

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

On 16 October 2017, the former Chairman and Chief Executive Officer (“ex-CEO”) was accused by SEC for, among others, falsehood in accounting with concealed act and was referred to the Department of Special Investigation (“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 allegation 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 alleged ‘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 ended 30 September 2017. However, subsequently on 16 January 2018, the SEC ordered the Company again to correct the past financial statements relevantly. In an attempt to respond the SEC's order again, it has retroactively restated its past financial statements for the year 2017 (and 2016 comparative financial statements) for the loan portion alleged by the SEC and presented those past financial information here for comparative purpose as explained in Note 39 to the financial statements. Please also refer to our audit report paragraph 1(e).

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. However, during the third quarter of current year, the Company reversed USD 0.75 million of that provision, in line with the decline in the balance receivable from companies related to the ex-CEO.

(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 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 ex-CEO, 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 other countries and all the assets of securities previously provided against the "loans" to ensure realisation on their value at maximum for eventual restitution. The substantial 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 still receives the subsidiary director compensation as usual) and of others.

(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 finalised 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 which is subject to the efforts of recovery of the Group's assets alleged by the SEC by the new management and also I am unable to conclude whether there should be more adjustment on the past financial statements because the Company had amended its past financial statements based on the figures of loans as made known to the Company from the SEC's allegation. The amendment had been made on the 2017 financial statements (and 2016 comparative financial statements) but not on the 2015 financial statements because the Company considers the effect in 2015 as immaterial.

- (e) Reclassification as “Disputed loans” (as alleged by the SEC) instead of “Loans to Cyprus and Singapore group” and reversal of amount previously shown as 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 alleged fraud, which was portrayed as loans granted by the Group to the ‘borrowers’ in Cyprus and Singapore and reversal of previous interest income.

- 1) Portion of loans alleged by the SEC of USD 54 million - Already restated in the past financial statements

- The Company has retroactively restated the financial statements for the year 2017 financial statements (and 2016 comparative financial statements) whereby it has not recognised interest income as revenue but cash received from interest has been treated as a part of loan repayment.

	For the year ended 31 December		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Million	Million	Million
	Baht	Baht	Baht
<u>Consolidated Income Statement:</u>			
Profit (loss) as previously reported	(1,823)	1,063	583
Interest income not recognised as revenue	(177)	(234)	-
(Interest income reversed by quarter as follows:			
1 st quarter of 2017 Baht 70 million			
2 nd quarter of 2017 Baht 55 million			
3 rd quarter of 2017 Baht 52 million)			
Reversal of a part of provision for loss as recorded in the third quarter of the year 2017 (because the outstanding balance of loans was reduced as a result of deducting interest received)	393	-	-
Profit (loss) as restated	<u>(1,607)</u>	<u>829</u>	<u>583</u>

Note: Because the effect of adjustment to profit and loss for the year 2015 was only Baht 34 million which is regarded by the Company as immaterial, the Company had not amended the 2015 financial statements but included that amount in the 2016 adjustment and amend the 2016 financial statements.

- In addition, the Company has reclassified from the “Loans to Cyprus and Singapore group” to “Disputed loans” (as alleged by the SEC). The Company had set up full provision against those loans in the year 2017. The Company has stopped recognising interest income on these loans since the fourth quarter of 2017.

	<u>As at 31 December</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Million	Million	Million
	Baht	Baht	Baht
<u>Consolidated Statement of Financial Position:</u>			
Disputed loans (as alleged by the SEC) and interest receivable as previously included in normal loans	975	2,053	1,158
Less: Interest receivable as previously included in normal interest receivable	(35)	(115)	-
Less: Interest received which is regarded as loan repayment	(349)	(122)	-
	<u>591</u>	<u>1,816</u>	<u>1,158</u>
Provision for loss as restated	(591)	-	-
Disputed loans (as alleged by the SEC) as restated	<u>-</u>	<u>1,816</u>	<u>1,158</u>

2) Portion of loans granted to the same borrowers which is not alleged by SEC of USD 44 million - No amendment of past financial statements retroactively

The Company has still included this portion as normal loans in the statement of financial position and recognised interest income in the past financial statements as usual and there was no amendment of past financial statements. This is because the Company has no information to confirm that this portion is of the same type as that alleged by the SEC. However, the Company has set up full provision against these loans in 2017. The Company has stopped recognising interest income on these loans since the fourth quarter of 2017.

In the future, if there is information confirming that this portion is of the same type of that alleged by the SEC, the past financial statements would have to be amended accordingly, as follow:

	<u>For the year ended 31 December</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Million Baht	Million Baht	Million Baht
<u>Consolidated Income Statement:</u>			
Interest income recognised as usual which would have to be reversed, resulting in decrease in profits	(200)	(283)	(139)
(Interest income which would have to be reversed by quarter as follows: 1 st quarter of 2017 Baht 72 million 2 nd quarter of 2017 Baht 72 million 3 rd quarter of 2017 Baht 56 million)			
Reversal of a part of provision for loss as recorded in the third quarter of the year 2017 (because the outstanding balance of loans was reduced as a result of deducting interest received), resulting increase in profits	593	-	-
Net	<u>393</u>	<u>(283)</u>	<u>(139)</u>

	<u>As at 31 December</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Million Baht	Million Baht	Million Baht
<u>Consolidated Statement of Financial Position:</u>			
This portion of loans and interest receivables included in the normal loans balance as previously reported	937	1,663	1,579
Less: Interest receivable as previously included in normal interest receivable	(46)	(165)	(74)
Less: Interest received which is regarded as loan repayment	<u>(535)</u>	<u>(263)</u>	<u>(67)</u>
	356	1,235	1,438
Provision for loss as recorded in the year 2017	<u>(356)</u>	<u>-</u>	<u>-</u>
Net	<u>-</u>	<u>1,235</u>	<u>1,438</u>

2. Scope of Review and Qualified Conclusion

I have reviewed the accompanying consolidated statement of financial position of Group Lease Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Group Lease Public Company Limited for the same 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 had 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 (restated), presented as comparative information, and my opinion was a qualified opinion on the matters as discussed in Basis for Qualified Conclusion paragraph.

The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Group Lease Public Company Limited and its subsidiaries and the separate financial information of Group Lease Public Company Limited for the same periods as presented here in for comparative purpose have been restated i.e. interest income on loans alleged by the SEC has been reversed and I provided a conclusion on the review to a Qualified Conclusion on those financial statements for the similar reasons.

