustworthy characteristics as a director and executive of any issuers and listed companies and that he was banned from holding such positions under the Securities and Exchange Act.

On 19 October 2017, the SEC followed with a letter to the Company to rectify its Financial Statements, form 56-1 and annual report immediately.

The Company has the intention to cooperate with the SEC regarding the loan and interest receivables which led to the letter of SEC on 19 October 2017 as the Company recognises the authority of the SEC, therefore the Company would like to comply with the letter from SEC. Moreover, the Company's management also considered and decided that the Company should investigate such transactions before performing any further action in order to ensure the transparency of performing business.

Even though the Company could not identify or reach to some details or evidence of the suspicious ground of SEC and resulting SEC to issue such letter to the Company and the relevant legal process is not yet final but to avoid any doubt on the allegations brought forward regarding the loan and interest receivable which related to those borrowers and to the benefit of the investor to consider on the Company financial status, the Company's management has decided to account for a provision equal to the remaining balance of the loan receivables and the accrued interest as of 30 September 2017.

While this provision's intention is to cooperate and comply with the order from the regulator, the management wants to reiterate its belief on the legitimacy of the loans provided and the repayment of the loans and interest according to the contractual arrangements including the enforceability of the collateral securities provided in case of any default.

During the period of scrutiny by the government authorities, the management estimates that the full provisioning of the loan and interest receivables balances and the subsequent reversal of provision in case of reimbursements from the borrowers are preferable.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Loan and interest receivables		Allowance for doubtful accounts		Loan and interest receivable, net	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Not yet due	1,996,884	3,664,898	(1,952,565)	-	44,319	3,664,498
Past due:						
1 - 3 months	-	80,584	-	-	-	80,584
7 - 12 months	-	13,238	-	-	-	13,238
	<u>1,996,884</u>	<u>3,758,720</u>	<u>(1,952,565)</u>	<u>-</u>	<u>44,319</u>	<u>3,758,720</u>

10. Assets foreclosed

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Repossessed assets	100,786	66,823	25,402	40,078
Less: Allowance for diminution in value of assets foreclosed	<u>(15,641)</u>	<u>(15,930)</u>	<u>(9,852)</u>	<u>(15,130)</u>
Assets foreclosed, net	<u>85,145</u>	<u>50,893</u>	<u>15,550</u>	<u>24,948</u>

(Unaudited but reviewed)

11. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Accrued income	4,047	4,403	2,877	2,957
Advance payment - related parties	182,298	20,500	15,067	12,381
Advance payment	9,841	26,036	304	749
Other receivable - sales of assets foreclosed	3,964	6,156	3,667	6,114
Other receivables - related parties	33,077	24,328	12,115	12,836
Other receivables - consulting services	6,674	57,329	-	-
Other receivables	33,985	50,021	5,883	1,914
Total	273,886	188,773	39,913	36,951
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Less: Allowance for doubtful accounts – related parties (Note 36)	(202,348)	-	-	-
Other receivables, net	69,012	186,247	37,387	34,425

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Prepaid expenses	80,794	72,502	57,772	66,952
Undue input tax	2,072	1,536	2,002	1,466
Deposit for assets to be leased - related party	38,825	175,457	-	-
Withholding tax deducted at source	63,699	45,103	15,733	12,685
Others	2,139	3,168	2,139	2,332
Total	187,529	297,766	77,646	83,435
Less: Allowance for doubtful accounts – related parties (Note 36)	(38,825)	-	-	-
Other current assets, net	148,704	297,766	77,646	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.

(Unaudited but reviewed)

14. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		Allowance for investment loss in subsidiaries		Cost, net		(Unit: Thousand Baht) Dividend received during the nine-month periods ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September	December	September	December	September	December	September	December	September	December	September	September
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Thanaban Company Limited	565,000	565,000	100.00	100.00	629,696	629,696	-	-	629,696	629,696	-	-
	Thousand Baht	Thousand Baht	(%)	(%)								
Group Lease Holdings Pte. Ltd.	214,448	214,448	100.00	100.00	5,387,211	5,387,211	(2,426,818)	-	2,960,393	5,387,211	343,768	-
	Thousand SGD	Thousand SGD										
GL Leasing (Lao) Company Limited	41,840,720	16,300,000	0.12	0.32	213	213	-	-	213	213	-	-
	Thousand LAK	Thousand LAK										
					<u>6,017,120</u>	<u>6,017,120</u>	<u>(2,426,818)</u>	<u>-</u>	<u>3,590,302</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).

