

Group Lease Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2018

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) Fraud as alleged by the SEC affecting the results of operations

On 16 October 2017, the former Chairman and Chief Executive Officer (“ex-CEO”) was incriminated by SEC for, among others, falsehood in accounting with concealed act and was referred to the DSI for consideration of prosecution. The pattern appeared to be round-tripping of fund-out and fund-in in pumping the Group’s profits fictitiously with high interest income.

The SEC’s findings as stated in the alleges 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 a criminal complaint against ex-CEO with the 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) Historical Records of the doubtful ‘loans’ and provision for losses

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 alleged 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, leaving USD 56 million still outstanding on 30 September 2017 and 31 December 2017.

In an attempt to respond to the first SEC's order to revise and correct past financial statements of the delinquency, the Company decided to set aside a provision for losses from that financial shenanigans as alleged by the SEC the whole sum of USD 56 million against the quarterly profits then ended on 30 September 2017. However, subsequently on 16 January 2018, the SEC ordered the Company again to correct the past financial statements relevantly. The Company has not yet corrected its past financial statements in accordance with the SEC's order. The Company has announced that it has hired an outside audit firm in Singapore to do a special audit on those loans and it is in process now and the Company has an intention to comply with the SEC's order.

In addition, there were receivables substantially incurred in 2017 and due from companies related to this ex-CEO of USD 9 million for which an additional provision for losses was also set aside, bringing the total provision for losses to be USD 65 million (Baht 2,200 million) and charged against the quarterly profits ended 30 September 2017.

(c) Chance of loss recovery

The portrayed 'loans' to Cyprus and Singapore were secured with security of property and financial instruments, the value of which (value of the security of the Company's own shares which was withdrawn from securities was excluded) then estimated by the management as in excess of the outstanding 'loans'. Therefore the losses from the provision of USD 65 million could be reduced or proved as surplus to requirement if there are attempts to realise their value and civil claims against the ex-CEO for damages. As from 16 October 2017 till now, I am not aware any recovery yet. The Group's operating results and financial position are therefore dependent on the efforts and eventual realisation of those securities and damages claimed against the ex-CEO for fraud as alleged by the SEC and concealed acts of falsehood in accounting.

Even with the provision for losses being set up in full, it is commercially necessary for the Company headed by the new CEO, who is related to the alleged wrongdoer, to demand full restitution from the borrowers and that ex-CEO. In addition, the Company is required to protect and take control of all 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 while that ex-CEO is still one of authorised directors of the subsidiaries in Singapore and other countries.

(d) Qualified conclusion

Because of that ex-CEO being under ongoing official investigation by DSI following the SEC's criminal complaint, the whole matter is now under consideration for proceeding to court. Due to the legal process not being finalized and my limitation as a professional auditor in examining further the real status of the borrowings, I am therefore unable to conclude on the status of the debts except to await for the DSI's investigation since it has power and official channels to eventually decide and conclude the case and seeking for court's judgement. Therefore, under this limitation by circumstance, I am unable to conclusively determine the eventuality of the SEC's criminal complaint on those 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, which is subject to the efforts of recovery by the new management and except that the Company has not yet corrected its past financial statements in accordance with the SEC's order.

(e) Reclassification as "Claims against the ex-Chairman and CEO" instead of "Loans to Cyprus and Singapore group" and reversal of interest income

Relying on the SEC's allegations 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 years would have to be relatively corrected and revised with the now known fraud, which was portrayed as loans granted by the Group to the 'borrowers' in Cyprus and Singapore. The Group's corrected financial positions and results of the operations related to each year would read in summary as follows:

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

- at the end of 2015 of USD 76 million, (Baht 2,700 million)
- at the end of 2016 of USD 104 million, (Baht 3,700 million)
- at the end of 2017 of USD 56 million, (Baht 1,900 million) (Full provision for this fraud of Baht 1,900 million was set aside in the third quarter ended 30 September 2017)

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

- for the year 2015 - USD 5 million (or Baht 173 million, reducing profit from Baht 583 million to Baht 410 million),
- for the year 2016 - USD 14 million (or Baht 483 million, reducing profit from Baht 1,063 million to Baht 580 million),
- for the year 2017 - USD 11 million (or Baht 379 million, after netting, reducing profit from main businesses of leasing business in Thailand and others from Baht 994 million to Baht 615 million).

In summary, the Group'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 as alleged by the SEC which is still regarded as an asset under the caption of "Claims against ex-Chairman and CEO" is subject to the eventuality of the Group's actions and success of recovery outside Thailand.

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 31 March 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Group Lease Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

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 2017, presented as comparative information, and my opinion was a qualified opinion on the matters as discussed above.

I have reviewed the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2017 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 was 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 1,868 million (before provision for loss) as of 31 March 2018, represents 24 percent of the consolidated net assets (As of 31 December 2017: Baht 1,954 million (before provision for loss) - 26 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 another in Singapore. Parties in the groups were at that time also shareholders of the Company and pledged the Company's shares against those loans. Besides share pledging, 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 in 2016, 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 amounted to Baht 2,129 million (USD 59 million), 60 percent of the total loans.

In 2017, before due date, the Cyprus 'borrower' repaid a sum of Baht 845 million (USD 25.3 million) and partially released the collateral of the Company's shares but retained other collaterals as stipulated in agreements. In addition, and on due date, the Singapore 'borrower' repaid a sum of approximately Baht 557 million (USD 16.7 million) and the remaining collateral of the Company's shares was also released and replaced by the value of properties in Japan (The Company advised that pledging of the properties in Japan was registered with Japanese Registry Office already). As at 31 March 2018 and 31 December 2017, no Company's shares remained part of the collaterals against the two purported 'loans'.

(See also Note 9 to the financial statements and our Basis for Qualified Opinion paragraph).

3.2) Investment in associated company in Sri Lanka - As of 31 March 2017 - Baht 2,015 million (investment value under equity method Baht 2,597 million less provision for loss of Baht 582 million) (31 December 2017 - Baht 2,023 million (investment value under equity method Baht 2,605 million less provision for loss of Baht 582 million)) - Note 15

I draw attention to Note 15 of the consolidated financial statements relating to the investment in an associated company in Sri Lanka. The subsidiary acquired 29.99% of the ordinary shares of a company listed on the Sri Lanka Stock Exchange 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's outside professional valuer valued such investment at Baht 1,900 - 2,500 million, while the appointed independent financial advisor valued at Baht 1,600 - 1,700 million and while the market price at the Sri Lanka Stock Exchange, when acquired in late 2016, was at Baht 1,391 million.

In late 2017, the Company hired outside professional valuer to value this investment again. The value appraised by the outside professional valuer was higher than the carrying value. However for the prudent reason, the Company has still left the provision for loss of Baht 582 million previously set up for this investment in the third quarter of 2017. This results in, as of 31 December 2017, there being a provision for loss of Baht 582 million set aside against this investment in the consolidated financial statements after a period of acquisition of one year. The above referred director who was the director in the selling company and also in the Company has since resigned from the Company's Board effective as of 31 January 2018 citing conflict of interest.

As at 31 March 2018, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 2,015 million (investment value under equity method Baht 2,597 million net of provision for loss of Baht 582 million) (31 December 2017: Baht 2,023 million (investment value under equity method Baht 2,605 million net of provision for loss of Baht 582 million)). Based on the market price at the Sri Lanka Stock Exchange at the end of first quarter 2018, the total value was only approximately Baht 825 million (for the year ended 2017: Baht 874 million). The difference between the carrying value of investment (even after provision for loss) and the Stock Exchange market price at the end of 2017 is materially significant and still needs future assessment whether further provision for loss is required.

3.3) Investment in PT Bank JTrust Indonesia Tbk (Other investment) - Note 16

On 26 October 2016, the Board of Directors of the Company approved a subsidiary company to acquire shares of PT Bank JTrust Indonesia Tbk. ("PT Bank JTrust") and subsequently on 13 December 2016, the subsidiary company acquired 28.15 trillion shares (3.12% of the total shares) in this company at total cost of USD 11.70 million (Baht 414 million) from JTrust Co. Ltd. – a related company. The remaining portions of approximately 97% being majority shareholding in this company were still held by JTrust Co. Ltd. - a related company (which is under the same group as the plaintiff on various legal cases against the Company as discussed in 1). This company is an Indonesian company engaging in commercial banking business.

As at the acquisition date, the purchase price the subsidiary paid to acquire this investment when compared with the book value of this company represented the ratio of Price per Book Value ("P/BV" ratio) of approximately 3.65 times. As at 31 December 2017, the P/BV ratio was 3.95 times while the 'average P/BV ratio' of all commercial banks in Indonesian market was about 1.60 times. The Company's management considers that there is no impairment on this investment due to other favorable factors including profitability ratio and business opportunities of this company in the future. The carrying value of this investment was significantly in excess of the value calculated based on the 'average P/BV ratio' and this difference needs attention.

As at 31 March 2018 and 31 December 2017, the carrying value of this investment was Baht 414 million. The value of this investment depends upon the ability to cooperate with its major shareholder in the future and the success of future operations of this company.

3.4) Investment in BG Microfinance Myanmar Co. Ltd. (investment in subsidiary) - Note 14

The Extraordinary General Meeting of the Company's shareholders No. 2/2016, held on 6 December 2016, approved the acquisition of 1,387,680 shares of BG Microfinance Myanmar Co. Ltd. (100% wholly-owned) at the cost of USD 8.01 million (Baht 280 million). The cost was appraised and set by the subsidiary company's management, while the appointed independent financial advisor valued the investment at approximately Baht 173 - 179 million. The company was incorporated in the Republic of the Union of Myanmar with its main activity described as microfinance. It provides retail loans to women grouping 5 in number and individual loans to entrepreneurs operating small and medium scale enterprises (SMEs).

During 2018, the Company assessed the fair value of the assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items. The process was completed in the first quarter of 2018, within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No. 3 (revised 2017), Business Combinations.

As at 31 March 2018 and 31 December 2017, the carrying value of this investment is Baht 654 million. The increase in carrying value of investment is as a result of capital increase from acquisition date total to Baht 374 million. The value of this investment depends upon the success of future operations of this company.

3.5) Material uncertainty related to going concern

I draw attention to the legal cases as discussed below as actioned by the convertible debenture holder and other related matters which may affect going concern of the Group in the future including financial status, classification of liabilities, result of operation and cash flow status. Presently, it is assumed that those cases will not affect the going concern of the Group. However, there are still uncertainties regarding the outcome of the cases which is subject to the final verdict of the court of justice.

Legal cases raised by the substantial convertible debenture holder

Following the SEC's incrimination, in late 2017, one substantial holder of the Company's convertible debentures with an outstanding balance of USD 180 million or approximately Baht 6,000 million gave notice to terminate the financial agreement citing cancellation of voidable transactions and demanded immediate repayment and damages, in January 2018 it then filed a civil case with the civil court against the Company demanding immediately repayment of convertible debenture (of approximately Baht 6,000 million) and damages (of approximately Baht 2,000 million), filed a petition with the Central Bankruptcy Court for rehabilitation of the Company, filed a criminal complaint with the Department of Special Investigation and also the Police's Economic Crime Suppression Division and also filed a lawsuit in Singapore against the Company's subsidiary. The Company believes and maintains that it does not breach any conditions in the convertible debenture agreements and the claims are without merits. In March 2018, the Central Bankruptcy Court dismissed the case but the substantial debenture holder has appealed the court ruling. The Company has already raised legal cases to claim against the substantial convertible debenture holder.

Furthermore, the Company has interest payable on these convertible debentures due in the first quarter of 2018 of approximately Baht 140 million (USD 4.5 million). The Company has consulted with its legal advisors and decided to suspend paying interest on convertible debentures because the Company regards this as related to the legal cases raised by the convertible debenture holder. The Company believes that as long as the legal cases are outstanding, the non-payment of interest on convertible debentures does not regard as a default of convertible debenture conditions. The Company has classified the convertible debentures as non-current liabilities in the statement of financial position. The Company has still accrued for interest on convertible debentures the accounts as usual.