3. Emphasis of matters

I draw attention to the following matters:

- 3.1) Loans and interest receivables (included disputed loans) – Baht 1,557 million (before provision for loss) as of 30 September 2018, represents 21 percent of the consolidated net assets (As of 31 December 2017 - as restated: Baht 1,569 million - 22 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 30 September 2018 and 31 December 2017, no Company's shares remained part of the collaterals against the two purported 'loans'.

On 19 October 2017, the Company received a request from the SEC to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by the SEC to the DSI on 16 October 2017 against former executive director.

The Company had corrected by reclassification from the “Loans to Cyprus and Singapore group” of USD 54 million to “Disputed loans”. In portion of disputed loans by the SEC of USD 54 million, the Company had retroactively restated the financial statements for the year ended 31 December 2017 as comparative information whereby it had not recognised interest income as revenue, but cash received from interest had been treated as a part of loan repayment. In addition, the Company had set up full provision against those loans since the year 2017 and stopped recognising interest income on these loans since the fourth quarter of 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.

In April 2018, the Management of the Company's subsidiary issued notices of repayment to of the remainder of the outstanding loan amounts and interest due to 31 May 2018 to all the Singapore and Cyprus borrowers. In the third quarter of 2018 the subsidiary proceeded with enforcement of securitised collateral in Brazil for loan debt of USD 15 million and accrued interest. Currently, legal proceedings are ongoing. The Company will closely monitor the progress of repayment, and will proceed in accordance with the terms and conditions set out in the individual agreements until the outstanding loan amounts due are settled in full.

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

3.2) Investment in associated company in Sri Lanka - As of 30 September 2018 - Baht 2,008 million (investment value under equity method Baht 2,590 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 30 September 2018, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 2,008 million (investment value under equity method Baht 2,590 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 third quarter 2018, the total value was only approximately Baht 493 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 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 3.5). 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 30 September 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 30 September 2018 and 31 December 2017, the carrying value of this investment is Baht 718 million and Baht 654 million, respectively. The increase in carrying value of investment is as a result of capital increase from acquisition date total to Baht 432 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 substantial 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.

a) Legal cases in Thailand (Note 37.1)

In January 2018, one substantial holder of the Company's convertible debentures 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 and filed a criminal complaint. Please see more details in Note 37.1 to the financial statements.

b) Legal cases in Singapore (Note 37.2)

The substantial holder of the Company's convertible debentures also filed lawsuits against the Company's subsidiary in Singapore accusing the Company's subsidiary in acting in conspiracy to cause damages and entice them to invest in the Company by misrepresenting the financial position of the Company and the resulting loss in value of their investments. Please see more details in Note 37.2 to the financial statements.

c) Legal cases in Indonesia (Note 37.3)

The joint finance partner of the Company's subsidiary under joint finance arrangement also filed lawsuits against the Company's subsidiary in Indonesia accusing the Company's subsidiary for repayment of loan facilities as well as compensation payments for an alleged breach of agreement between the parties (of approximately Baht 226 million). Please see more details in Note 37.3 to the financial statements.

The Company believes and maintains that it does not breach any conditions in the convertible debenture agreements, joint finance agreements and the claims are without merits.

Furthermore, interest payments on the convertible debentures of approximately Baht 292 million (USD 9 million) are due in the third quarter of 2018. The Company has decided to suspend payment of interest on convertible debentures, and believes that as long as the legal cases are outstanding, the non-payment of interest on convertible debentures does constitute a breach of the terms and conditions of the convertible debentures.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 14 November 2018

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	3,539,061	3,079,901	331,252	119,941
Current investments		-	47,800	-	-
Current portion of hire purchase and installment sales receivables	5	3,182,030	3,194,770	2,144,888	2,024,727
Current portion of asset-backed loan receivables	6	240,745	269,593	-	-
Current portion of microfinance receivables	7	473,313	378,429	-	-
Current portion of consumer finance receivables under joint financing arrangements	8	12,210	14,078	-	-
Current portion of disputed loans	9	-	-	-	-
Current portion of loans and interest receivables	9	41,601	549	-	-
Inventories		1,797	43	-	-
Assets foreclosed	10	83,118	87,952	16,552	12,309
Short-term loan to and interest receivables from subsidiary	3	-	-	129,527	165,550
Other receivables	3, 11	97,297	82,414	27,303	22,392
Other current assets	3, 12	153,337	247,706	69,307	92,425
Total current assets		7,824,509	7,403,235	2,718,829	2,437,344
Non-current assets					
Pledged fixed deposit at financial institution	13	5,850	11,647	340	337
Investments in subsidiaries	14	-	-	3,590,302	3,590,302
Investments in associate	15	2,008,354	2,022,555	-	-
Other long-term investments	16	670,996	670,996	-	-
Long-term portion of hire purchase and installment sales receivables	5	3,249,732	3,358,399	2,194,889	2,094,610
Long-term portion of asset-backed loan receivables	6	68,416	76,824	-	-
Long-term portion of microfinance receivables	7	12,958	39,527	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	8	12,306	42,513	-	-
Long-term portion of disputed loans	9	-	-	-	-
Long-term portion of loans and interest receivables	9	-	40,840	-	-
Long-term portion of loans to subsidiary	2.2, 3	-	-	5,300,726	5,345,593
Property, plant and equipment	17	116,222	135,520	63,865	71,487
Intangible assets	18	127,633	116,001	85,581	74,483
Goodwill		336,383	338,658	-	-
Deferred tax assets		105,619	53,063	61,929	32,892
Other non-current assets	19	69,939	72,213	34,067	35,127
Total non-current assets		6,784,408	6,978,756	11,331,699	11,244,831
Total assets		14,608,917	14,381,991	14,050,528	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 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	-	65,239	-	-
Trade accounts payables		21,897	4,923	15,594	1,489
Deposits from customers	21	38,673	22,906	-	-
Short-term loan from and interest payable	22	19,573	-	-	-
Current portion of long-term loans	24	23,283	102,764	-	-
Current portion of long-term loans from subsidiary	3	-	-	-	40,000
Current portion of debentures	25	1,482,288	-	1,482,288	-
Income tax payable		45,951	75,637	4,250	14,924
Insurance premium payables		6,060	9,163	3,834	4,794
Other payables	3, 23	546,141	266,317	460,131	255,439
Derivatives liability	36	-	606	-	-
Other current liabilities	3	108,555	129,110	65,155	76,393
Total current liabilities		2,292,421	676,665	2,031,252	393,039
Non-current liabilities					
Convertible debentures under court cases	26	5,786,351	5,833,885	5,786,351	5,833,885
Long-term portion of long-term loans	24	5,316	19,491	-	-
Long-term portion of debentures	25	-	1,469,590	-	1,469,590
Convertible debentures - liability component	26	634,433	639,571	634,433	639,571
Provision for long-term employee benefits		14,762	11,768	14,762	11,768
Deferred tax liability		3,199	3,226	-	-
Cash guarantee for damage on hire purchase agreements		2,180	2,180	2,064	2,064
Total non-current liabilities		6,446,241	7,979,711	6,437,610	7,956,878
Total liabilities		8,738,662	8,656,376	8,468,862	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 30 September 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited) (Restated)	(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				
1,525,538,158 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	182,804	(144,390)	(525,489)	(774,897)
Other components of shareholders' equity	(482,694)	(303,130)	59,458	59,458
Total equity attributable to owner of the Company	5,747,807	5,600,177	5,581,666	5,332,258
Non-controlling interests of the subsidiaries	122,448	125,438	-	-
Total shareholders' equity	5,870,255	5,725,615	5,581,666	5,332,258
Total liabilities and shareholders' equity	14,608,917	14,381,991	14,050,528	13,682,175
	-	-	-	-