In November 2017, the Management of the Company has considered the impact of the allowances set up as disclosed in Note 9, 15 and 36 on the separate financial statements disclosures as required by the SET. The separate financial statements include the investments in subsidiaries holdings that are eliminated in consolidated financial statements disclosures. Associated companies' carrying values however, are not eliminated in the consolidated financial statements.

To maintain accounting consistency in the disclosures, the Management of the Company has provided for an equal allowance on the investment in GLH as was set up for the investment in associate and for the loans and interest receivables

As at 30 September 2017, investment in GLH in the separate financial statements amounted to USD 88.72 million (31 December 2016: USD 154.93 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.

On 1 July 2017, GLL increased its ordinary shares capital from 2,037,500 shares to 5,223,590 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 0.32% and 99.68% to 0.12% and 99.88%, 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.

(Unaudited but reviewed)

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		Allowance for investment loss in subsidiaries		Cost, net		Dividend received during the nine-month periods ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September	December	September	December	September	December	September	December	September	December	September	September
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)								
<u>Held by Group Lease</u>												
<u>Holdings Pte. Ltd.</u>												
GL Finance Plc.	10,300	10,300	100.00	100.00	359,470	359,470	-	-	359,470	359,470	-	-
	Thousand	Thousand										
	USD	USD										
GL Leasing (Lao) Company Limited	41,840,720	16,300,000	99.88	99.68	176,195	71,478	-	-	176,195	71,478	-	-
	Thousand	Thousand										
	LAK	LAK										
PT. Group Lease Finance Indonesia	100,000,000	100,000,000	65.00	65.00	172,133	172,133	-	-	172,133	172,133	-	-
	Thousand	Thousand										
	IDR	IDR										
BG Microfinance Myanmar Co., Ltd.	8,000,000	-	100.00	-	455,005	-	-	-	455,005	-	-	-
	Thousand											
	MMK											
GL-AMMK Co., Ltd.	4,080,000	-	57.00	-	59,350	-	-	-	59,350	-	-	-
	Thousand											
	MMK											
					<u>1,222,153</u>	<u>603,081</u>	<u>-</u>	<u>-</u>	<u>1,222,153</u>	<u>603,081</u>	<u>-</u>	<u>-</u>

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.

On 14 August 2017, a meeting of the Board of Directors of GLL passed resolutions approving an capital increasing of LAK 25,541 million (equivalent to Baht 104.7 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 31 July 2017 and the capital increase registration with the Central Bank of Lao is still in progress.

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 September 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 (equivalent to Baht 169.49 million). The ordinary shares capital of BGMM increased from 1,387,680 ordinary shares to 8,000,000 ordinary shares. The new share certificate and the capital increase registration with the Government of the Republic of the Union of Myanmar are still in progress. The allotment has been filed with the Government on 14 February 2017.

On 12 September 2017, the Board of Directors of GLH passed a resolution to approve an additional investment in 8,160,000 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 8,160 million (equivalent to Baht 199.22 million). The ordinary shares capital of BGMM increased from 8,000,000 ordinary shares to 16,160,000 ordinary shares. The new share certificate and the capital increase registration with the Government of the Republic of the Union of Myanmar are still in progress. The allotment has been filed with the Government on 16 October 2017.

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. GLH invests in GL-AMMK totaling 1,710,000 ordinary shares (or 57% of the 3,000,000 paid up shares of GL-AMMK in issue) and representing a total payment of MMK 2,336 million (equivalent to Baht 59.35 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:

Company's name	Country of incorporation	Percentage held by the subsidiary		Nature of business
		30 September 2017	31 December 2016	
Commercial Credit and Finance PLC (shares held by Group Lease Holdings Pte. Ltd.) ("CCF")	Sri Lanka	29.99	29.99	Leasing, Microfinance, Loans and Hire Purchase business

(Unit: Thousand Baht)

Associate	Consolidated financial statements							
	Cost		Carrying amounts based on equity method		Allowance for investment loss in associate		Carrying amounts based on equity method, net	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Commercial Credit and Finance PLC	2,492,602	2,489,024	2,569,494	2,545,426	(582,085)	-	1,987,409	2,545,426
Total	2,492,602	2,489,024	2,569,494	2,545,426	(582,085)	-	1,987,409	2,545,426

For the nine-month periods ended 30 September 2017 and 2016, the Group 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			
	Share of profit from investment in associate for the nine-month periods ended 30 September		Share of other comprehensive income from investment in associate for the nine-month periods ended 30 September	
	2017	2016	2017	2016
Commercial Credit and Finance PLC	121,100	-	(67,573)	-
Total	121,100	-	(67,573)	-

On 29 March 2017 and on 9 June 2017, CCF announced on the Colombo Stock Exchange that a first interim dividend and a final dividend that would be distributed from its operating results for the year ending 31 March 2017 as follows:

Separate financial statements of subsidiary			
Dividends	Payment date	Total dividend (Thousand Baht)	Dividend per share (LKR)
Interim dividend from operating results for the year ending 31 March 2017	20 April 2017	11,312	0.5
Final dividend from its operating results for the year ending 31 March 2017	11 July 2017	21,725	1.0

Investment in CCF

During the year 2016, GLH purchased 29.99% of the total share capital or 95,390,500 of ordinary shares of Commercial Credit and Finance PLC (“CCF”) at a purchase price equal to LKR 111 per share or a total of LKR 10,588 million or equivalent to approximately Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26.5 million) and recorded as investment in associated company. CCF is a listed company and incorporated in Sri Lanka and its main activities are leasing, microfinance, lending and hire purchase business.

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.

As at 30 September 2017, such investment was presented as an investment in an associate in the consolidated financial statements before deduction of allowance for investment loss, at Baht 2,569 million (Baht 2,545 million as of 31 December 2016) under the equity method, is substantial difference with its market value, based on the market price at the Stock Exchange of Sri Lanka at the end of this period, the total value was Baht 894 million (Baht 1,285 million as of 31 December 2016).

Management's objective in investing in CCF is long-term. The Management also believes that the substantial business opportunities and business synergy between CCF's activities in Sri Lanka and through its association with GL outweigh any short-term market volatility. The management also believe that trading volume in the Sri Lanka Stock Exchange is 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 carrying value of the CCF investment, under equity method, is Baht 2,569 million or Baht 26.94 per share. The difference between the carrying value and the market value of investment in associated company is "indicative of possible impairment on this investment." The management is in the process of performing the impairment testing review and plans to complete the review in the fourth quarter of current year.

It has been noted by management that the market capitalization of the CCF investment based on its stock price on the Columbo Stock Exchange is lower than the current carrying value which indicates that an impairment loss could be possible, even though as stated above share price is not appropriate as a sole indicator of the fair value of the long-term investment and is only one possible component of recoverable value and that there are other components as well. The fact on this investment is the difference between acquisition price and stock market price as an important indicator for impairment has led the Management to consider the setup of this allowance. As such, management would like to take a very conservative view on the CCF investment and set up an allowance for investment loss based on the difference of the current carrying value and an adjusted valuation based on a valuation of CCF as of September 2016, prior to GLH's investment. It should be noted that the base CCF valuation used for this estimate is more than a year old and is based on a different methodology, however until the impairment test is completed, management would like to remain conservative.

The low-end of the valuation per share was LKR 95.11. This was adjusted by adding LKR 0.94 per share for the earnings per share since GLH acquired the CCF and reduced by the dividends received during that time. The resulting value of LKR 96.05 per share is equal to Baht 21.03 based on the end of this period exchange rate of 0.2179 Baht per LKR. The difference between its current carrying value and the adjusted valuation of CCF is THB 6.10 per share or roughly Baht 582 million for the entire GLH investment into CCF. The Company's management has decided to provide an allowance for potential investment loss on this difference to take a very conservative view. Since this allowance is based on an old valuation that was based on a different methodology, there is a significant possibility that this allowance estimate will prove to be inaccurate in the fourth quarter of 2017 and that if no impairment loss will be recorded, then this allowance will be reversed.

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. The Group expects to obtain the complete fair value of identifiable assets acquired and liabilities assumed appraisal report during the fourth quarter of 2017.

However, the Group have assessed preliminary value which conclude as follows:

	(Unit: Thousand Baht)
	Balance as at acquisition date
Net asset acquired	589,915
Fair value identification	27,606
Acquisition-related costs	26,543
Excess amount of acquisition price over NAV	1,844,960
Total Investment in associate - CCF	<u>2,489,024</u>

(Unaudited but reviewed)

Movement of the investment in associate which is held by the subsidiary are as follows:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statement</u>
As at 1 January 2016	-
Acquisitions Investment in associate - CCF	2,489,024
Share of profit from investments in associates	68,301
Share of other comprehensive income from investment in associate	8,048
Realisation of fair value over book value of net asset - Profit or loss	<u>(19,947)</u>
As at 31 December 2016	<u>2,545,426</u>
Acquisition-related costs	3,578
Share of profit from investments in associates	128,436
Share of other comprehensive income from investment in associate	(67,221)
Realisation of fair value over book value of net asset - Profit or loss	(7,336)
Realisation of fair value over book value of net asset - OCI	(352)
Dividends received	<u>(33,037)</u>
As at 30 September 2017	<u>2,569,494</u>
Allowance for investment loss of associate	<u>(582,085)</u>
Investment in associate, net	<u><u>1,987,409</u></u>

16. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated	
	<u>financial statements</u>	
	30 September	31 December
	2017	2016
<u>Investments in held-to-maturity debt securities</u>		
Convertible loan (Mature in 2022)	<u>192,718</u>	<u>-</u>
<u>Investments in other companies</u>		
Bagan Innovation Technology (Singapore) Pte. Ltd.	63,776	61,848
PT Bank JTrust Indonesia Tbk.	<u>414,502</u>	<u>414,502</u>
Total investments in other companies	<u>478,278</u>	<u>476,350</u>
Total	<u><u>670,996</u></u>	<u><u>476,350</u></u>

On 26 October 2016, a meeting of the Board of Directors of the Company approved the acquisition of shares of Bagan Innovation Technology (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 September 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 September 2017, the shareholding percentage of JTrust Bank held by GLH is 2.81%. 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 income statements.

17. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	37,339	8,687
Transfer out during the period	(43)	-
Increase from acquisition of BGMM	984	-
Disposals/Write-off	(279)	(229)
Depreciation for the period	(30,240)	(13,092)
Exchange differences on translation of financial statements in foreign currency	(3,595)	-
Net book value as at 30 September 2017	<u>134,838</u>	<u>70,731</u>

The Company has mortgaged land and construction thereon with a total net book value as at 30 September 2017 of Baht 27.7 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	35,511	18,503
Disposals/Write-off	(602)	-
Amortisation for the period	(7,823)	(3,038)
Allowance for loss on exclusive right (Note 36)	(55,937)	-
Exchange differences on translation of financial statements in foreign currency	(7,299)	-
Net book value as at 30 September 2017	<u>103,646</u>	<u>51,293</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 value of the exclusive right in consolidated financial statements was adjusted accordingly.

The SEC disclosures 95/2017 and 97/2017 disqualified a former Director and Executive of the Company. While the Managements of the Company believes that the exclusive right was entered into under normal business aspects, due to the lack of reachable evidence in hand by the government authorities, the Management has considered the matter and decided to set up an allowance for the full amount of remaining un-amortizable intangible asset portion of USD 1.68 million. This is directly linked to the same considerations for the set up of other shareholder-related allowances in terms of prudence during the scrutiny period of the regulating authorities (refer to Note 3 and 36). Should the amount of the deposit be subsequently received, the allowance will be reversed for the amount of money received.

As at 30 September 2017, the value of exclusive right in consolidated financial statement amounted to USD 0.16 million (31 December 2016: USD 1.91 million).

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Income tax and value added				
tax refundable	62,373	71,210	61,694	70,086
Deposits	38,157	37,865	2,142	1,856
Others	3,321	5,739	2,617	5,738
Total	103,851	114,814	66,453	77,680
Less: Allowance for value added				
tax refundable	(29,825)	(7,438)	(29,825)	(7,438)
Other non-current assets, net	74,026	107,376	36,628	70,242

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

	Consolidated financial statements			
	Interest rate		Balance	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	-	7.12	-	2,077
Short-term loans	6.00	3.80 - 6.25	133,340	554,183
Total			133,340	556,260

	Separate financial statements			
	Interest rate		Balance	
	30 September	31 December	30 September	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 - 6.25	-	446,690
Total			-	448,767

As at 30 September 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 has been notified of the regulating authority visit during this November, which will determine if BGMM has fulfilled all the requirements for taking deposits. 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 September 2017 total deposits, including accrued interest, recorded in BGMM's statement of financial position amounted to MMK 640 million (Baht 15.7 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 September	31 December	30 September	31 December
	2017	2016	2017	2016
Accrued interest expenses - related parties	38,794	95,699	38,794	95,699
Accrued interest expenses	3,248	20,761	234	18,965
Accrued commission expenses	20,144	44,590	6,014	5,438
Accrued bonus	77,337	659	65,851	15
Accrued expenses - related parties	461	-	145,357	51,950
Accrued expenses	86,777	43,275	8,884	15,406
Total	226,761	204,984	265,134	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 September 2017	31 December 2016	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	-	577,130	MLR - 1.0%	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	5,561	17,915	10.00%	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	22,246	35,831	10.00%	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	33,367	35,831	8.72%	Repayment all principal after 2 years from agreement date
Promissory note No. 2	50,053	53,746	8.72%	Repayment all principal after 2 years from agreement date
<u>Loan agreement dated 20 June 2016</u>				
Credit facility No. 1	88,000	47,960	THBFIX1M + 1.90%	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	39,676	30,633	6.75%	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	9,620	-	7.00%	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	(48)	(913)		
Total	248,475	798,133		
Less: Current portion	(222,414)	(585,743)		
Long-term portion of long-term loans	26,061	212,390		