This highly significant investor, convertible debenture holder could be considered as a related party to the Company because 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) represented more than 30 percent of the total sources of funds supporting the whole operations of the group.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 14 May 2018

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents	4	2,934,916	3,079,901	102,961	119,941
Current investments		-	47,800	-	-
Current portion of hire purchase and installment sales receivables	5	3,216,777	3,194,770	2,076,210	2,024,727
Current portion of asset-backed loan receivables	6	253,401	269,593	-	-
Current portion of microfinance receivables	7	449,125	378,429	-	-
Current portion of consumer finance receivables under joint financing arrangements	8	7,403	14,078	-	-
Current portion of loans and interest receivables	9	40,008	549	-	-
Inventories		396	43	-	-
Assets foreclosed	10	82,102	87,952	17,571	12,309
Short-term loan to and interest receivables from subsidiary	3	-	-	236,508	165,550
Other receivables	3, 11	85,950	82,414	37,755	22,392
Other current assets	3, 12	180,906	247,706	68,793	92,425
Total current assets		7,250,984	7,403,235	2,539,798	2,437,344
Non-current assets					
Pledged fixed deposit at financial institution	13	11,360	11,647	340	337
Investments in subsidiaries	14	-	-	3,590,302	3,590,302
Investments in associate	15	2,014,936	2,022,555	-	-
Other long-term investments	16	670,996	670,996	-	-
Long-term portion of hire purchase and installment sales receivables	5	3,355,511	3,358,399	2,137,409	2,094,610
Long-term portion of asset-backed loan receivables	6	72,432	76,824	-	-
Long-term portion of microfinance receivables	7	32,172	39,527	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	8	32,962	42,513	-	-
Long-term portion of loans and interest receivables	9	-	40,840	-	-
Long-term portion of loans from subsidiary	2.2, 3	-	-	5,108,565	5,345,593
Property, plant and equipment	17	128,646	135,520	69,711	71,487
Intangible assets	18	117,717	116,001	78,254	74,483
Goodwill		326,722	338,658	-	-
Deferred tax assets		63,951	53,063	40,639	32,892
Other non-current assets	19	70,260	72,213	34,648	35,127
Total non-current assets		6,897,665	6,978,756	11,059,868	11,244,831
Total assets		14,148,649	14,381,991	13,599,666	13,682,175

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	-	65,239	-	-
Trade accounts payables		12,452	4,923	8,154	1,489
Deposits from customers	21	33,175	22,906	-	-
Short-term loans from and interest payable		18,867	-	-	-
Current portion of long-term loans	23	75,664	102,764	-	-
Current portion of long-term loans from subsidiary	3	-	-	40,000	40,000
Income tax payable		49,582	75,637	10,421	14,924
Insurance premium payables		9,312	9,163	4,853	4,794
Other payables	3, 22	323,387	266,317	325,483	255,439
Derivatives liability	33	241	606	-	-
Other current liabilities		105,351	129,109	68,320	76,393
Total current liabilities		628,031	676,664	457,231	393,039
Non-current liabilities					
Convertible debentures under court cases	25	5,575,430	5,833,885	5,575,430	5,833,885
Long-term portion of long-term loans	23	16,203	19,491	-	-
Long-term portion of debentures	24	1,473,840	1,469,590	1,473,840	1,469,590
Convertible debentures - liability component	25	611,259	639,571	611,259	639,571
Provision for long-term employee benefits		12,766	11,768	12,766	11,768
Deferred tax liability		3,083	3,226	-	-
Cash guarantee for damage on hire purchase agreements		2,180	2,180	2,064	2,064
Total non-current liabilities		7,694,761	7,979,711	7,675,359	7,956,878
Total liabilities		8,322,792	8,656,375	8,132,590	8,349,917

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
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	762,769	762,769	762,769	762,769
Share premium	5,192,673	5,192,673	5,192,673	5,192,673
Retained earnings (Deficit)				
Appropriated - statutory reserve	92,255	92,255	92,255	92,255
Unappropriated	(22,950)	(126,109)	(640,079)	(774,897)
Other components of shareholders' equity	(315,444)	(321,410)	59,458	59,458
Total equity attributable to owner of the Company	5,709,303	5,600,178	5,467,076	5,332,258
Non-controlling interests of the subsidiary	116,554	125,438	-	-
Total shareholders' equity	5,825,857	5,725,616	5,467,076	5,332,258
Total liabilities and shareholders' equity	14,148,649	14,381,991	13,599,666	13,682,175
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Profit or loss					
Revenues					
Hire purchase interest income		513,477	506,879	324,242	296,555
Asset - backed loan interest income		41,734	36,137	-	-
Microfinance interest income		36,599	4,243	-	-
Consumer finance under joint financing arrangements					
interest income		18,845	7,041	-	-
Interest on loan receivables		458	143,020	-	-
Sales		1,149	-	-	-
Other income					
Other interest income		11,840	6,691	88,887	87,139
Consulting service fee income		-	6,979	-	-
Management service fee income		-	-	21,000	21,000
Other income related to the activities of hire purchase	27	72,003	55,453	32,103	33,360
Other income related to the activities of microfinance	28	2,277	418	-	-
Gain on exchange rate		-	-	55,420	-
Others		4,756	21,221	3,043	7,614
Total revenues		703,138	788,082	524,695	445,668
Expenses					
Services and administrative expenses		338,987	257,011	162,306	204,040
Bad debts and doubtful accounts		93,559	76,990	56,874	40,697
Cost of sales		944	-	-	-
Loss on disposals of foreclosed assets		71,302	58,653	58,603	51,920
Total expenses		504,792	392,654	277,783	296,657
Profit before share of profit from					
investment in associate, finance cost					
and income tax expenses		198,346	395,428	246,912	149,011
Share of profit from investment in associate	15	40,072	55,489	-	-
Profit before finance cost and income tax expenses		238,418	450,917	246,912	149,011
Finance cost		(97,295)	(103,123)	(94,893)	(97,923)
Profit before income tax expenses		141,123	347,794	152,019	51,088
Income tax expenses	29	(34,591)	(20,438)	(17,201)	(5,283)
Profit for the period		106,532	327,356	134,818	45,805

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Other comprehensive income					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency - net of income tax		41,400	(338,617)	-	-
Share of other comprehensive income from investment in associate - net of income tax	15	(46,030)	(37,897)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		(4,630)	(376,514)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods:					
Share of other comprehensive income from investment in associate - net of income tax	15	(1,661)	603	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods: - net of income tax		(1,661)	603	-	-
Other comprehensive income for the period		(6,291)	(375,911)	-	-
Total comprehensive income for the period		100,241	(48,555)	134,818	45,805
Profit attributable to:					
Equity holders of the Company		104,820	328,131	134,818	45,805
Non-controlling interests of the subsidiaries		1,712	(775)		
		106,532	327,356		
Total comprehensive income attributable to:					
Equity holders of the Company		109,125	(45,918)	134,818	45,805
Non-controlling interests of the subsidiaries		(8,884)	(2,637)		
		100,241	(48,555)		
Earnings per share	30				(Unit: Baht)
Basic earnings per share					
Profit for the period		0.0687	0.2151	0.0884	0.0300
Weighted average number of ordinary shares (thousand shares)		1,525,538	1,525,527	1,525,538	1,525,527

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 three-month period ended 31 March 2018

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to the owners of the Company													
					Other components of equity								
					Other comprehensive income								
Issued and paid-up share capital	Share premium	Share subscription received in advance	Retained earnings (Deficit)		Unrealised gain on changes in fair value of available-for-sale from investment in associate	Revaluation gain on land and building from investment in associate	Exchange differences on translation of financial statements in foreign currency	Convertible debentures - equity component	Total other components the owners of the Company	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity	
			Appropriated	Unappropriated									
Balance as at 1 January 2017	762,755	5,191,560	365	92,255	2,101,423	1,793	-	248,421	10,043	260,257	8,408,615	92,295	8,500,910
Profit for the period	-	-	-	-	328,131	-	-	-	-	-	328,131	(775)	327,356
Other comprehensive income for the period	-	-	-	-	603	753	704	(376,109)	-	(374,652)	(374,049)	(1,862)	(375,911)
Total comprehensive income for the period	-	-	-	-	328,734	753	704	(376,109)	-	(374,652)	(45,918)	(2,637)	(48,555)
Issuance of ordinary shares during period from the exercise of warrants	10	752	-	-	-	-	-	-	-	-	762	-	762
Issuance of ordinary shares during period from transferring of share subscription received in advance	4	361	(365)	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interest from established a new subsidiary	-	-	-	-	-	-	-	-	-	-	-	44,772	44,772
Issue convertible debentures - equity component	-	-	-	-	-	-	-	49,415	49,415	49,415	49,415	-	49,415
Balance as at 31 March 2017	762,769	5,192,673	-	92,255	2,430,157	2,546	704	(127,688)	59,458	(64,980)	8,412,874	134,430	8,547,304
Balance as at 1 January 2018	762,769	5,192,673	-	92,255	(126,109)	2,581	352	(383,801)	59,458	(321,410)	5,600,178	125,438	5,725,616
Profit for the period	-	-	-	-	104,820	-	-	-	-	-	104,820	1,712	106,532
Other comprehensive income for the period	-	-	-	-	(1,661)	549	-	5,417	-	5,966	4,305	(10,596)	(6,291)
Total comprehensive income for the period	-	-	-	-	103,159	549	-	5,417	-	5,966	109,125	(8,884)	100,241
Balance as at 31 March 2018	762,769	5,192,673	-	92,255	(22,950)	3,130	352	(378,384)	59,458	(315,444)	5,709,303	116,554	5,825,857
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Retained earnings (Deficit)		Other components of shareholders' equity	Total shareholders' equity
				Appropriated	Unappropriated	Convertible debentures - equity component	
Balance as at 1 January 2017	762,755	5,191,560	365	92,255	1,318,457	10,043	7,375,435
Profit for the period	-	-	-	-	45,805	-	45,805
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	45,805	-	45,805
Issuance of ordinary shares during period							
from the exercise of warrants	10	752	-	-	-	-	762
Issuance of ordinary shares during period							
from transferring of share subscription received in advance	4	361	(365)	-	-	-	-
Issue convertible debentures - equity component	-	-	-	-	-	49,415	49,415
Balance as at 31 March 2017	<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>1,364,262</u>	<u>59,458</u>	<u>7,471,417</u>
Balance as at 1 January 2018	762,769	5,192,673	-	92,255	(774,897)	59,458	5,332,258
Profit for the period	-	-	-	-	134,818	-	134,818
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	134,818	-	134,818
Balance as at 31 March 2018	<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>(640,079)</u>	<u>59,458</u>	<u>5,467,076</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	141,123	347,794	152,019	51,088
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	10,680	10,711	4,032	4,417
Amortisation	2,832	2,108	1,157	870
Bad debts and doubtful accounts	93,559	78,990	56,874	42,697
Loss on disposals of assets foreclosed	71,302	58,653	58,603	51,920
Loss (reversal of loss) on diminution in value of assets foreclosed	3,555	(4,350)	2,074	(2,783)
Gain on disposal and write-off of assets	(51)	-	(51)	-
Unrealised exchange (gain) loss	4,952	(15,254)	(56,144)	66,913
Provision for long-term employee benefits	998	898	998	898
Share of profit from investments in associate	(40,072)	(55,489)	-	-
Interest income	(11,840)	(6,691)	(88,887)	(87,139)
Interest expenses	92,450	96,615	90,071	92,469
Amortised front end fees of loans	23	1,267	-	-
Amortised transaction cost of debentures	4,250	4,915	4,250	4,915
Amortised transaction cost of convertible debentures	572	326	572	326
Profit from operating activities before changes in operating assets and liabilities	<u>374,333</u>	<u>520,493</u>	<u>225,568</u>	<u>226,591</u>
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(109,876)	(179,562)	(151,156)	(75,485)
Asset - backed loan receivables	17,379	(11,651)	-	-
Microfinance receivables	(64,443)	(18,366)	-	-
Consumer finance receivables under joint financing arrangements	17,732	-	-	-
Loans and interest receivables	86,177	86,057	-	-
Inventories	(353)	-	-	-
Assets foreclosed	(69,049)	(50,575)	(65,939)	(46,863)
Other receivables	8,227	(36,405)	(15,367)	(411,599)
Other current assets	39,400	11,993	7,805	544
Other non-current assets	2,009	2,474	350	1,590
Operating liabilities increase (decrease)				
Trade accounts payables	7,527	1,341	6,664	5,570
Deposit from customers	10,269	1,740	-	-
Insurance premium payables	148	5,874	59	(499)
Other payables	15,396	(60,801)	27,587	20,418
Other current liabilities	(26,111)	(85,936)	(8,073)	(25,604)
Derivatives liabilities	(364)	-	-	-
Cash flows from (used in) operating activities	<u>308,401</u>	<u>186,676</u>	<u>27,498</u>	<u>(305,337)</u>
Cash paid for interest expenses	(40,198)	(52,467)	(37,177)	(49,942)
Cash paid for corporate income tax	(40,220)	(39,054)	(290)	(709)
Net cash flows from (used in) operating activities	<u>227,983</u>	<u>95,155</u>	<u>(9,969)</u>	<u>(355,988)</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 (continued)****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Decrease (increase) in short-term investments	47,800	(50,800)	-	-
Decrease (increase) in pledged fixed deposits at financial institution	287	(3)	(3)	(3)
Decrease in accounts receivable and loans to employees	122	64	122	64
Acquisition of investment in subsidiary	-	(18,579)	-	-
Acquisition of investments in associate	-	(3,578)	-	-
Acquisition of other investments	-	(1,927)	-	-
Acquisitions of equipment	(6,726)	(12,742)	(2,256)	(2,508)
Acquisitions of intangible asset	(6,393)	(10,444)	(4,928)	(7,036)
Proceeds from sales of equipment	632	-	51	-
Cash paid for short-term loan to subsidiary	-	-	-	(1,770,519)
Interest received	8,787	6,200	3	1,060
Net cash flows from (used in) investing activities	44,509	(91,809)	(7,011)	(1,778,942)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(65,239)	(187,575)	-	(252,077)
Cash received from short-term loans from related parties	-	344,501	-	-
Repayment of short-term loans from related parties	-	(344,501)	-	(5,000)
Cash received from short-term loan	18,739	-	-	-
Repayment of long-term loans from related party	-	-	-	(21,360)
Cash received from long-term loans	-	759,482	-	730,000
Repayment of long-term loans	(36,300)	(219,912)	-	(192,830)
Cash paid for front end fees of long-term loans	-	(1,034)	-	-
Cash received from issuance of convertible debentures	-	1,959,553	-	1,959,553
Repayment of debentures	-	(500,000)	-	(500,000)
Cash paid for transaction costs of convertible debentures	-	(1,627)	-	(1,627)
Cash received from exercise of warrants	-	761	-	761
Cash received from non-controlling interests in respect of establishing new subsidiary	-	44,773	-	-
Net cash flows from (used in) financing activities	(82,800)	1,854,421	-	1,717,420
Exchange differences on transaction of financial statement in foreign currency	(334,677)	(342,100)	-	-
Net increase (decrease) in cash and cash equivalents	(144,985)	1,515,667	(16,980)	(417,510)
Cash and cash equivalents at beginning of period	3,079,901	2,551,224	119,941	468,722
Cash and cash equivalents at the end of period (Note 4)	2,934,916	4,066,891	102,961	51,212
	-	-	-	-