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

Directors

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income
For the three-month period ended 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017
Profit or loss					
Revenues					
Hire purchase interest income		515,985	516,329	337,439	311,407
Asset - backed loan interest income		39,607	43,650	-	-
Microfinance interest income		42,031	14,302	-	-
Consumer finance under joint financing arrangements interest income		17,899	16,294	-	-
Interest on loan receivables		474	56,842	-	-
Sales		1,901	-	-	-
Other income					
Interest income		16,759	10,732	95,115	104,836
Consulting service fee income		-	6,630	-	-
Management service fee income		-	-	21,000	21,000
Other income related to the activities of hire purchase	28	80,109	62,986	32,354	33,007
Other income related to the activities of microfinance	29	2,816	1,216	-	-
Gain on exchange rate		-	383	32,373	19,642
Others	30	11,975	3,711	12,373	3,754
Total revenues		729,556	733,075	530,654	493,646
Expenses					
Service and administrative expenses		318,895	310,524	168,014	158,484
Bad debts and doubtful accounts		120,350	54,670	74,731	48,623
Cost of sales		1,616	-	-	-
Expense allowance on disputed loans		-	603,179	-	-
Expense allowance on loan and interest receivables		-	956,637	-	-
Loss on disposals of assets foreclosed		93,599	63,141	74,697	54,894
Expense (reversal) of allowance on other receivables		(19,478)	202,348	-	-
Expense (reversal) of allowance on other current assets		(5,635)	38,825	-	-
Expense allowance on investment loss in subsidiary		-	-	-	2,426,818
Expense allowance on investment loss in associate		-	582,085	-	-
Expense allowance on exclusive right		-	55,937	-	-
Total expenses		509,347	2,867,346	317,442	2,688,819
Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses					
		220,209	(2,134,271)	213,212	(2,195,173)
Share of profit from investment in associate	15	10,855	28,882	-	-
Profit (loss) before finance cost and income tax expenses		231,064	(2,105,389)	213,212	(2,195,173)
Finance cost		(99,982)	(112,020)	(98,109)	(107,177)
Profit (loss) before income tax expenses		131,082	(2,217,409)	115,103	(2,302,350)
Income tax expenses	31	(26,443)	(50,016)	(22,396)	(22,581)
Profit (loss) for the period		104,639	(2,267,425)	92,707	(2,324,931)
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		(60,282)	(52,024)	-	-
Share of other comprehensive income from investment in associate - net of income tax	15	(71,269)	(13,876)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(131,551)	(65,900)	-	-
Other comprehensive income for the period		(131,551)	(65,900)	-	-
Total comprehensive income for the period		(26,912)	(2,333,325)	92,707	(2,324,931)

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

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Profit (loss) attributable to:				
Equity holders of the Company	102,406	(2,266,338)	92,707	(2,324,931)
Non-controlling interests of the subsidiaries	2,233	(1,087)		
	<u>104,639</u>	<u>(2,267,425)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(20,603)	(2,330,073)	92,707	(2,324,931)
Non-controlling interests of the subsidiaries	(6,309)	(3,252)		
	<u>(26,912)</u>	<u>(2,333,325)</u>		

(Unit: Baht)

Earnings per share		33		
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	0.0671	(1.4856)	0.0608	(1.5240)
Weighted average number of ordinary shares (Thousand shares)	<u>1,525,538</u>	<u>1,525,538</u>	<u>1,525,538</u>	<u>1,525,538</u>

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

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Profit or loss				
Revenues				
	1,554,029	1,549,021	996,211	908,391
Hire purchase interest income				
Asset - backed loan interest income	121,622	119,153	-	-
Microfinance interest income	122,267	24,769	-	-
Consumer finance under joint financing arrangements				
interest income	55,309	35,586	-	-
Interest on loan receivables	1,398	201,189	-	-
Sales	5,039	-	-	-
Other income				
Interest income	43,248	26,410	276,640	305,288
Consulting service fee income	-	20,409	-	-
Management service fee income	-	-	63,000	63,000
Other income related to the activities of hire purchase	28 228,912	167,367	95,876	97,258
Other income related to the activities of microfinance	29 7,847	2,242	-	-
Dividend income	14 -	-	-	343,768
Gain on exchange rate	-	120,452	14,408	19,642
Others	30 22,036	16,207	18,672	15,206
Total revenues	2,161,707	2,282,805	1,464,807	1,752,553
Expenses				
Service and administrative expenses	985,905	839,424	483,645	436,285
Bad debts and doubtful accounts	326,637	222,415	204,240	143,591
Cost of sales	4,327	-	-	-
Expenses allowance on disputed loans	-	603,179	-	-
Expense allowance on loan and interest receivables	-	956,637	-	-
Loss on disposals of assets foreclosed	232,995	172,925	191,743	154,530
Expense (reversal) of allowance on other receivables	(19,478)	202,348	-	-
Expense (reversal) of allowance on other current assets	(5,635)	38,825	-	-
Expense allowance on investment loss in subsidiary	-	-	-	2,426,818
Expense allowance on investment loss in associate	-	582,085	-	-
Expense allowance on exclusive right	-	55,937	-	-
Total expenses	1,524,751	3,673,775	879,628	3,161,224
Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses				
	636,956	(1,390,970)	585,179	(1,408,671)
Share of profit from investment in associate	15 86,790	121,100	-	-
Profit (loss) before finance cost and income tax expenses	723,746	(1,269,870)	585,179	(1,408,671)
Finance cost	(296,382)	(342,069)	(289,922)	(324,480)
Profit (loss) before income tax expenses	427,364	(1,611,939)	295,257	(1,733,151)
Income tax expenses	31 (90,209)	(115,944)	(45,849)	(56,746)
Profit (loss) for the period	337,155	(1,727,883)	249,408	(1,789,897)
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	(108,129)	(529,315)	-	-
Share of other comprehensive income from investment in associate - net of income tax	15 (82,725)	(68,176)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(190,854)	(597,491)	-	-
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:	(1,661)	603	-	-
Other comprehensive income for the period	(192,515)	(596,888)	-	-
Total comprehensive income for the period	144,640	(2,324,771)	249,408	(1,789,897)