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		Interest rate per annum	Repayment condition
	Balance			
	30 September 2017	31 December 2016		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	-	577,130	MLR - 1.0%	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
Total	-	577,130		
Less: Current portion	-	(402,990)		
Long-term portion of long-term loans	-	174,140		

Movements in the long-term loans account during the nine-month period ended 30 September 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	843	-
Less: Repayment	(1,427,428)	(1,307,130)
Exchange differences on translation of financial statements in foreign currency	(12,655)	-
Balance as at 30 September 2017	248,475	-

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 September 2017, GLF had total assets to mortgage such loans amounting to USD 0.84 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 September 2017	31 December 2016	30 September 2017	31 December 2016
Long-term credit facilities which have not yet been drawn down	2,500.0	2,072.9	2,500.0	1,922.9

(Unaudited but reviewed)

On 16 October 2017, the Securities and Exchange Commission (“SEC”) has disclosed that SEC has filed a criminal complaint against Mr. Mitsuji Konoshita, the CEO and Chairman of the Board of Directors, with the Department of Special Investigation (DSI) for committing fraud, misappropriating the company’s assets and falsifying account records by executing concealed transactions through several associated companies abroad to exaggerate the company’s operating results. Resulting Mr. Mitsuji Konoshita be liable to having untrustworthy characteristics as a director and executive of any issuers and listed companies and that he was banned from holding such positions under the Securities and Exchange Act.

On 19 October 2017, the SEC followed with a warning to the Company to rectify its Financial Statements immediately.

By these circumstances mentioned above, the Company has reviewed the terms and conditions in the long-term loans facility agreements. Both legal department and management viewed that at this stage, the Company is not in breach of any covenant under those agreements as disclosed in Note 36.

24. Debentures

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

				(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
				30 September	31 December
Debentures	Interest rate	Terms	Due date	2017	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				(34,756)	(47,782)
Debentures, net				1,465,244	1,952,218
Less: Current portion				-	(499,128)
Long-term portion of debentures				1,465,244	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.

On 16 October 2017, the Securities and Exchange Commission (“SEC”) has disclosed that SEC has filed a criminal complaint against Mr. Mitsuji Konoshita, the CEO and Chairman of Board of Directors, with the Department of Special Investigation (DSI) for committing fraud, misappropriating the company’s assets and falsifying account records by executing concealed transactions through several associated companies abroad to exaggerate the company’s operating results. Resulting Mr. Mitsuji Konoshita be liable to having untrustworthy characteristics as a director and executive of any issuers and listed companies and that he was banned from holding such positions under the Securities and Exchange Act.

On 19 October 2017, the SEC followed with a warning to the Company to rectify its Financial Statements immediately.

By these circumstances mentioned above, the Company has reviewed the terms and conditions in the debentures. Both legal department and management viewed that at this stage, the Company is not in breach of any covenant under those agreements as disclosed in Note 36.

25. Convertible debentures

The Company has issued convertible debentures, as detailed below.

				(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
Convertible debentures	Interest rate	Terms	Due date	30 September 2017	31 December 2016
Convertible debentures 1/2016	As detailed in the table below	5 years	30 July 2021	4,338,462	4,521,832
Convertible debentures 1/2017	As detailed in the table below	3 years	20 March 2020	1,669,730	-
Convertible debentures 2/2017	As detailed in the table below	3 years	30 March 2020	667,892	-
Less: Unamortised portion of deferred transaction costs				(7,439)	(5,502)
Convertible debentures, net				6,668,645	4,516,330
Less: Amount classified as equity				(59,458)	(10,043)
Amount classified as liability				<u>6,609,187</u>	<u>4,506,287</u>

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 not exceeding USD 50 million and approved to Creation Investments Sri Lanka LLC in an amount not exceeding USD 20 million, respectively. The Meeting also approved an increase in the Company's registered capital to support the conversion of the convertible debentures.