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Supplement cash flows information				
Non-cash items				
Transferred assets foreclosed to equipment	41	-	-	-
Transferred equipment to assets foreclosed	-	65	-	-
Transferred of share subscription received in advance to ordinary shares and share premium	-	761	-	761
Transferred of advance received for issuance of convertible debentures to convertible debentures	-	465,798	-	465,798
Transferred share subscription payment in advance for acquisition of investment in subsidiary to investment in subsidiary	-	285,517	-	-

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

Group Lease Public Company Limited and its subsidiaries

Interim financial statements

For the three-month periods ended 31 March 2018

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Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2018

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 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 2017. There has been no significant change in the composition of the group of companies during the current period.

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

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		31 March 2018	31 December 2017	
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 and asset-backed loans to Consumers (motorcycles, agricultural machinery and equipment)
Thanaban Company Limited ("TNB")	Thailand	100	100	Hire purchase services and asset-backed loans to Consumers (motorcycles and cars)
GL Leasing (Lao) Company Limited (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
		31 March 2018	31 December 2017	
BG Microfinance Myanmar Co., Ltd. (shares held by Group Lease Holdings Pte. Ltd.) ("BGMM")	Myanmar	100	100	Microfinance business
GL-AMMK Co., Ltd. (shares held by Group Lease Holdings Pte. Ltd.) ("GL-AMMK")	Myanmar	57	57	Advisory, consultancy, managerial, administrative, technical and operational services

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires

entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

2. Significant current development during the current period

2.1 Purchase price allocation of BG Microfinance Myanmar Co., Ltd.

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 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.

During 2018, the Company assessed the fair value of the assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items. The process was completed in the first quarter of 2018, within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No. 3 (revised 2017), Business Combinations.

The financial statements of BGMM have been included in the consolidated financial statements of the Company since the Company gained control in 2017. The details of the acquisition are as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

Cash paid for acquisition of the subsidiary company	285,517
Less: Net assets from acquisition of subsidiary company	<u>(43,232)</u>
Goodwill	<u>242,285</u>
Cash paid for acquisition of the subsidiary company	285,517
Less: Cash and cash equivalents of subsidiary	<u>(5,069)</u>
Cash paid for acquisition of the subsidiary company - net of cash and cash equivalent received	<u>280,448</u>

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

(Unit: Million Baht)

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

The Group incurred subsidiary acquisition-related costs of Baht 2.7 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income for the three-month period ended 31 March 2017.

2.2 Hedge accounting for net investment in foreign operations

As at 31 March 2018, loans from the Company to GLH of USD 163.6 million, which are equity loans, are included in net investment in foreign operations. The Company has adopted hedge accounting for its net investment in foreign operations. The Company hedges currency risk arising from the translation of the financial statements of an overseas subsidiary (i.e. foreign operation) using 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 transactions 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 the Group disposes of the foreign operation.

As at 31 March 2018 the value of the convertible debentures designated as a hedging instrument of USD 200.00 million, translated using the spot rate, was approximately Baht 6,186.69 million, and a resulting unrealised gain of Baht 287.34 million was recognised in other comprehensive income in the consolidated financial statements for the three-month ended 31 March 2018. In the current period there was no ineffective portion for hedges of the net investment in foreign operations, and the interest expense of Baht 78.82 million arising in connection with the convertible debentures was recognised under finance cost in the consolidated financial statements.

3. Related party transactions

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest income	-	-	-	8	Contract rate
Interest income	-	-	88,887	86,256	7.00% per annum
Other income	-	-	22,011	23,473	Contract rate
Interest expenses	-	-	690	3,193	7.00% per annum
Service and administrative expenses	-	-	159	-	Contract rate
Transactions with related parties:					
Interest income	2,882	-	-	-	6.50% per annum
Other income	1,419	-	-	-	Contract rate
Interest expenses*	73,566	60,288	73,566	59,914	5.00% per annum (2017: 5.00% - 10.00% per annum)
Acquisition of investment in subsidiary					
- BGMM	-	80,213	-	-	Contract rate

* During the first quarter of 2018, a director of Creation Investment Sri Lanka LLC resigned from being a director of the Company, therefore the balances and the transactions as of 31 March 2018 and for the three-month then ended are not classified as related party transactions.

(Unit: Thousand Baht)

	For the three-month period ended 31 March		Pricing policy
	2018	2017	
	Transactions between GLH and subsidiaries:		
(Not presented in both consolidated and separate financial statements)			
Interest income	38,760	46,857	7.50% - 10.00% per annum (2017: 6.50% - 10.00% per annum)
Other income	6,380	4,178	Contract rate
Interest expenses	89,911	87,125	7.00% per annum
Administrative expenses	14	1,423	Contract rate
IT staff cost capitalisation to software under development	2,932	2,069	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.

On 1 January 2018, GLF and GLH agreed to terminate this Referral Business Agreement. There was no penalty as a result of the termination of this agreement that would have an impact on the consolidated statement of comprehensive income for the current period.

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
JTrust Co.,Ltd.	Ultimate parent company of shareholder of GLFI
Commercial Credit and Finance PLC.	Associated company

(Unaudited but reviewed)

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Creation Investment Sri Lanka LLC.	Common director (the director resigned from the Company during the first quarter of 2018)
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 31 March 2018 and 31 December 2017, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Short-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	236,508	165,550
Total	-	-	236,508	165,550
<u>Other receivables (Note 11)</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	4,793	4,706
Thanaban Co.,Ltd.	-	-	21,303	7,879
PT. Group Lease Finance Indonesia	-	-	298	298
GL Leasing (Lao) Company Limited	-	-	69	71
<i>Related parties</i>				
Director of subsidiaries	5,427	8,044	-	-
A.P.F. Group Co., Ltd.	4,170	4,363	-	-
Asia Partnership Fund Pte., Ltd.	12	12	-	-
Cambodian People Micro Insurance PLC.	5,046	4,361	-	-
APF Trading Plc.	167,865	182,506	-	-
Century Finance Company Limited	23,432	12,586	-	-
Total	205,952	211,872	26,463	12,954
Less: Allowance for doubtful accounts	(189,362)	(198,169)	-	-
Net	16,590	13,703	26,463	12,954

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Other current assets (Note 12)</u>				
<i>Related party</i>				
APF Trading Plc.	78,539	126,063	-	-
Total	78,539	126,063	-	-
Less: Allowance for doubtful accounts	(36,339)	(38,025)	-	-
Net	42,200	88,038	-	-
<u>Other long-term investments (Note 16)</u>				
<i>Related party</i>				
Century Finance Company Limited	192,718	192,718	-	-
Total	192,718	192,718	-	-
<u>Long-term loans to subsidiary (Note 2.2)</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	5,108,565	5,345,593
Total	-	-	5,108,565	5,345,593
<u>Long-term loans from subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	40,000	40,000
Total	-	-	40,000	40,000
<u>Other payables (Note 22)</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	103,279	107,906
Thanaban Co., Ltd.	-	-	690	-
GL Finance Plc.	-	-	432	156
GL Leasing (Lao) Company Limited	-	-	553	567
PT. Group Lease Finance Indonesia	-	-	240	255
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	176,853	111,526	176,853	111,526
Creation Investment Sri Lanka LLC.*	-	8,170	-	8,170
Engine Holdings Asia Pte. Ltd.	461	461	461	461
Total	177,314	120,157	282,508	229,041
<u>Other current liabilities</u>				
<i>Related parties</i>				
Director of subsidiaries	35	-	-	-
Showa Holdings Co., Ltd.	1,106	1,158	-	-
Century Finance Company Limited	333	926	-	-
Total	1,474	2,084	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Convertible debentures - before transaction costs (Note 25)</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	5,626,399	5,885,348	5,626,399	5,885,348
Creation Investment Sri Lanka LLC.*	-	654,423	-	654,423
Total	<u>5,626,399</u>	<u>6,539,771</u>	<u>5,626,399</u>	<u>6,539,771</u>

* During the first quarter of 2018, a director of Creation Investment Sri Lanka LLC resigned from being a director of the Company, therefore the balances and the transactions as of 31 March 2018 and for the three-month then ended are not classified as related party transactions.

As at 31 March 2018, advance to related party with no interest change as presented under the caption of other receivables before allowance for doubtful accounts in the consolidated financial statements, totaling USD 4.9 million (31 December 2017: USD 4.9 million).

On 27 July 2016, GLF entered into an agreement with a related party which required to provide a deposit for the future leased assets to end customers. As at 31 March 2018, deposit of assets to be leased as presented under the caption of other current assets before allowance for doubtful accounts in the consolidated financial statements, totaling USD 2.5 million (31 December 2017: USD 3.9 million).

Reference is made to the revelation by The Securities and Exchange Commission, Thailand (“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 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:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Allowance for doubtful accounts - Other receivables</u>				
<i>Related parties</i>				
Director of the subsidiaries	7,491	7,838	-	-
A.P.F. Group Co., Ltd.	4,170	4,363	-	-
Engine Holdings Asia Pte. Ltd.	450	492	-	-
Asia Partnership Fund Pte., Ltd.	12	12	-	-
Cambodian People Micro Insurance PLC.	3,115	3,259	-	-
APF Trading Plc.	175,230	183,362	-	-
Showa Holdings Co., Ltd.	(1,106)	(1,157)	-	-
Total	189,362	198,169	-	-
<u>Allowance for doubtful accounts - Other current assets</u>				
<i>Related party</i>				
APF Trading Plc.	36,339	38,025	-	-
Total	36,339	38,025	-	-

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.

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

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at 1 January 2018	During the period		Loss from exchange rate	Balance as at 31 March 2018
		Increase	Decrease		
<u>Loans to and interest receivable from subsidiary</u>					
<i>Subsidiary company</i>					
Group Lease Holdings Pte. Ltd.	5,511,143	75,554	-	(241,624)	5,345,073
Total	5,511,143	75,554	-	(241,624)	5,345,073

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

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

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 March 2018
	Balance as at 1 January 2018	During the period		
		Increase	Decrease	
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	40,000	690	-	40,690
Total	40,000	690	-	40,690

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

Directors and management's benefits

During the three-month periods ended 31 March 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements					
	For the three-month period ended 31 March					
	2018			2017		
	Thousand Baht	Thousand USD	Thousand JPY	Thousand Baht	Thousand USD	Thousand JPY
Short-term employee benefits	7,926	179	1,381	8,370	132	-
Post-employment benefits	9	-	-	87	-	-
Total	7,935	179	1,381	8,457	132	-

	Separate financial statements					
	For the three-month period ended 31 March					
	2018			2017		
	Thousand Baht	Thousand USD	Thousand JPY	Thousand Baht	Thousand USD	Thousand JPY
Short-term employee benefits	4,764	27	-	7,708	53	-
Post-employment benefits	9	-	-	87	-	-
Total	4,773	27	-	7,795	53	-

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Cash	5,578	10,159	282	189
Bank deposits	2,929,338	3,069,742	102,679	119,752
Total	2,934,916	3,079,901	102,961	119,941

As at 31 March 2018 and 31 December 2017, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.25% - 8.00% per annum and 0.15% - 8.50% per annum, respectively (the Company only: 0.30% - 0.38% per annum and 0.15% - 1.00% per annum, respectively).