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

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Profit (loss) attributable to:				
Equity holders of the Company	328,855	(1,725,185)	249,408	(1,789,897)
Non-controlling interests of the subsidiaries	8,300	(2,698)		
	<u>337,155</u>	<u>(1,727,883)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	147,630	(2,316,612)	249,408	(1,789,897)
Non-controlling interests of the subsidiaries	(2,990)	(8,159)		
	<u>144,640</u>	<u>(2,324,771)</u>		

(Unit: Baht)

Earnings per share		33
Basic earnings per share		
Profit (loss) attributable to equity holders of the Company	0.2156	(1.1309)
Weighted average number of ordinary shares (Thousand shares)	<u>1,525,538</u>	<u>1,525,535</u>

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

Group Lease Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to the owners of the Company													
Note	Other components of shareholders' equity												
	Retained earnings (Deficit)					Other comprehensive income			Convertible debentures - equity component	Total other components the owners of the Company	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Appropriated - statutory reverse	Unappropriated	Unrealised gain on changes in fair value of available-for-sale from associate	Revaluation gain on land and building from associate	Exchange differences on translation of financial statements in foreign currency					
Balance as at 1 January 2017 (as previously reported)	762,755	5,191,580	365	92,255	2,101,423	1,793	-	248,421	10,043	260,257	8,408,615	92,295	8,500,910
Correction of accounting errors	-	-	-	-	(233,778)	-	-	(3,022)	-	(3,022)	(236,800)	-	(236,800)
Balance as at 1 January 2017 (as restated)	762,755	5,191,580	365	92,255	1,867,645	1,793	-	245,399	10,043	257,235	8,171,815	92,295	8,264,110
Loss for the period (restated)	-	-	-	-	(1,725,185)	-	-	-	-	-	(1,725,185)	(2,698)	(1,727,883)
Other comprehensive income for the period (restated)	-	-	-	-	603	(439)	352	(591,943)	-	(592,030)	(591,427)	(5,461)	(596,888)
Total comprehensive income for the period (restated)	-	-	-	-	(1,724,582)	(439)	352	(591,943)	-	(592,030)	(2,316,612)	(8,159)	(2,324,771)
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
Dividend paid	32	-	-	-	(415,088)	-	-	-	-	-	(415,088)	-	(415,088)
Issue convertible debentures - equity component	-	-	-	-	-	-	-	-	49,415	49,415	49,415	-	49,415
Effect on cumulative exchange difference adjustment	-	-	-	-	5,661	-	-	(5,661)	-	(5,661)	-	-	-
Balance as at 30 September 2017 (as restated)	762,769	5,192,673	-	92,255	(266,364)	1,354	352	(352,205)	59,458	(291,041)	5,490,292	128,908	5,619,200
Balance as at 1 January 2018 (as previously reported)	762,769	5,192,673	-	92,255	(126,109)	2,580	352	(383,801)	59,458	(321,411)	5,600,177	125,438	5,725,615
Correction of accounting errors	39	-	-	-	(18,281)	-	-	18,281	-	18,281	-	-	-
Balance as at 1 January 2018 (as restated)	762,769	5,192,673	-	92,255	(144,390)	2,580	352	(365,520)	59,458	(303,130)	5,600,177	125,438	5,725,615
Profit for the period	-	-	-	-	328,855	-	-	-	-	-	328,855	8,300	337,155
Other comprehensive income for the period	-	-	-	-	(1,661)	(568)	-	(178,996)	-	(179,564)	(181,225)	(11,290)	(192,515)
Total comprehensive income for the period	-	-	-	-	327,194	(568)	-	(178,996)	-	(179,564)	147,630	(2,990)	144,640
Balance as at 30 September 2018	762,769	5,192,673	-	92,255	182,804	2,012	352	(544,516)	59,458	(482,694)	5,747,807	122,448	5,870,255

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

(Unaudited but reviewed)

Group Lease Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Separate financial statements

	Note	Issued and paid-up		Share subscription received in advance	Retained earnings (Deficit)		Other components	Total shareholders' equity
		share capital	Share premium		Appropriated - statutory reverse	Unappropriated	shareholders' equity 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
Loss for the period		-	-	-	-	(1,789,897)	-	(1,789,897)
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	(1,789,897)	-	(1,789,897)
Issuance of ordinary shares during period								
from the exercise of warrants		10	752	-	-	-	-	762
Issuance of ordinary shares during period								
from transferring of share subscription received in advance		4	361	(365)	-	-	-	-
Dividend paid	32	-	-	-	-	(415,088)	-	(415,088)
Issue convertible debentures - equity component		-	-	-	-	-	49,415	49,415
Balance as at 30 September 2017		<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>(886,528)</u>	<u>59,458</u>	<u>5,220,627</u>
Balance as at 1 January 2018		762,769	5,192,673	-	92,255	(774,897)	59,458	5,332,258
Profit for the period		-	-	-	-	249,408	-	249,408
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	249,408	-	249,408
Balance as at 30 September 2018		<u>762,769</u>	<u>5,192,673</u>	<u>-</u>	<u>92,255</u>	<u>(525,489)</u>	<u>59,458</u>	<u>5,581,666</u>