On 20 March 2017, the Company issued convertible debentures to a specific foreign investor JTrust Asia Pte. Ltd. through a private placement, a related party as disclosed in Note 3, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 January 2017. Key terms and conditions of the convertible debentures are as follow:

Amount of unit	500 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	20 March 2017
Term	3 years since the date of issuance (20 March 2017 to 20 March 2020)
Interest rate	5.00% per annum
Interest payment	2 times a year on every 20 March and 20 September throughout the term of debentures specified in the terms and conditions If these fall on a holiday, the next business day
Redemption at maturity date	<p>Holder's have 2 options:</p> <ul style="list-style-type: none"> a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	Baht 70 per share
Date of conversion	Last business day of each month

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

Amount of unit	200 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	30 March 2017
Term	3 years since the date of issuance (30 March 2017 to 30 March 2020)
Interest rate	5.00% per annum
Interest payment	2 times a year on every 30 March and 30 September throughout the term of debentures specified in the terms and conditions If these fall on a holiday, the next business day
Redemption at maturity date	<p>Holder's have 2 options:</p> <ul style="list-style-type: none"> a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	Baht 70 per share
Date of conversion	Last business day of each month

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

On 16 October 2017, the Securities and Exchange Commission (“SEC”) has disclosed that SEC has filed a criminal complaint against Mr. Mitsuji Konoshita, the CEO and Chairman of Board of Directors, with the Department of Special Investigation (DSI) for committing fraud, misappropriating the company’s assets and falsifying account records by executing concealed transactions through several associated companies abroad to exaggerate the company’s operating results. Resulting Mr. Mitsuji Konoshita be liable to having untrustworthy characteristics as a director and executive of any issuers and listed companies and that he was banned from holding such positions under the Securities and Exchange Act.

On 19 October 2017, the SEC followed with a warning to the Company to rectify its Financial Statements immediately. By these circumstances mentioned above, the Company has reviewed the terms and conditions in the convertible debentures. Both legal department and management viewed that at this stage, the Company is not in breach of any covenant under those agreements as disclosed in Note 36.

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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Nominal value of issue of convertible debentures	6,676,084
Transaction costs	<u>(9,405)</u>
Net proceeds	<u>6,666,679</u>
Amount classified as equity	(59,458)
Amount classified as liability	6,607,221
Add: Amortised - transaction cost	<u>1,966</u>
Balance as at 30 September 2017	<u><u>6,609,187</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	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	<u>28</u>	<u>14</u>	<u>1,113</u>
At the end of the period	<u><u>1,525,538</u></u>	<u><u>762,769</u></u>	<u><u>5,192,673</u></u>

27. Warrants

As at 30 September 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	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 September 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 nine-month periods ended 30 September 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	54,551	28,140	31,021	7,272
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,535)	9,248	(8,440)	11,839
Income tax expense reported in profit or loss	50,016	37,388	22,581	19,111

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	138,516	118,882	75,796	58,813
Deferred tax:				
Relating to origination of temporary differences	(22,572)	17,938	(19,050)	16,234
Income tax expense reported in profit or loss	115,944	136,820	56,746	75,047

32. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

(Unaudited but reviewed)

Diluted earnings per share is calculated by dividing profit (loss) 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit (loss) for the period (Thousand Baht)	(2,606,501)	260,341	(2,324,931)	76,050
Number of ordinary shares (Thousand shares)	1,525,538	1,525,398	1,525,538	1,525,398
Earnings per share (Baht/share)	(1.7086)	0.1707	(1.5240)	0.0499

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit (loss) for the period (Thousand Baht)	(1,940,682)	738,981	(1,789,897)	298,982
Number of ordinary shares (Thousand shares)	1,525,535	1,525,423	1,525,535	1,525,423
Earnings per share (Baht/share)	(1.2721)	0.4844	(1.1733)	0.1960

However, no calculation of diluted earnings per share for the nine-month period ended 30 September 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 nine-month periods ended 30 September 2017 and 2016, respectively.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 September 2017

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance service	Item not allocated	Consolidated
Revenues							
External customer	612,655	109,427	13,145	15,517	16,322	-	767,066
Other income	(4,687)	14,058	5,222	2,476	1,525	-	18,594
Inter segment revenue	155,850	37,460	12,087	-	-	-	205,397
Total revenues	763,818	160,945	30,454	17,993	17,847	-	991,057
Adjustments and eliminations	(155,850)	(37,460)	(12,087)	-	-	-	(205,397)
Total revenues, net	607,968	123,485	18,367	17,993	17,847	-	785,660
Services and administrative expenses	(245,392)	(26,288)	(6,648)	(6,852)	(25,344)	-	(310,524)
Bad debts and doubtful accounts	(53,574)	-	-	(1,096)	-	-	(54,670)
Expense allowance on loan and interest receivables	-	(1,952,565)	-	-	-	-	(1,952,565)
Loss on disposals of foreclosed assets	(63,141)	-	-	-	-	-	(63,141)
Expense allowance on other receivables	(202,348)	-	-	-	-	-	(202,348)
Expense allowance on other current assets	(38,825)	-	-	-	-	-	(38,825)
Expense allowance on investment loss in associate	-	(582,085)	-	-	-	-	(582,085)
Expense allowance on exclusive right	(55,937)	-	-	-	-	-	(55,937)
Share of profit from investment in associate	-	-	-	-	-	28,882	28,882
Financial cost	-	-	-	-	-	(112,020)	(112,020)
Income tax expense	-	-	-	-	-	(50,016)	(50,016)
Segment profit (loss)	(51,249)	(2,439,453)	11,719	10,045	(7,497)	(133,154)	(2,607,589)