5. Hire purchase and installment sales receivables

5.1 As at 31 March 2018 and 31 December 2017, the balances of hire purchase and installment sales receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Normal receivables						
Hire purchase and installment sales receivables	4,554,168	4,546,541	4,337,299	4,362,673	8,891,467	8,909,214
Accrued hire purchase and installment sales income	175,943	175,167	-	-	175,943	175,167
Less: Unearned hire purchase and installment sales income, net	(1,521,369)	(1,533,263)	(973,275)	(991,653)	(2,494,644)	(2,524,916)
Total normal receivable	3,208,742	3,188,445	3,364,024	3,371,020	6,572,766	6,559,465
Terminated agreements receivables						
Hire purchase and installment sales receivables	197,723	184,865	158,997	142,508	356,720	327,373
Accrued hire purchase and installment sales income	23,292	21,283	-	-	23,292	21,283
Less: Unearned hire purchase and installment sales income, net	(75,543)	(68,903)	(39,107)	(35,139)	(114,650)	(104,042)
Total terminated agreements receivables	145,472	137,245	119,890	107,369	265,362	244,614
Total receivables	3,354,214	3,325,690	3,483,914	3,478,389	6,838,128	6,804,079
Less: Allowance for doubtful accounts	(137,437)	(130,920)	(128,403)	(119,990)	(265,840)	(250,910)
Hire purchase and installment sales receivables, net	3,216,777	3,194,770	3,355,511	3,358,399	6,572,288	6,553,169

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Normal receivables						
Hire purchase and installment sales receivables	3,048,523	2,989,471	2,713,826	2,662,895	5,762,349	5,652,366
Accrued hire purchase and installment sales income	105,069	102,760	-	-	105,069	102,760
Less: Unearned hire purchase and installment sales income, net	(1,096,888)	(1,083,539)	(591,747)	(578,021)	(1,688,635)	(1,661,560)
Total normal receivable	2,056,704	2,008,692	2,122,079	2,084,874	4,178,783	4,093,566
Terminated agreements receivables						
Hire purchase and installment sales receivables	174,353	166,651	147,607	133,331	321,960	299,982
Accrued hire purchase and installment sales income	20,330	18,923	-	-	20,330	18,923
Less: Unearned hire purchase and installment sales income, net	(64,134)	(60,130)	(36,935)	(33,263)	(101,069)	(93,393)
Total terminated agreements receivables	130,549	125,444	110,672	100,068	241,221	225,512
Total receivables	2,187,253	2,134,136	2,232,751	2,184,942	4,420,004	4,319,078
Less: Allowance for doubtful accounts	(111,043)	(109,409)	(95,342)	(90,332)	(206,385)	(199,741)
Hire purchase and installment sales receivables, net	2,076,210	2,024,727	2,137,409	2,094,610	4,213,619	4,119,337

5.2 As at 31 March 2018 and 31 December 2017, 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)

Aging	Consolidated financial statements					
	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Hire purchase and installment sales receivables						
Not yet due	5,865,478	5,844,662	43,417	42,226	5,822,061	5,802,436
Past due:						
1 month	394,444	399,996	26,309	26,478	368,135	373,518
2 - 3 months	247,878	245,469	40,708	40,244	207,170	205,225
4 - 6 months	147,497	135,649	48,672	43,504	98,825	92,145
7 - 9 months	97,723	95,332	49,931	45,056	47,792	50,276
10 - 12 months	81,425	80,930	53,892	51,630	27,533	29,300
Over 12 months	3,683	2,041	2,911	1,772	772	269
Total	6,838,128	6,804,079	265,840	250,910	6,572,288	6,553,169

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	Hire purchase and installment sales receivables					
Not yet due	3,833,156	3,740,926	37,777	36,880	3,795,379	3,704,046
Past due:						
1 month	227,988	229,125	22,591	22,697	205,397	206,428
2 - 3 months	155,436	158,799	30,841	31,494	124,595	127,305
4 - 6 months	86,914	79,893	34,494	31,722	52,420	48,171
7 - 9 months	62,482	56,249	37,267	33,561	25,215	22,688
10 - 12 months	52,169	52,562	41,559	41,865	10,610	10,697
Over 12 months	1,859	1,524	1,856	1,522	3	2
Total	4,420,004	4,319,078	206,385	199,741	4,213,619	4,119,337

5.3 As at 31 March 2018 and 31 December 2017, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,951,126	3,354,214	4,927,856	3,325,690
After one year but not more than five years	4,496,296	3,483,914	4,505,181	3,478,389
Total	9,447,422	6,838,128	9,433,037	6,804,079
Less: Amounts representing finance charges	(2,609,294)		(2,628,958)	
Present value of minimum lease payments	6,838,128		6,804,079	

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,348,275	2,187,253	3,277,805	2,134,136
After one year but not more than five years	2,861,433	2,232,751	2,796,226	2,184,942
Total	6,209,708	4,420,004	6,074,031	4,319,078
Less: Amounts representing finance charges	(1,789,704)		(1,754,953)	
Present value of minimum lease payments	4,420,004		4,319,078	

5.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 March 2018 and 31 December 2017, there are outstanding hire purchase receivable amounting to approximately Baht 240 million and Baht 241 million, respectively (the Company only: Baht 226 million and Baht 214 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 subsidiary had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2018 and 2017 would be reduced by Baht 3.2 million and Baht 1.7 million, respectively (the Company only: Baht 2.9 million and Baht 1.6 million, respectively).

- 5.5 Hire purchase agreements of the Company and its subsidiaries have terms of 6 months to 5 years and require settlement in equal installments.
- 5.6 As at 31 March 2018 and 31 December 2017, the Company's subsidiary had transferred rights of claim under hire purchase agreements with outstanding balances (net of unearned hire purchase interest income) of Baht 58 million and Baht 69 million, respectively, in order to secure credit facilities granted by commercial banks as disclosed in Note 23.
- 5.7 As at 31 March 2018, the Company had entered into the agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) and assets foreclosed with total outstanding balances not exceeding Baht 1,025 million as the business security for short term credit facility and letter of guarantee facility granted by commercial banks as disclosed in Notes 20 and 32.4.

6. Asset - backed loan receivables

6.1 As at 31 March 2018 and 31 December 2017, the balances of asset - backed loan receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of asset - backed loan receivables		Long-term portion of asset - backed loan receivables		Total	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Normal receivables						
Asset - backed loan receivables	339,934	364,349	95,685	101,160	435,619	465,509
Interest receivables	13,609	14,794	-	-	13,609	14,794
Less: Unearned interest income, net	(97,274)	(105,427)	(21,706)	(22,753)	(118,980)	(128,180)
Total normal receivables	256,269	273,716	73,979	78,407	330,248	352,123
Terminated agreements receivables						
Asset - backed on receivables	17,120	15,203	1,825	1,493	18,945	16,696
Interest receivables	2,152	1,926	-	-	2,152	1,926
Less: Unearned interest income, net	(4,967)	(4,381)	(313)	(294)	(5,280)	(4,675)
Total terminated agreements receivables	14,305	12,748	1,512	1,199	15,817	13,947
Total receivables	270,574	286,464	75,491	79,606	346,065	366,070
Less: Allowance for doubtful accounts	(17,173)	(16,871)	(3,059)	(2,782)	(20,232)	(19,653)
Asset - backed on receivables, net	253,401	269,593	72,432	76,824	325,833	346,417

6.2 As at 31 March 2018 and 31 December 2017, the balances of asset - backed loan receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Asset - backed loan receivables		Allowance for doubtful accounts		Asset - backed loan receivables, net	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Asset-backed loan receivables						
Not yet due	262,813	282,920	2,560	2,736	260,253	280,184
Past due:						
1 month	41,367	42,676	4,003	4,111	37,364	38,565
2 - 3 months	24,877	25,388	4,763	4,919	20,114	20,469
4 - 6 months	8,445	7,485	3,199	2,799	5,246	4,686
7 - 9 months	4,717	3,951	2,646	2,254	2,071	1,697
10 - 12 months	3,597	3,549	2,812	2,733	785	816
12 months over	249	101	249	101	-	-
Total	346,065	366,070	20,232	19,653	325,833	346,417

- 6.3 As at 31 March 2018 and 31 December 2017, the future minimum loan payment receivable under loan agreements together with the present value of the net minimum loan payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	372,815	270,574	396,272	286,464
After one year but not more than five years	97,510	75,491	102,653	79,606
Total	470,325	346,065	498,925	366,070
Less: Amounts representing finance charges	(124,260)		(132,855)	
Present value of minimum loan payments	346,065		366,070	

- 6.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange of Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition 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 and its subsidiaries has a policy to cease recognising revenue from asset-backed loan receivables which are overdue by more than 4 installments. As at 31 March 2018 and 31 December 2017, there are outstanding asset-backed loan receivables amounting to approximately Baht 9 million and Baht 16 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's subsidiary had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2018 and 2017 would be reduced by Baht 0.2 million and Baht 0.2 million, respectively.

- 6.5 The subsidiaries' loan agreements have terms of 1 - 5 years and require settlement in equal installment.
- 6.6 As at 31 March 2018 and 31 December 2017, the Company's subsidiary had transferred rights of claim under loan agreements with outstanding balances (net of unearned interest income) of Baht 37 million and Baht 49 million, respectively, in order to secure credit facilities granted by commercial bank as disclosed in Note 23.

7. Microfinance receivables

7.1 As at 31 March 2018 and 31 December 2017, the balances of microfinance receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of microfinance receivables		Long-term portion of microfinance receivables		Total	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Normal receivables						
Microfinance receivables	509,518	441,420	48,319	61,053	557,837	502,473
Accrued microfinance receivables	4,158	3,055	-	-	4,158	3,055
Less: Unearned interest income, net	(59,903)	(62,386)	(16,051)	(21,452)	(75,954)	(83,838)
Total receivables	453,773	382,089	32,268	39,601	486,041	421,690
Less: Allowance for doubtful accounts	(4,648)	(3,660)	(96)	(74)	(4,744)	(3,734)
Microfinance receivables, net	449,125	378,429	32,172	39,527	481,297	417,956

7.2 As at 31 March 2018 and 31 December 2017, 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)

Aging	Consolidated financial statements					
	Microfinance receivables		Allowance for doubtful accounts		Microfinance receivables, net	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Loan receivables						
Not yet due	466,955	407,752	4,518	3,679	462,437	404,073
Past due:						
1 month	11,919	12,897	56	45	11,863	12,852
2 - 3 months	6,044	869	116	10	5,928	859
4 - 6 months	1,123	172	54	-	1,069	172
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	486,041	421,690	4,744	3,734	481,297	417,956

(Unaudited but reviewed)

7.3 As at 31 March 2018 and 31 December 2017, the future minimum loan payment receivable under microfinance loan agreements together with the present value of the net minimum loan payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	513,676	453,773	444,475	382,089
After one year but not more than five years	48,319	32,268	61,053	39,601
Total	561,995	486,041	505,528	421,690
Less: Amounts representing finance charges	(75,954)		(83,838)	
Present value of minimum loan payments	486,041		421,690	

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 31 March 2018 and 31 December 2017, 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	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Hire purchase receivables						
Hire purchase receivables under joint financing arrangements	196,686	239,762	285,085	347,520	481,771	587,282
Accrued interest receivables	11,212	15,632	-	-	11,212	15,632
Less: Unearned financing income, net	(75,342)	(92,249)	(63,615)	(83,146)	(138,957)	(175,395)
Less: Portions financed by bank under joint financing arrangement	(127,083)	(148,999)	(189,380)	(222,039)	(316,463)	(371,038)
Total Hire purchase receivables	5,473	14,146	32,090	42,335	37,563	56,481
Less: Allowance for doubtful accounts	(9)	(1,336)	(55)	(97)	(64)	(1,433)
Hire purchase receivables under joint financing arrangements, net	5,464	12,810	32,035	42,238	37,499	55,048