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

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
		(Restated)		
Cash flows from operating activities				
Profit (loss) before tax	427,364	(1,611,939)	295,257	(1,733,151)
Adjustments to reconcile profit (loss) before tax to net cash provided by operating activities:				
Depreciation	30,715	30,240	11,293	13,092
Amortisation	9,752	7,823	4,161	3,038
Bad debts and doubtful accounts	329,812	244,802	204,240	165,979
Expense allowance on disputed loans	-	603,179	-	-
Expense allowance on loan and interest receivables	-	956,637	-	-
Loss on disposals of assets foreclosed	232,995	172,925	191,743	154,530
Loss (reversal of loss) on diminution in value of assets foreclosed	5,319	(4,543)	3,718	(5,279)
Expense (reversal) of allowance on other receivables	(19,478)	202,347	-	-
Expense (reversal) of allowance on other current assets	(5,635)	38,825	-	-
Expense allowance on investment loss in subsidiary	-	-	-	2,426,818
Expense allowance on investment loss in associate	-	582,085	-	-
Loss (gain) on disposal and write-off of assets	3,229	(48)	(116)	(89)
Loss on write off of intangible assets	-	602	-	-
Expense allowance on exclusive right	-	55,937	-	-
Exchange gain from liabilities settlement within the group	-	-	(4,760)	-
Unrealised exchange (gain) loss	26,767	(112,911)	(9,293)	(16,529)
Provision for long-term employee benefits	2,994	2,986	2,994	2,693
Share of profit from investments in associate	(86,790)	(121,100)	-	-
Dividend income	-	-	-	(343,768)
Interest income	(43,248)	(26,410)	(276,640)	(305,288)
Interest expenses	281,925	324,454	275,496	309,973
Amortised front end fees of loans	31	3,108	-	-
Amortised transaction cost of debentures	12,698	13,026	12,698	13,026
Amortised transaction cost of convertible debentures	1,728	1,481	1,728	1,481
Profit from operating activities before changes in operating assets and liabilities	1,210,178	1,363,506	712,519	686,526
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(179,618)	(326,900)	(424,680)	(424,748)
Asset - backed loan receivables	25,448	(69,316)	-	-
Microfinance receivables	(77,413)	(157,057)	-	-
Consumer finance receivables under joint financing arrangements	29,147	(49,643)	-	-
Disputed loans	-	1,212,636	-	-
Loans and interest receivables	15,840	699,024	-	-
Inventories	(1,754)	-	-	-
Assets foreclosed	(233,396)	(202,592)	(199,704)	(139,853)
Other receivables	(1,252)	(78,053)	(15,687)	(3,138)
Other current assets	42,028	54,453	7,195	8,117
Other non-current assets	2,250	12,514	1,017	12,559

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

Group Lease Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Operating liabilities increase (decrease)				
Trade accounts payable	16,972	3,373	14,105	4,805
Deposit from customers	15,767	6,089	-	-
Insurance premium payables	(3,103)	(3,447)	(961)	(2,398)
Other payables	59,839	23,844	160,130	80,478
Other current liabilities	(33,085)	(78,799)	(11,337)	(23,164)
Derivatives liabilities	(606)	965	-	-
Cash flows from operating activities	887,242	2,410,597	242,597	199,184
Cash paid for interest expenses	(63,083)	(292,501)	(56,486)	(278,849)
Cash paid for corporate income tax	(111,648)	(118,548)	(28,181)	(36,729)
Net cash flows from (used in) operating activities	712,511	1,999,548	157,930	(116,394)
Cash flows from investing activities				
Decrease (increase) in current investments	47,800	(49,000)	-	-
Decrease (increase) in pledged fixed deposits at financial institution	5,797	(11,603)	(3)	(3)
Decrease (increase) in accounts receivable and loans to employees	45	(1,343)	45	(1,343)
Cash paid for acquisition of investment in subsidiary	-	(18,579)	-	-
Cash paid for transaction cost of investments in associate	-	(3,579)	-	-
Cash paid for transaction cost of other long-term investments	-	(1,927)	-	-
Cash paid for acquisition of investment in held to maturity debt securities	-	(192,718)	-	-
Cash paid for acquisitions of equipments	(18,985)	(37,339)	(3,686)	(8,687)
Cash paid for acquisitions of intangible assets	(21,765)	(35,511)	(16,490)	(18,503)
Proceeds from sales of equipment	1,235	307	131	296
Proceeds from sales of intangible assets	-	-	1,231	-
Cash paid for short-term loan to subsidiary	-	-	-	(1,770,519)
Cash received from short-term loans	-	-	-	767,064
Dividend received	13,791	32,079	-	343,768
Interest received	46,068	23,596	264	525,439
Cash received from liabilities settlement within the group	-	-	111,889	-
Net cash flows from (used in) investing activities	73,986	(295,617)	93,381	(162,488)

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

Group Lease Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
		(Restated)		
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(65,239)	(429,092)	-	(452,077)
Cash received from short-term loans from related parties	-	344,501	-	-
Repayment of short-term loans from related parties	-	(347,838)	-	(110,000)
Cash received from short-term loan	18,739	-	-	-
Cash received from long-term loans from subsidiary	-	-	-	120,000
Repayment of long-term loans from subsidiary	-	-	(40,000)	(85,300)
Cash received from long-term loans	-	889,582	-	730,000
Repayment of long-term loans	(100,824)	(1,427,428)	-	(1,307,130)
Cash paid for front end fees of loans	-	(1,034)	-	-
Repayment of debentures	-	(500,000)	-	(500,000)
Cash received from issuance of convertible debentures	-	1,837,992	-	1,959,553
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	-	-
Dividend paid	-	(415,088)	-	(415,088)
Net cash flows used in financing activities	(147,324)	(4,498)	(40,000)	(60,908)
Exchange differences on translation of financial statements in foreign currency	(180,013)	(523,743)	-	-
Net increase (decrease) in cash and cash equivalents	459,160	1,175,690	211,311	(339,790)
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)	3,539,061	3,726,914	331,252	128,932
Supplemental cash flows information				
Non-cash item				
Transferred assets foreclosed to equipment	41	22	-	-
Transferred equipment to assets foreclosed	115	65	-	-
Transferred of share subscription received in advance during the period 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 net of share subscription payment in advance for acquisition of investment in subsidiary to investment in subsidiary	-	261,869	-	-
Receivable from sale equipment	-	20	-	20
Settlement of interest receivables between GL and the group	-	-	270,322	-
Settlement of other current liabilities between GL and the group	-	-	99	-
Settlement of other payables between GL and the group	-	-	174,069	-
Settlement of other receivables between GL and the group	-	-	10,774	-

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

Group Lease Public Company Limited and its subsidiaries

Interim financial statements

For three-month and nine-month periods ended 30 September 2018

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Group Lease Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 (revised 2017) “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 for the preparation of the interim consolidated financial statements

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, except for investment in Comfort Services Development Co., Ltd. (a subsidiary of Thanaban Co., Ltd.), as discussed in Note 14.