(Unit: Thousand Baht)

For the three-month period ended 30 September 2016

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Consumer finance service	Item not allocated	Consolidated
Revenues						
External customer	574,358	122,097	41,678	508	-	738,641
Other income	10,425	8	-	3,870	-	14,303
Inter segment revenue	110,780	53,868	(4,706)	(7)	-	159,935
Total revenues	695,563	175,973	36,972	4,371	-	912,879
Adjustments and eliminations	(110,780)	(53,868)	4,706	7	-	(159,935)
Total revenues, net	584,783	122,105	41,678	4,378	-	752,944
Services and administrative expenses	(219,998)	(14,670)	-	(5,918)	-	(240,586)
Bad debts and doubtful accounts	(78,476)	-	-	-	-	(78,476)
Loss on disposals of foreclosed assets	(52,547)	-	-	-	-	(52,547)
Financial cost	-	-	-	-	(83,539)	(83,539)
Income tax expense	-	-	-	-	(37,388)	(37,388)
Segment profit (loss)	233,762	107,435	41,678	(1,540)	(120,927)	260,408

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2017

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance service	Item not allocated	Consolidated
Revenues							
External customer	1,825,231	378,440	26,924	27,010	35,614	-	2,293,219
Other income	122,539	22,133	5,571	6,861	9,733	-	166,837
Inter segment revenue	635,289	(19,252)	16,381	-	-	-	632,418
Total revenues	2,583,059	381,321	48,876	33,871	45,347	-	3,092,474
Adjustments and eliminations	(635,289)	19,252	(16,381)	-	-	-	(632,418)
Total revenues, net	1,947,770	400,573	32,495	33,871	45,347	-	2,460,056
Services and administrative expenses	(689,866)	(74,080)	(13,546)	(13,090)	(48,842)	-	(839,424)
Bad debts and doubtful accounts	(221,142)	-	-	(1,273)	-	-	(222,415)
Expense allowance on loan and interest receivables	-	(1,952,565)	-	-	-	-	(1,952,565)
Loss on disposals of foreclosed assets	(172,925)	-	-	-	-	-	(172,925)
Expense allowance on other receivables	(202,348)	-	-	-	-	-	(202,348)
Expense allowance on other current assets	(38,825)	-	-	-	-	-	(38,825)
Expense allowance on investment loss in associate	-	(582,085)	-	-	-	-	(582,085)
Expense allowance on exclusive right	(55,937)	-	-	-	-	-	(55,937)
Share of profit from investment in associate	-	-	-	-	-	121,100	121,100
Financial cost	-	-	-	-	-	(342,069)	(342,069)
Income tax expense	-	-	-	-	-	(115,944)	(115,944)
Segment profit (loss)	566,727	(2,208,157)	18,949	19,508	(3,495)	(336,913)	(1,943,381)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2016

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Consumer finance service	Item not allocated	Consolidated
Revenues						
External customer	1,707,217	351,334	48,739	508	-	2,107,798
Other income	19,102	322	-	9,733	-	29,157
Inter segment revenue	312,899	137,622	1,303	-	-	451,824
Total revenues	2,039,218	489,278	50,042	10,241	-	2,588,779
Adjustments and eliminations	(312,899)	(137,622)	(1,303)	-	-	(451,824)
Total revenues, net	1,726,319	351,656	48,739	10,241	-	2,136,955
Services and administrative expenses	(621,931)	(56,983)	-	(14,881)	-	(693,795)
Bad debts and doubtful accounts	(232,531)	-	-	-	-	(232,531)
Loss on disposals of foreclosed assets	(162,168)	-	-	-	-	(162,168)
Financial cost	-	-	-	-	(173,218)	(173,218)
Income tax expense	-	-	-	-	(136,820)	(136,820)
Segment profit (loss)	709,689	294,673	48,739	(4,640)	(310,038)	738,423

(Unaudited but reviewed)

Segment assets of the Company and its subsidiaries as at 30 September 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 service	Item not allocated	Consolidated
Segment assets							
At 30 September 2017	7,328,996	132,788	6,760	487,719	119,008	6,443,942	14,519,213
At 31 December 2016	7,446,681	4,220,656	-	-	46,825	5,551,512	17,265,674