(Unaudited but reviewed)

(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	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Microfinance receivables						
Microfinance receivables under joint financing arrangements	6,035	6,407	3,571	3,792	9,606	10,199
Accrued interest receivables	-	-	-	-	-	-
Less: Unearned financing income, net	(1,442)	(1,444)	(1,200)	(1,275)	(2,642)	(2,719)
Less: Portions financed by bank under joint financing arrangement	(2,645)	(3,689)	(1,440)	(2,008)	(4,085)	(5,697)
Total Microfinance receivables	1,948	1,274	931	509	2,879	1,783
Less: Allowance for doubtful accounts	(9)	(6)	(4)	(234)	(13)	(240)
Microfinance receivables under joint financing arrangements, net	1,939	1,268	927	275	2,866	1,543
Consumer finance receivables under joint financing arrangements, net	7,403	14,078	32,962	42,513	40,365	56,591

8.2 As at 31 March 2018 and 31 December 2017, the balances of consumer finance receivables under joint financing arrangements (net of unearned financing income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Consumer finance receivables under joint financing arrangements				Consumer finance receivables under joint financing arrangements, net	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Hire purchase receivables						
Not yet due	31,199	51,879	9	1,308	31,190	50,571
Past due:						
1 month	4,988	3,169	24	48	4,964	3,121
2 - 3 months	1,237	1,255	24	40	1,213	1,215
4 - 6 months	139	178	7	37	132	141
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	37,563	56,481	64	1,433	37,499	55,048
Microfinance receivables						
Not yet due	2,037	1,431	-	44	2,037	1,387
Past due:						
1 month	436	312	2	156	434	156
2 - 3 months	311	40	6	40	305	-
4 - 6 months	95	-	5	-	90	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	2,879	1,783	13	240	2,866	1,543
Total Consumer finance receivables under joint financing arrangements	40,442	58,264	77	1,673	40,365	56,591

- 8.3 As at 31 March 2018 and 31 December 2017, 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			
	31 March 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Hire purchase receivables				
Within one year	207,898	132,556	255,394	163,145
After one year but not more than four years	285,085	221,470	347,520	264,374
Total	492,983	354,026	602,914	427,519
Less: Amounts representing finance charges	(138,957)	-	(175,395)	-
Less: Portions financed by bank under joint financing arrangements	(316,463)	(316,463)	(371,038)	(371,038)
Present value of minimum loan payments	37,563	37,563	56,481	56,481
Microfinance receivables				
Within one year	6,035	4,593	6,407	4,963
After one year but not more than four years	3,571	2,371	3,792	2,517
Total	9,606	6,964	10,199	7,480
Less: Amounts representing finance charges	(2,642)	-	(2,719)	-
Less: Portions financed by bank under joint financing arrangements	(4,085)	(4,085)	(5,697)	(5,697)
Present value of minimum loan payments	2,879	2,879	1,783	1,783
Total Present value of minimum loan payments	40,442	40,442	58,264	58,264

- 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 31 March 2018 and 31 December 2017, 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 138,800 million and IDR 153,322 million, respectively, in order to secure joint financing facilities granted by related - commercial bank.

As at 31 March 2018 and 31 December 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 1,792 Million and IDR 2,354 million, respectively, in order to secure credit facilities granted by commercial bank.

- 8.6 A subsidiary entered into a joint financing facility agreement with a related - commercial bank to obtain revolving joint financing facilities of IDR 100,000 million. 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. Moreover, during the current period, the subsidiary and the related - commercial bank agreed to amended this non-revolving joint financing facilities amounting to IDR 200,000 million to be revolving joint financing facilities. 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 31 March 2018 and 31 December 2017, the credit facilities under the joint financing agreements which have not yet been drawn down amounted to IDR 137,235 million and IDR 137,235 million, respectively.

From November 2017, the Joint Financing arrangements have temporarily been suspended by the action of Jtrust Group. This action is not affecting the existing portfolio but has an effect on the new portfolio of PT GLFI. The agreement on the Joint financing credit facilities is in force and will resume its activity once legal proceedings are overcome.

9. Loans and interest receivables

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Consolidated financial statements			
		31 March 2018		31 December 2017	
Location of borrowers	Interest rate (% per annum)	Thousand USD	Equivalent to Thousand Baht	Thousand USD	Equivalent to Thousand Baht
Cyprus	14.5 - 17.0	16,462	514,127	16,462	537,982
Singapore	14.5 - 25.0	39,572	1,235,904	39,572	1,293,247
Others	5.0 - 10.0	1,166	36,416	1,166	38,105
Total loans		<u>57,200</u>	<u>1,786,447</u>	<u>57,200</u>	<u>1,869,334</u>
Interest receivables			<u>81,102</u>		<u>84,390</u>
Total loans and interest receivables			<u>1,867,549</u>		<u>1,953,724</u>
Less: Allowance for loan and interest receivables			<u>(1,827,541)</u>		<u>(1,912,335)</u>
Less: Current portion			<u>(40,008)</u>		<u>(549)</u>
Long-term portion of loans and interest receivables			<u>-</u>		<u>40,840</u>

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 31 March 2018 and 31 December 2017, meaning there are no longer any Company's shares pledged as securities for any of the remaining loans.

The collaterals as of 31 March 2018 covered 168 percent for the Cyprus borrowers and 116 percent for the Singapore borrowers (31 December 2017: covered 164 percent for the Cyprus borrowers and 114 percent for the Singapore borrowers).

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 USD 59 million or approximately Baht 2,129 million, accounting for 60 percent of the total loan debts. In 2017, before due date, the Cyprus borrower repaid the loans of USD 25.3 million or approximately Baht 845 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 2017 from these loans amounted to USD 11 million or approximately Baht 377 million.

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

The Company believes that the borrowers are well established and trusted corporations. They are not related to the Company and the Company has carried out internal verifications and 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. The Company has hired an outside audit firm in Singapore to do a special audit on those loans and it is in process now and the Company has an intention to comply with the SEC's order.

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 31 December 2017 and 31 March 2018. Furthermore, the Company's subsidiary has ceased recognizing the interest income since 1 October 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 as at 31 December 2017 and 31 March 2018 and the subsequent reversal of provision in case of reimbursements from the borrowers are preferable.

In April 2018, the Management of the Company's subsidiary gave notices of repayment to all the Singapore and Cyprus borrowers for the remainder of the outstanding loan amounts and interest due to 31 May 2018 (including loan agreement of USD 15 million with maturity date on 10 May 2018). Currently, the Management is awaiting the response form the borrowers on the notices.

The progress of repayment of all borrowers will be closely monitored and the Company is going to act according to the terms and conditions as set out in the individual agreements until full repayment of all amounts due.

10. Assets foreclosed

As at 31 March 2018 and 31 December 2017, assets foreclosed are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Repossessed assets	102,303	104,598	28,033	20,696
Less: Allowance for diminution in value of assets foreclosed	(20,201)	(16,646)	(10,462)	(8,387)
Assets foreclosed, net	<u>82,102</u>	<u>87,952</u>	<u>17,571</u>	<u>12,309</u>

As at 31 March 2018, the Company had entered into the agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) and assets foreclosed with total outstanding balances not exceeding Baht 1,025 million as the business security for short term credit facility and letter of guarantee granted by commercial banks as disclosed in Notes 20 and 32.4.

11. Other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Accrued income	3,575	3,533	2,743	2,798
Advance payment - related parties	165,551	175,653	5,091	5,004
Advance payment	13,540	15,835	349	1,484
Other receivable - sales of assets foreclosed	6,161	3,177	6,161	3,177
Other receivables - related parties	40,401	36,219	21,372	7,950
Other receivables - consulting services	6,246	6,536	-	-
Other receivables	<u>48,670</u>	<u>48,752</u>	<u>4,625</u>	<u>4,635</u>
Total	284,144	289,705	40,341	24,978
Less: Allowance for doubtful accounts	(8,832)	(9,122)	(2,586)	(2,586)
Less: Allowance for doubtful accounts - related parties	(189,362)	(198,169)	-	-
Other receivables, net	<u>85,950</u>	<u>82,414</u>	<u>37,755</u>	<u>22,392</u>

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Prepaid expenses	64,851	69,099	51,176	54,696
Undue input tax	2,348	5,387	2,301	5,364
Deposit for assets to be leased - related party	78,539	126,063	-	-
Withholding tax deducted at source	69,525	83,058	13,333	30,241
Others	1,982	2,124	1,983	2,124
Total	217,245	285,731	68,793	92,425
Less: Allowance for doubtful - related parties	(36,339)	(38,025)	-	-
Other current assets, net	180,906	247,706	68,793	92,425

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, as disclosed in Note 32.4.

(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 three-month period ended 31 March	
	31 March 2018	31 December 2017	31 March 2018 (%)	31 December 2017 (%)	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	2018	2017
Thanaban Company Limited	565,000 Thousand Baht	565,000 Thousand Baht	100.00	100.00	629,696	629,696	-	-	629,696	629,696	-	-
Group Lease Holdings Pte. Ltd.	214,448 Thousand SGD	214,448 Thousand SGD	100.00	100.00	5,387,211	5,387,211	(2,426,818)	(2,426,818)	2,960,393	2,960,393	-	-
GL Leasing (Lao) Company Limited	41,840,720 Thousand LAK	41,840,720 Thousand LAK	0.12	0.12	213	213	-	-	213	213	-	-
					<u>6,017,120</u>	<u>6,017,120</u>	<u>(2,426,818)</u>	<u>(2,426,818)</u>	<u>3,590,302</u>	<u>3,590,302</u>	<u>-</u>	<u>-</u>

Investment in GLH

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 and 15 on the separate financial statements disclosures as required by the SEC. 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 31 March 2018, investment in GLH in the separate financial statements amounted to USD 88.72 million (31 December 2017: USD 88.72 million).

Investment in GLL

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.

On 15 December 2017, the Board of Directors' Meeting of the GLL passed a resolution to approve the payment of a dividend for year end 31 December 2016 and an interim dividend for the first half of 2017 to the Company totaling LAK 11 million (or equivalent to Baht 0.04 million) and LAK 6 million (or equivalent to Baht 0.03 million), respectively. The dividend was paid to shareholders on 31 March 2018.

(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		(Unit: Thousand Baht) Dividend received during the three-month period ended 31 March	
	31	31	31	31	31	31	31	31	31	31		
	March	December	March	December	March	December	March	December	March	December	2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		
Held by Group Lease Holdings Pte. Ltd.												
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	41,840,720	99.88	99.88	176,195	176,195	-	-	176,195	176,195	-	-
	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.	16,160,000	16,160,000	100.00	100.00	654,231	654,231	-	-	654,231	654,231	-	-
	Thousand	Thousand										
	MMK	MMK										
GL-AMMK Co., Ltd.	4,080,000	4,080,000	57.00	57.00	59,350	59,350	-	-	59,350	59,350	-	-
	Thousand	Thousand										
	MMK	MMK										
					<u>1,421,379</u>	<u>1,421,379</u>	<u>-</u>	<u>-</u>	<u>1,421,379</u>	<u>1,421,379</u>	<u>-</u>	<u>-</u>

Investment in GLL

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) 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 has been approved on 13 April 2018.

On 15 December 2017, the Board of Directors' Meeting of the GLL passed a resolution to approve the payment of a dividend for year end 31 December 2016 and an interim dividend for the first half of 2017 to GLH totaling LAK 3,568 million (or equivalent to Baht 13.91 million) and LAK 2,099 million (or equivalent to Baht 8.18 million), respectively. The dividend was paid to shareholders on 31 March 2018.

Investment in GLFI

All rights and obligations to all the shares of the Indonesian partner as at 31 March 2018, 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

The Extraordinary General Meeting of the Company's shareholders No. 2/2016, held on 6 December 2016, approved the acquisition of 1,387,680 shares of BG Microfinance Myanmar Co. Ltd. (100% wholly-owned) at the cost of USD 8.01 million (Baht 280 million). The cost was appraised and set by the subsidiary company's management, while the appointed independent financial advisor valued the investment at approximately Baht 173 - 179 million. BGMM is incorporated in the Republic of the Union of Myanmar with its main activity described as microfinance. It provides retail loans to women grouping 5 in number and individual loans to entrepreneurs operating small and medium scale enterprises (SMEs).

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 allotment has been filed with the Government on 14 February 2017. The share certificate has been issued and the capital increase registration with the Government of the Republic of the Union of Myanmar has been approved on 24 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 allotment has been filed with the Government on 16 October 2017. The share certificate has been issued and the capital increase registration with the Government of the Republic of the Union of Myanmar has been approved on 6 December 2017.