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

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		30 September 2018	31 December 2017	
Thanaban Company Limited ("TNB")	Thailand	100	100	Hire purchase services and asset-backed loans to Consumers (motorcycles and cars)
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)
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)

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		30 September 2018	31 December 2017	
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.
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
Comfort Services Development Co., Ltd. (shares held by Thanaban Co., Ltd.) ("CSD")	Thailand	100	-	Registration 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 standards 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 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised 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.

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

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are 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.

(Unaudited but reviewed)

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:

	(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 group'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 nine-month period ended 30 September 2017.

2.2 Hedge accounting for net investment in foreign operations

As at 30 September 2018, loans from the Company to GLH of USD 163.6 million, which are equity loans, are included in net investment in foreign operations, all the net investment in foreign operations totaling USD 263.7 million. 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 and will not be reversed and recognised in the income statement until the Group disposes of the foreign operation.

As at 30 September 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 6,420.78 million, and a resulting unrealised loss of Baht 54.40 million was recognised in other comprehensive income in the consolidated financial statements for the nine-month ended 30 September 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 242.30 million arising in connection with the convertible debentures was recognised under finance cost in the consolidated financial statements.

2.3 Establishment and acquisition of Comfort Services Development Co., Ltd.

On 13 June 2018, the Company's Board of Directors' Meeting of Thanaban Co., Ltd. ("TNB") No.6/2018 passed the resolutions to approve the establishment and/or acquisition of a subsidiary, Comfort Services Development Co., Ltd. ("CSD") of 200,000 ordinary shares with a par value of Baht 5 per share with the registered capital of Baht 1 million (or 100% of total share capital in CSD). CSD is established by one director and two employees of TNB and has been registered as a juristic person under the Civil and Commercial Code on 3 July 2018 with the Ministry of Commerce. The acquisition of this business from the director of TNB was completed on 11 July 2018 which CSD had not started its operation prior to the acquisition by TNB.

(Unaudited but reviewed)

CSD is incorporated in Thailand and its main activity is to provide registration services, however, initially is to provide services to affiliated companies.

The net asset value of Comfort Services Development Co., Ltd. at the acquisition date consisted of the following:

(Unit: Thousand Baht)

Assets	
Other assets	1,000
Total assets	<u>1,000</u>
Liabilities	
Other liabilities	-
Total liabilities	<u>-</u>
Net assets value at the acquisition date	1,000
Interest acquired (%)	100
Net asset value attributable to the Group's investment	<u>1,000</u>
The excess of purchase price over net asset value	-
Net cash paid for purchase of subsidiary	<u><u>1,000</u></u>

The Group recorded the net assets acquired at their net book value as of the acquisition date, since the majority of Comfort Services Development Co., Ltd.'s assets and liabilities are financial assets and liabilities of which the fair value is close to book value.

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 periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest income	-	-	-	3	Contract rate
Interest income	-	-	95,115	104,898	7.00% per annum
Other income	-	-	22,106	22,684	Contract rate
Interest expense	-	-	59	3,001	7.00% per annum
Service and administrative expenses	-	-	166	-	Contract rate
Cash paid for executive payroll advance of subsidiary	-	-	5,288	-	Actual charge
Liabilities decrease by settlement with group companies	-	-	174,069	-	
Transactions with related parties:					
Interest income	3,080	3,118	-	-	6.50% per annum
Other income	1,483	1,261	-	-	Contract rate
Interest expenses*	74,235	83,745	74,235	83,659	5.00% per annum (2017: 5.00% - 10.00% per annum)
Acquisition of investment in subsidiary - CSD	1,000	-	-	-	Contract rate

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Hire purchase interest income	-	-	-	16	Contract rate
Interest income	-	-	276,376	304,287	7.00% per annum
Dividend income	-	-	-	343,768	As declared
Other income	-	-	66,133	68,855	Contract rate
Interest expense	-	-	1,273	8,999	7.00% per annum
Service and administrative expenses	-	-	488	-	Contract rate
Cash paid for executive payroll advance of subsidiary	-	-	10,984	-	Actual charge
Liabilities decrease by settlement with group companies	-	-	174,069	-	
Transactions with related parties:					
Interest income	8,910	3,222	-	-	6.50% per annum
Other income	4,339	4,938	-	-	Contract rate
Interest expenses*	218,072	229,862	218,072	229,316	5.00% per annum (2017: 5.00% - 10.00% per annum)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
Acquisition of investment in subsidiary - BGMM	-	80,213	-	-	Contract rate
Acquisition of investment in subsidiary - CSD	1,000	-	-	-	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 30 September 2018 and for the three-month and nine-month periods then ended are not classified as related party transactions.

(Unit: Thousand Baht)

	For the three-month period ended 30 September		Pricing policy
	2018	2017	
Transactions between GLH and subsidiaries:			
(Not presented in both consolidated and separate financial statements)			
Interest income	36,275	46,502	7.50% - 10.00% per annum
Other income	6,477	27,197	Contract rate
Interest expenses	96,045	66,860	7.00% per annum
Administrative expenses	15	1,094	Contract rate
IT staff cost capitalisation to			
software under development	742	2,780	Employment contract
IT staff cost - expenses	1,541	352	Employment contract
Transactions between GLH and associate:			
(Not presented in both consolidated and separate financial statements)			
Dividend income	16,605	21,725	As declared

(Unit: Thousand Baht)

	For the nine-month period ended 30 September		Pricing policy
	2018	2017	
Transactions between GLH and subsidiaries:			
(Not presented in both consolidated and separate financial statements)			
Interest income	113,077	144,084	7.50% - 10.00% per annum
Other income	19,141	48,460	Contract rate
Interest expenses	277,920	267,554	7.00% per annum
Administrative expenses	30	3,792	Contract rate
IT staff cost capitalisation to			
software under development	2,956	7,549	Employment contract
IT staff cost - expenses	4,965	352	Employment contract
Cash advance for legal fees from			
subsidiary	9,096	-	Actual charge
Transactions between GLH and associate:			
(Not presented in both consolidated and separate financial statements)			
Dividend income	16,605	33,037	As declared

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month period ended 30 September		Pricing policy
	2018	2017	
Liabilities decrease by settlement in group companies			
GLH			
Other payable	(21,049)	-	
Loan and interest payable	(172,043)	-	
GLF			
Other payable	(1,001)	-	
Loan and interest payable	(84,861)	-	

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.