Geographic information

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Revenue from external customers			
Thailand	417,407	391,326	1,326,115	1,172,840
Cambodia	172,111	168,011	541,666	488,290
Singapore	81,526	86,462	257,740	260,861
Cyprus	37,670	32,741	131,111	82,551
Luxembourg	2,317	2,382	7,012	7,185
Laos	23,055	25,438	84,951	65,264
Indonesia	21,985	4,906	50,467	11,225
Myanmar	22,959	-	40,585	-
Japan	6,630	41,678	20,409	48,739
Total	785,660	752,944	2,460,056	2,136,955

34. Commitments

34.1 Capital commitments

As at 30 September 2017, the Company had capital commitments of approximately USD 0.02 million, relating to the purchase of software licenses and Baht 0.02 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 September 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	17,330	14,059	15,280	13,705
Thousand USD	112	433	157	36
Thousand IDR	1,824,946	4,415,040	1,216,631	-
Thousand SGD	126	-	-	-

	Separate financial statement			
	30 September 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	7,410	6,783	6,851	2,802

34.3 Service commitments

As at 30 September 2017, the Company is required to pay fees of USD 0.02 million, JPY 0.6 million, SGD 0.01 million and Baht 0.21 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 September 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 (31 December 2016: USD 4.0 million and Baht 36.6 million).

- 2) As at 30 September 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 purchase 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 September 2017, 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 September 2017			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	1.0	-	1.0

During the current period, there were no transaction with the fair value hierarchy.

36. Summary of Significant Adjustments

On 8 November 2017, the Board of Directors Meeting of the Company passed a resolution to approve significant adjustment to setting up provisions for all receivables outstanding as of 30 September 2017 related to the Cyprus and Singapore loan borrowers

The adjustment referred to above is to express an intention of the board of directors of the Company to cooperate with the SEC in eliminating doubt in regard to the loans and interest outstanding and for the benefits of investors in their consideration of the Company's status and to demonstrate transparency and good governance in the Company's operations

In addition, the Board of Director's Meeting considered and agreed with the opinion of the Company's internal lawyers on likelihoods of breach of any covenants or event of default provisions stipulated in any credit facilities agreement with financial institution and debenture agreement. Based on the review, it is found that the Company has not breached any of the covenants or any provision of such agreements with the creditors.

On 13 November 2017, the Board of Directors Meeting of the Company passed a resolution to approve significant adjustments as follows:

- 1) Setting up an allowance for investments loss in an associated company in the consolidated financial statements (refer to note 15 – Investment in associate),
- 2) Setting up an allowance for investment loss in GLH on separate financial statements (refer to note 14 - Investment in subsidiaries) and
- 3) Setting up an allowance related transaction with former chief executive officer which including the exclusive right between GLF and APFG in the consolidated financial statements (refer to note 3 – Related party transactions).

The adjustment referred to in item 3 is to express an intention of the board of directors to demonstrate transparency in relation to issues involving the former chief executive officer and integrity to investors which will benefit the investors in their consideration of the Company's status. The amounts of adjustments affecting the statements of comprehensive income are summarised below

(Unit: Thousand Baht)

	For the nine-months ended 30 September 2017	
	Consolidated financial statements	Separate financial statements
Statements of comprehensive income		
Profit or loss:		
Expense allowance on investment loss in subsidiary	-	2,426,818
Expense allowance on loan and interest receivables	1,952,565	-
Expense allowance on investment loss in associated	582,085	-
Expense allowance on other receivables	202,348	-
Expense allowance on exclusive right	55,937	-
Expense allowance on other current assets	38,825	-

(Unaudited but reviewed)

As discussed in Note 3 on related party transactions with former chief executive officer, the details of all provisioned items are listed in the table below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
<u>Allowance for doubtful accounts - Other receivables</u>				
<i>Related parties</i>				
Director of the Company and subsidiaries	8,003	-	-	-
A.P.F. Group Co., Ltd.	4,455	-	-	-
Engine Holdings Asia Pte. Ltd.	512	-	-	-
Asia Partnership Fund Pte., Ltd.	12	-	-	-
Cambodian People Micro Insurance PLC.	3,328	-	-	-
APF Trading Plc.	187,219	-	-	-
Showa Holdings Co., Ltd.	(1,181)	-	-	-
Total	202,348	-	-	-
<u>Allowance for other current assets loss</u>				
<i>Related party</i>				
APF Trading Plc.	38,825	-	-	-
Total	38,825	-	-	-
<u>Allowance for exclusive right loss</u>				
<i>Related party</i>				
A.P.F. Group Co., Ltd.	55,937	-	-	-
Total	55,937	-	-	-

37. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 13 November 2017.