During 2018, the Company assessed the fair value of the assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items. The process was completed in the first quarter of 2018, within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No. 3 (revised 2017), Business Combinations. The details of the acquisition are disclosed in Note 2.1.

As at 31 March 2018 and 31 December 2017, the carrying value of this investment is Baht 654 million. The increase in carrying value of investment is as a result of capital increase from acquisition date total to Baht 374 million. The value of this investment depends upon the success of future operations of this company.

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 2,326 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
		31 March 2018	31 December 2017	
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	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Commercial Credit and Finance PLC	2,492,602	2,492,602	2,597,021	2,604,640	(582,085)	(582,085)	2,014,936	2,022,555
Total	2,492,602	2,492,602	2,597,021	2,604,640	(582,085)	(582,085)	2,014,936	2,022,555

For the three-month periods ended 31 March 2018 and 2017, 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;

(Unaudited but reviewed)

(Unit: Thousand Baht)

Associate	Consolidated financial statements				Separate financial statements of subsidiary	
	Share of profit from investment in associate for the three-month period ended 31 March		Share of other comprehensive income from investment in associate for the three-month period ended 31 March		Dividend received for the three-month period ended 31 March	
	2018	2017	2018	2017	2018	2017
Commercial Credit and Finance PLC	40,072	55,489	(47,691)	(37,294)	-	-
Total	40,072	55,489	(47,691)	(37,294)	-	-

Investment in CCF

On 6 December 2016, the shareholders of the Company in the Extraordinary Shareholders' Meeting No. 2/2016 passed a special resolution to allow the Company and/or its subsidiary, Group Lease Holding Pte. Ltd. ("GLH"), to acquire shares in Commercial Credit and Finance PLC ("CCF") which is a company listed on the Colombo Stock Exchange (the "CSE") in Sri Lanka. CCF has been incorporated since 1982, operating businesses of providing leasing, hire-purchase, micro loans, SME loans, educational loans etc. The resolution allowed acquisition of 95,390,500 shares off the stock market, at the price of LKR 111 per share, which was equivalent to 29.99 percent of the total issued shares of CCF, totaling the acquisition price of LKR 10,588 million, equivalent to approximately Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26.5 million). 22.27% from the 29.99% was acquired from an existing shareholder of CCF who was also a director of the Company at the time. Later, he resigned from his position, effective from 31 January 2018. The reason was to prevent conflict of interest, since he was also a founder and a director of a convertible debenture holder of the Company, Creation Investment Sri Lanka LLC.

In passing the special resolution mentioned above, the shareholders had considered information on the appropriate acquisition price showing that it fell in the appropriate price range of LKR 83.52 to 114.20 per share (approximately Baht 1,900 - 2,500 million) as determined through studies and analysis conducted during due diligence by a financial advisory in Sri Lanka. The shareholders had also considered the Opinion of the Independent Financial Advisor ("IFA") which determined that the appropriate price was in the range of LKR 70.09 to 73.55 per share (approximately Baht 1,600 - 1,700 million) while the market price at the Sri Lanka Stock Market during the acquisition period in late 2016, the value was at approximately Baht 1,391 million. The appraisers relied on different valuation methods; however, it was noted

by both appraisers that approach which determines the value by referring to the market price i.e. market valuation approach is not an appropriate approach for determining the appropriate price for investment in CCF. In addition, the shareholders had also considered risks associated with investment in CCF. Details are as appear in the Invitation for and the Minutes of the Extraordinary Shareholders' Meeting No. 2/2016.

The investment in CCF has been presented as investment in associate under the equity method according to the Thai Accounting Standard No.28 Investments in Associates and Joint Ventures, since the Company would be holding the investment in CCF for long-term purpose.

As at 31 March 2018, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 2,015 million (investment value under equity method Baht 2,597 million net of provision for loss of Baht 582 million) (31 December 2017: Baht 2,023 million (investment value under equity method Baht 2,605 million net of provision for loss of Baht 582 million)). Based on the market price at the Sri Lanka Stock Exchange at the end of first quarter 2018, the total value was only approximately Baht 825 million (for the year ended 2017: Baht 874 million).

On 31 December 2017, the carrying amount based on equity method of the investment in CCF (before provision for loss) was Baht 2,605 million (or LKR 121.31 per share). The amount was tested for impairment and no impairment was identified, relying on a valuation conducted by Gajma & Co, one of the leading financial advisor and appraisal firms in Sri Lanka. Upon completion of the valuation, Gajma & Co reached a conclusion that the estimated value of CCF is LKR 175.35 per share. Therefore, the investment in CCF is not impaired.

However, management provided an allowance for loss of investment for the investment in CCF in the amount of Baht 582 million in the Interim Financial Statements for the Three and Nine Months ended 30 September 2017. During this time, management was in the process of conducting the impairment test on the investment in CCF. In addition, there were floods in Sri Lanka at the relevant time which was uncontrollable and was one of factors continuously affecting overall the economy of Sri Lanka which relies greatly agriculture. The management was aware that such circumstance might give rise to concerns in considering the value of the investment in CCF. Therefore, in line with the conservatism principle, the management decided to provide an allowance for loss in investment from the investment in CCF should it be the case. Under the conservatism principle, despite

(Unaudited but reviewed)

the fact that the impairment test has been completely conducted and no impairment of the investment in CCF was identified as mentioned above, the management decided to keep, not to reverse the allowance for loss of investment provided as of 30 September 2017.

Furthermore, the management is of the view that the share price traded in the CSE is not and could not appropriately and reliably indicate and determine the fair value of the investment in CCF. Such view aligns with the view of the appraisers as mentioned above. The reasons are that the CSE is not an active market for such shares and is not the market for acquisition of shares in equivalent sufficiently significant proportion.

In any event, the management would consider reversing or adjusting the allowance for loss of investment as necessary or appropriate further.

The Group have assessed the value which conclude as follows:

	(Unit: Thousand Baht)
	Balance as at acquisition date
Net asset acquired	589,915
Fair value identification	27,606
Intangibles recognised	522,606
Goodwill	1,322,354
Acquisition-related costs	26,543
Total Investment in associate - CCF	<u>2,489,024</u>

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

	(Unit: Thousand Baht)
	Consolidated financial statement
As at 1 January 2017	2,545,426
Acquisition-related costs	3,579
Share of profit from investments in associate	179,285
Share of other comprehensive income from investment in associate	(82,926)
Realisation of fair value over book value of net asset - Profit or loss	(7,335)
Realisation of fair value over book value of net asset - OCI	(352)
Dividends received	(33,037)
As at 31 December 2017	2,604,640
Share of profit from investments in associate	40,072
Share of other comprehensive income from investment in associate	(47,691)
As at 31 March 2018	2,597,021
Allowance for investment loss of associate	(582,085)
Investment in associate, net	<u>2,014,936</u>

16. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	31 March	31 December
	2018	2017
<u>Investments in held-to-maturity debt securities</u>		
Convertible loan (Mature in 2022)	192,718	192,718
<u>Investments in other companies</u>		
Bagan Innovation Technology (Singapore) Pte. Ltd.	63,776	63,776
PT Bank JTrust Indonesia Tbk.	414,502	414,502
Total investments in other companies	478,278	478,278
Total	670,996	670,996

Convertible loan - Century Finance Company Limited

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 6.50% per annum. The interest is recognised on an accrual basis in the consolidated income statements.

Bagan Innovation Technology (Singapore) Pte. Ltd

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 2017, GLH recorded addition acquisition-related costs of Baht 1.9 million related to external legal fee and due diligence costs. As at 31 March 2018, such investment was presented as other long-term investments in the consolidated financial statements, of Baht 63.8 million (31 December 2017: Baht 63.8 million).

BIT is incorporated in Singapore and the Company is a software development company specialised in digital content and mobile application solutions.

PT Bank JTrust Indonesia Tbk.

On 26 October 2016, the Board of Directors of the Company approved a subsidiary company to acquire shares of PT Bank JTrust Indonesia Tbk. ("PT Bank JTrust") and subsequently on 13 December 2016, the subsidiary company acquired 28.15 trillion shares (3.12% of the total shares) in this company at total cost of USD 11.70 million (Baht 414 million) from JTrust Co. Ltd. - a related company. The remaining portions of approximately 97% being majority shareholding in this company were still held by JTrust Co., Ltd. - a related company as disclosed in Note 3. This company is an Indonesian company engaging in commercial banking business.

As at the acquisition date, the purchase price the subsidiary paid to acquire this investment when compared with the book value of this company represented the ratio of Price per Book Value ("P/BV" ratio) of approximately 3.65 times. As at 31 December 2017, the P/BV ratio increased to 3.95 times while the 'average P/BV ratio' of all commercial banks in Indonesian market was about 1.60 times. The Company's management considers that there is no impairment on this investment due to other favorable factors including profitability ratio and business opportunities of this company in the future. The carrying value of this investment was significantly in excess of the value calculated based on the 'average P/BV ratio' and this difference needs attention.

As at 31 March 2018 and 31 December 2017, the shareholding percentage of PT Bank JTrust held by GLH is 2.81% and the carrying value of this investment was Baht 414 million. The value of this investment depends upon the ability to cooperate with its major shareholder in the future and the success of future operations of this company.

17. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statement</u>	<u>financial statement</u>
Net book value as at 1 January 2018	135,520	71,487
Acquisitions during the period - at cost	6,726	2,256
Disposal/Write-off	(581)	-
Transfer in during the period	41	-
Depreciation for the period	(10,680)	(4,032)
Exchange differences on translation of financial statements in foreign currency	(2,380)	-
Net book value as at 31 March 2018	<u>128,646</u>	<u>69,711</u>

The Company has mortgaged land and construction thereon with a total net book value as at 31 March 2018 of Baht 27.7 million (31 December 2017: Baht 27.6 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	Separate
	<u>financial statement</u>	<u>financial statement</u>
Net book value as at 1 January 2018	116,001	74,483
Acquisitions during the period - at cost	6,393	4,928
Amortisation for the period	(2,832)	(1,157)
Exchange differences on translation of financial statements in foreign currency	(1,845)	-
Net book value as at 31 March 2018	<u>117,717</u>	<u>78,254</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 setup of other shareholder-related allowances in terms of prudence during the scrutiny period of the regulating authorities (refer to Note 3). Should the amount of the deposit be subsequently received, the allowance will be reversed for the amount of money received.

As at 31 March 2018, the fair value of exclusive right in consolidated financial statement amounted to USD 0.11 million (31 December 2017: USD 0.14 million).

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Income tax and value added				
tax refundable	62,588	62,563	61,709	61,713
Deposits	36,477	38,207	2,160	2,504
Others	2,728	2,976	2,312	2,443
Total	101,793	103,746	66,181	66,660
Less: Allowance for value added				
tax refundable	(31,533)	(31,533)	(31,533)	(31,533)
Other non-current assets, net	70,260	72,213	34,648	35,127

20. Short-term loans from financial institutions

	Consolidated financial statements			
	Interest rate		31 March	31 December
	31 March	31 December		
2018	2017	2018	2017	
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Short-term loans	-	6.00	-	65,239
Total			-	65,239

As at 31 December 2017, short-term loans from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future, motorcycle registrations as requested by the lender of the Company and guarantee by subsidiary. The short term loans of subsidiaries are guaranteed by the Company as disclosed in Note 32.4.

As at 31 March 2018 and 31 December 2017, the short-term credit facilities of the Company which have not yet been drawn down is Baht 50 million. These credit facilities are secured by the agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) and assets foreclosed as disclosed in Notes 5 and 10.

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 November 2017, 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 31 March 2018 total deposits, including accrued interest, recorded in BGMM's balance sheet amounted to MMK 1,417.7 million (Baht 33.1 million) (31 December 2017: MMK 958.4 million (Baht 22.9 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	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Accrued interest expenses - related parties (Notes 3 and 25)	176,853	119,696	177,543	119,696
Accrued interest expenses	547	11,168	467	11,031
Accrued commission expenses	20,072	18,783	6,815	4,506
Accrued bonus	36,786	6,689	27,000	-
Accrued expenses - related parties (Notes 3 and 25)	461	461	104,965	109,345
Accrued expenses	88,668	109,520	8,693	10,861
Total	323,387	266,317	325,483	255,439

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			Repayment condition
	Balance		Interest rate	
	31 March 2018	31 December 2017	per annum	
<u>Loan agreement dated 20 December 2014</u>				
Credit facility No. 1	-	5,447	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	10,411	10,894	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 20 June 2016</u>				
Credit facility No. 1	40,000	64,000	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	35,191	35,024	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	6,272	6,921	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	(7)	(31)		
Total	91,867	122,255		
Less: Current portion	(75,664)	(102,764)		
Long-term portion of long-term loans	16,203	19,491		

(Unaudited but reviewed)

Movements in the long-term loans account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2018	122,255
Add: Addition borrowings	-
Amortisation of deferred front end fees	23
Less: Repayment	(36,300)
Exchange differences on translation of financial statements in foreign currency	5,889
Balance as at 31 March 2018	91,867

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% and 5.10% 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.