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Thanaban Company Limited	Subsidiary
Group Lease Holdings Pte. Ltd.	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
GL Leasing (Lao) Company Limited	Subsidiary (held by a 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)
Comfort Services Development 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

Name of related parties	Relationship with the Company
Cambodian People Micro Insurance PLC.	Common director with the Company and GLF
JTrust Asia Pte. Ltd.	Shareholder of GLFI
APF Trading Plc.	Common director with GLF
PT Bank JTrust Indonesia Tbk.	Common shareholder with GLFI
JTrust Co.,Ltd.	Ultimate parent company of shareholder of GLFI
Commercial Credit and Finance PLC.	Associated company
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 30 September 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Short-term loans to and interest receivables from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	129,527	165,550
Total	-	-	129,527	165,550
<u>Other receivables (Note 11)</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	6,427	4,706
Thanaban Co.,Ltd.	-	-	7,321	7,879
PT. Group Lease Finance Indonesia	-	-	330	298
GL Leasing (Lao) Company Limited	-	-	-	71

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<i>Related parties</i>				
Director of subsidiaries	2,570	8,044	-	-
A.P.F. Group Co., Ltd.	4,327	4,363	-	-
Asia Partnership Fund Pte., Ltd.	-	12	-	-
Cambodian People Micro Insurance PLC.	7,199	4,361	-	-
APF Trading Plc.	165,172	182,506	-	-
Century Finance Company Limited	12,612	12,586	-	-
Total	191,880	211,872	14,078	12,954
Less: Allowance for doubtful accounts	(177,585)	(198,169)	-	-
Net	14,295	13,703	14,078	12,954
<u>Other current assets (Note 12)</u>				
<i>Related party</i>				
APF Trading Plc.	32,234	126,063	-	-
Total	32,234	126,063	-	-
Less: Allowance for doubtful accounts	(32,234)	(38,025)	-	-
Net	-	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.	-	-	5,300,726	5,345,593
Total	-	-	5,300,726	5,345,593
<u>Long-term loans from subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co.,Ltd.	-	-	-	40,000
Total	-	-	-	40,000
<u>Other payables (Note 23)</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	163	107,906
GL Finance Plc.	-	-	13,819	156
GL Leasing (Lao) Company Limited	-	-	553	567
PT. Group Lease Finance Indonesia	-	-	230	255

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	329,334	111,526	329,334	111,526
Creation Investment Sri Lanka LLC.*	-	8,170	-	8,170
Engine Holdings Asia Pte. Ltd.	461	461	461	461
Total	<u>329,795</u>	<u>120,157</u>	<u>344,560</u>	<u>229,041</u>
<u>Other current liabilities</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	-	646	898
<i>Related parties</i>				
Director of subsidiaries	73	-	-	-
Showa Holdings Co., Ltd.	1,148	1,158	-	-
Century Finance Company Limited	1,533	926	-	-
Total	<u>2,754</u>	<u>2,084</u>	<u>646</u>	<u>898</u>
<u>Convertible debentures - before transaction costs (Note 26)</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	5,836,322	5,885,347	5,836,322	5,885,347
Creation Investment Sri Lanka LLC.*	-	654,424	-	654,424
Total	<u>5,836,322</u>	<u>6,539,771</u>	<u>5,836,322</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 30 September 2018 and for the three-month and nine-month periods then ended are not classified as related party transactions.

As at 30 September 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 30 September 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 1.0 million (31 December 2017: USD 3.9 million).

On 21 June 2018, GLF advanced to the Company totaling USD 2 million with no interest charge to support the Company's new business operation. This advance amount is presented under the caption of other receivables in the separate financial statement. During the third quarter of 2018, GLF settled its balances with the group and has no outstanding balances of advances as at 30 September 2018.

Reference is made to the revelation by The Securities and Exchange Commission, Thailand ("SEC") of information regarding investigation on a former executive director 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 executive director 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.

As at 30 September 2018, the Company has considered and decided to reverse provisions for doubtful accounts from other receivables and other net current assets which are relating to the former executive director of the Company as the balance reduced by USD 0.75 million (equivalent to approximately Baht 25.11 million). The impact was recognised in comprehensive income in the consolidated financial statements for the three-month and nine-month period ended 30 September 2018.

The details of all provisioned items are listed in the table below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Allowance for doubtful accounts - Other receivables (Note 11)</u>				
<i>Related parties</i>				
Director of the subsidiaries	2,497	7,838	-	-
A.P.F. Group Co., Ltd.	4,327	4,363	-	-
Engine Holdings Asia Pte. Ltd.	(461)	492	-	-
Asia Partnership Fund Pte. Ltd.	-	12	-	-
Cambodian People Micro Insurance PLC.	7,199	3,259	-	-
APF Trading Plc.	165,171	183,362	-	-
Showa Holdings Co., Ltd.	(1,148)	(1,157)	-	-
Total	<u>177,585</u>	<u>198,169</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Allowance for doubtful accounts - Other current assets (Note 12)</u>				
<i>Related party</i>				
APF Trading Plc.	32,234	38,025	-	-
Total	32,234	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	During the period		Balance as at
	1 January 2018	Increase	Decrease	30 September 2018
<u>Loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	5,511,143	234,920	(270,499)	5,430,253
Total	5,511,143	234,920	(270,499)	5,430,253

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 subsidiary have movement as below:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2018	Increase	Decrease	30 September 2018
<u>Long-term loans from subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	40,000	-	(40,000)	-
Total	40,000	-	(40,000)	-