(Unaudited but reviewed)

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 31 March 2018, GLF had total assets to mortgage such loans amounting to USD 0.34 million (31 December 2017: USD 0.50 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 financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Long-term credit facilities which have not yet been drawn down	-	2,500	-	2,500

24. Debentures

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

(Unit: Thousand Baht)

Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				31 March 2018	31 December 2017
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				(26,160)	(30,410)
Debentures - net				1,473,840	1,469,590
Less: Current portion				-	-
Long-term portion of debentures				1,473,840	1,469,590

Details of the Company's debentures are as follows:

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

Name of debentures	"The Unsubordinated and partial secured Debentures of Group Lease Plc. No. 1/2016, due 2019"
Amount	Baht 1,500 million
Term	3 years, starting from date of issuance
Issued date	29 September 2016
Interest rate	at 2.84% p.a.
Interest payment schedule	Twice a year on 29 March and 29 September, starting from 29 March 2017
Principal repayment	On the redemption date of 29 September 2019
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and the proportion of shareholding of the major shareholders.
Guarantee	Partial guarantee by a financial institution as disclosed in Note 32.4.

By the circumstances mentioned in Note 34, the Company is aware of the importance of the current situation and, together with our external legal advisors, has considered the likelihood that there has been any breach of covenants or event of default as stipulated in our debentures agreements. Both Management and the legal advisors believe that the Company is not in breach of any conditions of the agreements with the creditors and has not violated any laws.

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	31 March 2018	31 December 2017
Convertible debentures 1/2016	As detailed in the table below	5 years	30 July 2021	4,061,318	4,249,289
Convertible debentures 1/2017	As detailed in the table below	3 years	20 March 2020	1,565,081	1,636,058
Convertible debentures 2/2017	As detailed in the table below	3 years	30 March 2020	626,033	654,424
Total				6,252,432	6,539,771
Less: Unamortised portion of deferred transaction costs				(6,285)	(6,857)
Convertible debentures, net				6,246,147	6,532,914
Less: Amount classified as equity				(59,458)	(59,458)
Amount classified as liability				6,186,689	6,473,456

Reflected in the statements of financial position as follows:

Convertible debentures under court cases	5,575,430	5,833,885
Convertible debentures - liability component	611,259	639,571
	6,186,689	6,473,456

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 1 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 follows:

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> <p>a) Redeem in full in cash</p> <p>b) Convert into common stock</p>
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. During the year 2017, the Company cancelled the side agreement.

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

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

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, 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 follows:

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

(Unaudited but reviewed)

Conversion to common stock	b) Convert into common stock 1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	Baht 70 per share
Date of conversion	Last business day of each month

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

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

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

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Balance as at 1 January 2017	4,516,330
Nominal value of issue of convertible debentures	2,425,351
Transaction costs	(3,409)
Net proceeds	2,421,942
Amortised - transaction cost	2,064
Gain on exchange rate	(407,422)
Balance as at 31 December 2017	6,532,914
Amortised - transaction cost	572
Gain on exchange rate	(287,339)
Balance as at 31 March 2018	6,246,147

These convertible debentures reflected in the statements of financial position as follows:

	(Unit: Thousand Baht)	
	31 March 2018	31 December 2017
Convertible debentures under court cases	5,575,430	5,833,885
Convertible debentures - liability component	611,259	639,571
Convertible debentures - equity component	59,458	59,458
Ending balance	<u>6,246,147</u>	<u>6,532,914</u>

By the circumstances mentioned in Note 34, the Group is aware of the importance of the current situation and, together with our external legal advisors, has considered the likelihood that there has been any breach of covenants or event of default as stipulated in our credit facility agreements with our creditors, including court claims against the Group. Both Management and the legal advisors believe that the Group is not in breach of any conditions of the agreements with the creditors and has not violated any laws and the demands as claims.

Regarding the Convertible Debenture Agreement with JTA, even though JTA expressed their intention to terminate the agreement, by issuing notice to terminate the financial agreement citing cancellation of voidable transactions, material misunderstanding and demanded immediate repayment. They also filed a civil case against the Company which is pending in the court as aforementioned. The Company, recommended by external legal advisors, believes that the Company has not violated any laws as claimed by JTA and the Company will continue to comply with the terms and conditions as stipulated in the agreement. However, regarding the interest payment to JTA under the agreement, after considering the risks with our external legal advisors, there are some legal risks, including but not limited to, the impact payment would have on the legal cases and the uncertain legal classification of any payment to JTA given that JTA has argued that the convertible debentures are void; therefore, the Company should wait for the final civil court decision before proceeding any interest payments to JTA. The Company will continue record the interest payable to JTA as accrued interest payable in accordance with Generally Accepted Accounting Principles. As at 31 March 2018, the interest payable from convertible debenture under court cases amounted to Baht 176.9 million (31 December 2017: Baht 111.5 million), which present under the other payables as disclosed in Notes 3 and 22. In addition, the Company has classified the "Convertible debentures - liability component" to "Convertible debentures under court cases" as non-current liabilities in the statement of financial position. The Company believes that as long as the legal cases are outstanding, the non-payment of interest on convertible debentures does not regard as a default of convertible debenture conditions.

26. Warrants

As at 31 March 2018, details of outstanding warrants, which were issued by the Company, are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants original issued	Warrant offer price	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
GL-W4	Existing shareholders	2 August 2016	165,098,969	-	2 years	Baht 40.00	1 ordinary share

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

Type of warrant	Number of warrants outstanding as at 1 January 2018	Number of warrants issued during the period	Number of warrants exercised during the period	Number of warrants outstanding as at 31 March 2018
GL-W4	164,946,081	-	-	164,946,081

27. Other income related to the activities of hire purchase

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

28. Other income related to the activities of microfinance

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

29. Corporate income tax

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

Income tax expenses for the three-month periods ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	45,622	26,692	24,948	11,389
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,031)	(6,254)	(7,747)	(6,106)
Income tax expense reported in profit or loss	34,591	20,438	17,201	5,283
				54

30. Earnings per share

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

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

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

	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit for the period (Thousand Baht)	104,820	328,131	134,818	45,805
Number of ordinary shares (Thousand shares)	1,525,538	1,525,527	1,525,538	1,525,527
Earnings per share (Baht/share)	0.0687	0.2151	0.0884	0.0300

However, no calculation of diluted earnings per share for the three-month periods ended 31 March 2018 and 2017 was required for GL-W4 and convertible debentures since the effect of diluted earnings per share is antidilutive.

31. Segment information

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

The following tables present revenue information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2018 and 2017, respectively.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 31 March 2018

	Hire purchase and asset- backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance services	Consumer finance service	Item not allocated	Consolidated
Revenues							
External customer	610,423	458	17,452	38,876	19,333	-	686,542
Other income	2,535	9,572	2,808	919	762	-	16,596
Inter segment revenue	111,596	38,760	6,380	-	-	-	156,736
Total revenues	724,554	48,790	26,640	39,795	20,095	-	859,874
Adjustments and eliminations	(111,596)	(38,760)	(6,380)	-	-	-	(156,736)
Total revenues, net	612,958	10,030	20,260	39,795	20,095	-	703,138
Services and administrative expenses	(248,504)	(34,916)	(11,203)	(11,829)	(32,535)	-	(338,987)
Cost of sales	(944)	-	-	-	-	-	(944)
Bad debts and doubtful accounts	(92,713)	-	-	(923)	77	-	(93,559)
Loss on disposals of foreclosed assets	(67,235)	-	-	-	(4,067)	-	(71,302)
Share of profit from investment in associate	-	-	-	-	-	40,072	40,072
Financial cost	-	-	-	-	-	(97,295)	(97,295)
Income tax expense	-	-	-	-	-	(34,591)	(34,591)
Segment profit (loss)	203,562	(24,886)	9,057	27,043	(16,430)	(91,814)	106,532

(Unit: Thousand Baht)

For the three-month period ended 31 March 2017

	Hire Purchase and Asset- backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance services	Consumer finance service	Item not allocated	Consolidated
Revenues							
External customer	598,470	143,020	7,031	4,661	7,040	-	760,222
Other income	19,736	1,370	1,154	1,449	4,151	-	27,860
Inter segment revenue	33,779	(78,705)	4,178	-	139	-	(40,609)
Total revenues	651,985	65,685	12,363	6,110	11,330	-	747,473
Adjustments and eliminations	(33,779)	78,705	(4,178)	-	(139)	-	40,609
Total revenues, net	618,206	144,390	8,185	6,110	11,191	-	788,082
Services and administrative expenses	(221,121)	(20,683)	(2,554)	(2,550)	(10,103)	-	(257,011)
Bad debts and doubtful accounts	(76,844)	-	-	(146)	-	-	(76,990)
Loss on disposals of foreclosed assets	(58,653)	-	-	-	-	-	(58,653)
Share of profit from investment in associate	-	-	-	-	-	55,489	55,489
Financial cost	-	-	-	-	-	(103,123)	(103,123)
Income tax expense	-	-	-	-	-	(20,438)	(20,438)
Segment profit	261,588	123,707	5,631	3,414	1,088	(68,072)	327,356

(Unaudited but reviewed)

Segment assets of the Company and its subsidiaries as at 31 March 2018 and 31 December 2017 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 31 March 2018	<u>7,518,325</u>	<u>142,950</u>	<u>19,139</u>	<u>703,469</u>	<u>96,864</u>	<u>5,667,902</u>	<u>14,148,649</u>
At 31 December 2017	<u>7,595,900</u>	<u>137,172</u>	<u>9,047</u>	<u>697,286</u>	<u>120,584</u>	<u>5,822,002</u>	<u>14,381,991</u>

Geographic information

Revenue from external customers is based on locations of the customers for the three-month periods ended 31 March 2018 and 2017, respectively.

(Unit: Thousand Baht)

For the three-month
period ended 31 March

	<u>2018</u>	<u>2017</u>
Revenue from external customers		
Thailand	437,635	406,852
Cambodia	145,039	180,536
Singapore	6,690	87,835
Cyprus	-	53,635
Luxembourg	-	3,422
Laos	31,717	30,740
Indonesia	31,849	11,761
Myanmar	50,208	6,322
Japan	-	6,979
Total	<u>703,138</u>	<u>788,082</u>

32. Commitments

32.1 Capital commitments

As at 31 March 2018, the Company had capital commitments of approximately USD 0.02 million, relating to the purchase of software licenses and Baht 0.40 million, relating to the building improvement and lease area (31 December 2017: USD 0.02 million and Baht 0.40 million, respectively).

32.2 Operating lease commitments

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

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

	Consolidated financial statement			
	31 March 2018		31 December 2017	
	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	18,512	12,740	20,178	15,616
Thousand USD	132	389	114	411
Thousand IDR	506,930	2,575,440	811,087	2,943,360
Thousand SGD	74	27	126	-
Thousand MMK	73,560	10,920	-	-
	Separate financial statement			
	31 March 2018		31 December 2017	
	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	8,541	7,003	9,185	8,117

32.3 Service commitments

As at 31 March 2018, the Company is required to pay fees of SGD 0.01 million, JPY 0.60 million and Baht 0.20 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (31 December 2017: USD 0.01 million, JPY 0.60 million and Baht 0.20 million per month).

32.4 Guarantees

- 1) As at 31 December 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 March 2018: Nil).
- 2) As at 31 March 2018, there were outstanding bank guarantees of approximately Baht 975.3 million (31 December 2017: Baht 975.3 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 2017: Baht 975.0 million) to guarantee debentures and Baht 0.3 million (31 December 2017: Baht 0.3 million) to guarantee electricity use and use of post services.

As at 31 March 2018, letters of guarantee to guarantee debentures amounting Baht 975.0 million is secured by the agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) and assets foreclosed as disclosed in Notes 5 and 10.

32.5 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.

33. 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:

(Unaudited but reviewed)

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

As at 31 March 2018 and 31 December 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 31 March 2018				
Level 1	Level 2	Level 3	Total	
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	(0.2)	-	(0.2)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2017				
Level 1	Level 2	Level 3	Total	
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	(0.6)	-	(0.6)

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

34. Clarification on Legal proceeding

At the beginning of January 2018, J Trust Asia Pte. Ltd. ("JTA"), a limited company registered in Singapore, has taken legal actions in Thailand and in Singapore against the Company by filing a civil complaint and filing a petition for rehabilitation of the Company and the Company has also taken legal actions in Thailand against JTA by filing civil and criminal complaints as per the following details:

34.1 Litigations in Thailand

1) Civil Case

- a) On 9 January 2018, JTA filed a complaint against the Company, its former executive and its current directors as defendants with the Civil Court, being a civil black case number Por. 83/2561 and the Civil Court scheduled for the first court hearing (i.e. hearing for settlement of issues at dispute) to be on 23 April 2018.

The Company has received a court's summon and copy of the complaint from the Civil Court by posting at registered address of the Company on 11 February 2018. In this regard, the Company has already appointed a lawyer to represent the Company in defending this case.

Pursuant to JTA's complaint (which was amended on 17 January 2018), JTA alleged that the Company and the other defendants jointly conducted fraudulent acts against JTA in relation to the Company's financial status and business profits in order to incentivize JTA to invest in the Company. As a result, legal transactions entered into between JTA and the Company regarding such investments were conducted via declaration of intention as a result of such fraudulent acts or mistake to an essential element regarding the Company's financial status and business profits, and, thus, such legal transactions became voidable. JTA has declared its intention to avoid all transactions concerning investments in the Company and demanded for return of the investments. In addition, JTA alleged that the Company and the other defendants also jointly conducted a wrongful act against JTA. Relying on the aforementioned allegations, JTA filed the complaint demanding the Company and the other defendants to jointly or severally compensate for damages to JTA. The claim amount of this case calculated into THB is an amount of THB 8,020,132,483.88.

On 13 March 2018, The Company has submitted the answer and counterclaim petition to the Civil Court. On 16 March 2018, the Civil Court accepted the answer of the Company but rejected the counterclaim. On 21 March 2018, two directors of the Company have already submitted the answers to the Civil Court which the Civil Court has accepted the answers on 26 March 2018. The Company shall submit the answers of the 5th Defendant to the Civil Court within 11 June 2018.

On 21 March 2018, the Company (the 2nd Defendant) has submitted the petition to the Civil Court requesting the Civil Court to withdraw the complaint of the 2nd Defendant. The Civil Court has rejected the petition of the Company.

On 17 April 2018, the Company (the 2nd Defendant), the 3rd and 4th Defendants, have submitted the petition to the Civil Court requesting the Civil Court to first make a decision on legal issues to set aside JTA's civil claim against the Company which the petition has been accepted by the Civil Court on 18 April 2018. However, the Civil Court has not yet scheduled a hearing date.

On 23 April 2018, the Company received a procedural report from the Civil Court granting an extension for submitting answers to the 1st defendant until 18 May 2018. On the same day, JTA submitted its objection to the petition of the 3rd and 4th Defendant to the Civil Court. The Civil Court adjourned the preliminary hearing to 4 July 2018.

- b) On 30 April 2018, The Company filed another civil complaint against JTA to the Civil Court, being a civil black case number Por. 2313/2561 and the Civil Court scheduled for the first court hearing to be on 20 August 2018.

The complaint provides that JTA filed the petition for rehabilitation of the Company in bad faith and false in essential to injure the Company and conducted a wrongful at against the Company. Therefore, the Company filed the complaint demanding JTA to compensate for damages to the Company. The claim of this case calculated into THB is an amount of THB 880,000,000.

2) Rehabilitation Case

On 10 January 2018, JTA filed the petition for rehabilitation of the Company (the "Petition for Rehabilitation") with the Central Bankruptcy Court, being a black case number For. 1/2561, and the Central Bankruptcy Court accepted the Petition for Rehabilitation for its consideration on 11 January 2018. In this regard, the Central Bankruptcy Court scheduled a hearing date for inquiring of the Petition for Rehabilitation to be on 19 March 2018.

The Company has received a court's summon and copy of the Petition for Rehabilitation from the Central Bankruptcy Court. In this regard, the Company has already appointed a lawyer to represent the Company in defending this case. The Company and other creditors of the Company that disagree with the request for rehabilitation of the Company are entitled to file an objection with the Central Bankruptcy Court by 15 March 2018.

Pursuant to the Petition for Rehabilitation, JTA alleged that JTA was a creditor of the Company for monetary debt incurred due to the avoidance of investment agreements and purchase of convertible debentures in an amount of USD 180,000,000, which could be approximately converted into THB 5,831,298,000, and alleged that the Company was currently in a state of insolvency. However, after consideration by JTA on relevant factors, there were appropriate reasons for the Company to enter into rehabilitation process and there were prospects for rehabilitation of the Company. Therefore, JTA requested the Central Bankruptcy Court to order for the rehabilitation of the Company, and JTA nominated PCL Planner Co., Ltd. as a preparer of the Company's rehabilitation plan.

After the Central Bankruptcy Court issued an order accepting the Petition for Rehabilitation for its consideration, an automatic stay became applicable to the Company onwards until the Central Bankruptcy Court issues any order prescribed in Section 90/12 of the Bankruptcy Act B.E. 2483. However, the automatic stay does not have the effect of ceasing the business operation of the Company. Thus, the Company can continue its business and conduct any action necessary for its ordinary course of business of the Company.

The significant legal effects of the automatic stay are that, during the period where the automatic stay is being applied, all creditors of the Company will be barred from initiating civil lawsuits in relation to the Company's assets and submitting a statement of claim to arbitrators (for all debts incurred prior to the date the Central Bankruptcy Court issues an order approving the rehabilitation plan). In case where there is any civil case pending consideration by the court or any dispute pending consideration by the arbitrators, those proceedings will be temporarily suspended, unless the Central Bankruptcy Court will issue its order otherwise. Furthermore, the Company is also prohibited from disposing, distributing, transferring, granting a lease, making repayment of debt, creating debts, or performing any action having the effect of creating any encumbrance over its properties, except that such action is necessary for the continuance of normal operation of its business, or that the Central Bankruptcy Court allows for the Company to perform such action on a case by case basis. The aforementioned is in accordance with Section 90/12 (4) and (9) of the Bankruptcy Act B.E. 2483.

On 16 February 2018, the Company submitted a petition requesting for entering into transaction to the Central Bankruptcy Court for protection of the interests of the investors and shareholders, where the impacts thereof have been considered, and the Central Bankruptcy Court granted the Company permission to repay interest under debentures issued by the Company pursuant to the existing terms and conditions, including execution of relevant documents in relation to such matters whereby those actions are deemed necessary for management of the Company's funds for the continuation of the Company's business operation without Central Bankruptcy Court's approval.

On 9 March 2018, the Company submitted to the Central Bankruptcy Court a petition requesting the Central Bankruptcy Court's permission to refrain from submitting the documentary evidence according to the summons for the rehabilitation which the Company obtained permission from the Central Bankruptcy Court.

On 12 March 2018, the Company has submitted an objection of petition for business rehabilitation to the Central Bankruptcy Court. In such objection of business rehabilitation, the Company requests the Central Bankruptcy Court to dismiss the petition without having to conduct any further examination of such petition as the Company is not insolvent nor lack the financial liquidity and it has an ability to repay debts as scheduled. In addition, there is no reason that the Company should enter into the business rehabilitation process.

On 19 March 2018, the Central Bankruptcy Court has an order to dismiss the petition of JTA.

The Central Bankruptcy Court dismissed JTA's petition resulting the Company to be no longer subject to the automatic stay and be entitled to enter into any transaction without any condition or limitation. On 5 May 2018, the Company received court summons stating that JTA filed an appeal against such decision of the Central Bankruptcy Court on 17 April 2018 which has been accepted by the Central Bankruptcy Court on 18 April 2018.

3) Criminal Case

- a) On 11 April 2018, The Company filed a criminal complaint against JTA, Mr. Nobuyoshi Fujisawa, Mr. Shigeyoshi Asano and the legal counsel as 1st, 2nd, 3rd and 4th Defendants with the Central Bankruptcy Court, being a criminal black case No. Or.6/2561 and the Central Bankruptcy Court scheduled for the first court hearing to be on 25 June 2018.

The complaint provides JTA and others defendants filed the rehabilitation petition against the Company to the Central Bankruptcy Court that is false in essential as the Company is not insolvent and has never defaulted in repayment of debts. The current business operation of the Company is also good. Therefore, JTA's action may cause damaged to the Company, the Company's creditors, the others or public.

- b) J Trust Co., Ltd., as 1st Plaintiff, and JTA, as 2nd Plaintiff, filed a criminal case with the Criminal Court against the Company, on 3 May 2018. The Company received the Court's summons and a copy of complaint from the Criminal Court by posting at the Company's registered address on 12 May 2018, being black case No. Aor.1346/2561. The Complaint is based on defamation. The preliminary hearing is scheduled for 9 July 2018.

The Complaint provides that the Company committed a defamation action through the Company's websites.

The aforementioned criminal cases, however, did not claim any monetary compensation for damages.

34.2 Litigation in Singapore

JTA commenced legal proceedings in the Singapore court against Group Lease Holdings Pte. Ltd. ("GLH"), a wholly-owned subsidiary of the Company registered in Singapore, and a former executive of the Company, on 26 December 2017. JTA's primary claim is that GLH, had acted in conspiracy with other defendants to injure JTA by inducing them to invest in the Company. JTA contend that the Company had misrepresented its financial position and they have therefore suffered loss in the value of these investments.

In this regard, JTA applied for and obtained on 26 December 2017 an ex parte interim injunction order restraining GLH (and the former executive) from dealing with or disposing of its assets in Singapore up to the value of USD 180,000,000 (save allowances for ordinary living and business expenses, and legal fees).

JTA subsequently applied to expand the scope of the ex parte interim injunction order to (i) cover the assets of GLH (and the former executive) worldwide instead of just Singapore; and (ii) also restrain dealings with and disposals of assets in relation to certain transaction in the ordinary course of business.

GLH vigorously denies JTA's claims, and has duly engaged lawyers in Singapore to defend against these allegations. Among others, GLH applied to set aside and discharge the ex parte interim injunction order.

On 23 February 2018, the High Court granted the GLH's setting aside application and discharged the ex parte interim injunction order. In addition, the High Court dismissed JTA's applications to expand the scope of the ex parte interim injunction order. Therefore, GLH (and the former executive) are no longer under any restraints in relation to the use and/or dealings with their assets.

On 26 February 2018, JTA applied for leave to appeal to the Singapore Court of Appeal. JTA were required to seek leave/permission from the court before filing an appeal because it is not entitled as of right to file an appeal against this order. JTA was granted leave to appeal on 5 March 2018, and filed its appeal to the Court of Appeal on 6 March 2018.

JTA also filed two applications seeking the continuation of the ex parte interim injunction order pending the appeal. Both these applications were dismissed. As such GLH (and former executive) remain free of any restraint in relation to the use and/or dealings of their assets notwithstanding the appeal.

The appeal was subsequently heard by the Singapore Court of Appeal on 16 April 2018, and parties are currently awaiting issuance of the final decision.

In the meantime, parties have verbally received directions from Singapore High Court to continue with the main proceedings (i.e. toward substantive trial and final determination of JTA's claim), and have since exchanged requests for further and better particulars of the pleadings filed.

As discussed in the Notes 34.1 and 34.2, the Group is aware of the importance of the above situation and, together with our external legal advisors, has considered the likelihood that there has been any breach of covenants or event of default as stipulated in our credit facility agreements with our creditors, including court claims against the Group. Both Management and the legal advisors believe that the Group is not in breach of any conditions of the agreements with the creditors and has not violated any laws and the demands as claims.

Regarding the Convertible Debenture Agreement with JTA, even though JTA expressed their intention to terminate the agreement, by issuing notice to terminate the financial agreement citing cancellation of voidable transactions, material misunderstanding and demanded immediate repayment. They also filed a civil case against the Company which is pending in the court as aforementioned. The Company, recommended by external legal advisors, believes that the Company has not violated any laws as claimed by JTA and the Company will continue to comply with the terms and conditions as stipulated in the agreement. However, regarding the interest payment to JTA under the agreement, after considering the risks with our external legal advisors, there are some legal risks, including but not limited to, the impact payment would have on the legal cases and the uncertain legal classification of any payment to JTA given that JTA has argued that the convertible debentures are void; therefore, the Company should wait for the final civil court decision before proceeding any interest payments to JTA. The Company will continue record the interest payable to JTA as accrued interest payable in accordance with Generally Accepted Accounting Principles. The Company believes that as long as the legal cases are outstanding, the non-payment of interest on convertible debentures does not regard as a default of convertible debentures conditions.

35. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2018.