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

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 periods ended 30 September					For the nine-month periods ended 30 September				
	2018			2017		2018			2017	
	Thousand Baht	Thousand USD	Thousand JPY	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand JPY	Thousand Baht	Thousand USD
Short-term employee benefits	12,886	219	2,439	8,266	167	32,584	754	6,258	24,444	538
Post-employment benefits	9	-	-	13	-	27	-	-	40	-
Total	12,895	219	2,439	8,279	167	32,611	754	6,258	24,484	538

	Separate financial statements							
	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	2018		2017		2018		2017	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	8,484	-	7,604	41	21,009	27	22,458	147
Post-employment benefits	9	-	13	-	27	-	40	-
Total	8,493	-	7,617	41	21,036	27	22,498	147

4. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Cash	5,647	10,159	257	189
Bank deposits	3,533,414	3,069,742	330,995	119,752
Total	3,539,061	3,079,901	331,252	119,941

As at 30 September 2018 and 31 December 2017, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.37% - 8.50% per annum and 0.15% - 8.50% per annum, respectively (the Company only: 0.37% - 0.38% per annum and 0.15% - 1.00% per annum, respectively).

5. Hire purchase and installment sales receivables

5.1 As at 30 September 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Normal receivables						
Hire purchase and installment sales receivables	4,491,126	4,546,541	4,174,330	4,362,673	8,665,456	8,909,214
Accrued hire purchase and installment sales income	176,533	175,167	-	-	176,533	175,167
Less: Unearned hire purchase and installment sales income, net	(1,492,346)	(1,533,263)	(918,304)	(991,653)	(2,410,650)	(2,524,916)
Total normal receivable	3,175,313	3,188,445	3,256,026	3,371,020	6,431,339	6,559,465
Terminated agreements receivables						
Hire purchase and installment sales receivables	233,740	184,865	199,036	142,508	432,776	327,373
Accrued hire purchase and installment sales income	29,118	21,283	-	-	29,118	21,283
Less: Unearned hire purchase and installment sales income, net	(91,699)	(68,903)	(49,115)	(35,139)	(140,814)	(104,042)
Total terminated agreements receivables	171,159	137,245	149,921	107,369	321,080	244,614
Total receivables	3,346,472	3,325,690	3,405,947	3,478,389	6,752,419	6,804,079
Less: Allowance for doubtful accounts	(164,442)	(130,920)	(156,215)	(119,990)	(320,657)	(250,910)
Hire purchase and installment sales receivables, net	3,182,030	3,194,770	3,249,732	3,358,399	6,431,762	6,553,169

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of		Long-term portion of		Total	
	hire purchase and installment		hire purchase and installment			
	sales receivables		sales receivables			
30 September	31 December	30 September	31 December	30 September	31 December	
2018	2017	2018	2017	2018	2017	
Normal receivables						
Hire purchase and installment sales receivables	3,139,815	2,989,471	2,771,382	2,662,895	5,911,197	5,652,366
Accrued hire purchase and installment sales income	109,683	102,760	-	-	109,683	102,760
Less: Unearned hire purchase and installment sales income, net	(1,127,701)	(1,083,539)	(598,414)	(578,021)	(1,726,115)	(1,661,560)
Total normal receivable	2,121,797	2,008,692	2,172,968	2,084,874	4,294,765	4,093,566
Terminated agreements receivables						
Hire purchase and installment sales receivables	204,291	166,651	187,177	133,331	391,468	299,982
Accrued hire purchase and installment sales income	25,645	18,923	-	-	25,645	18,923
Less: Unearned hire purchase and installment sales income, net	(78,092)	(60,130)	(47,183)	(33,263)	(125,275)	(93,393)
Total terminated agreements receivables	151,844	125,444	139,994	100,068	291,838	225,512
Total receivables	2,273,641	2,134,136	2,312,962	2,184,942	4,586,603	4,319,078
Less: Allowance for doubtful accounts	(128,753)	(109,409)	(118,073)	(90,332)	(246,826)	(199,741)
Hire purchase and installment sales receivables, net	2,144,888	2,024,727	2,194,889	2,094,610	4,339,777	4,119,337

5.2 As at 30 September 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	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
Hire purchase and installment sales receivables						
Not yet due	5,608,183	5,844,662	43,841	42,226	5,564,342	5,802,436
Past due:						
1 month	438,923	399,996	30,518	26,478	408,405	373,518
2 - 3 months	303,810	245,469	49,625	40,244	254,185	205,225
4 - 6 months	175,656	135,649	58,708	43,504	116,948	92,145
7 - 9 months	126,418	95,332	67,270	45,056	59,148	50,276
10 - 12 months	92,362	80,930	64,076	51,630	28,286	29,300
Over 12 months	7,067	2,041	6,619	1,772	448	269
Total	6,752,419	6,804,079	320,657	250,910	6,431,762	6,553,169

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Hire purchase and installment sales receivables						
Not yet due	3,877,368	3,740,926	38,223	36,880	3,839,145	3,704,046
Past due:						
1 month	260,056	229,125	25,734	22,697	234,322	206,428
2 - 3 months	192,474	158,799	38,139	31,494	154,335	127,305
4 - 6 months	112,097	79,893	44,472	31,722	67,625	48,171
7 - 9 months	76,680	56,249	45,739	33,561	30,941	22,688
10 - 12 months	65,827	52,562	52,419	41,865	13,408	10,697
Over 12 months	2,101	1,524	2,100	1,522	1	2
Total	4,586,603	4,319,078	246,826	199,741	4,339,777	4,119,337

5.3 As at 30 September 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			
	30 September 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,930,517	3,346,472	4,927,856	3,325,690
After one year but not more than five years	4,373,366	3,405,947	4,505,181	3,478,389
Total	9,303,883	6,752,419	9,433,037	6,804,079
Less: Amounts representing finance charges	(2,551,464)		(2,628,958)	
Present value of minimum lease payments	6,752,419		6,804,079	

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,479,434	2,273,641	3,277,805	2,134,136
After one year but not more than five years	2,958,559	2,312,962	2,796,226	2,184,942
Total	6,437,993	4,586,603	6,074,031	4,319,078
Less: Amounts representing finance charges	(1,851,390)		(1,754,953)	
Present value of minimum lease payments	4,586,603		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 30 September 2018 and 31 December 2017, there are outstanding hire purchase receivable amounting to approximately Baht 319 million and Baht 241 million, respectively (the Company only: Baht 284 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 nine-month periods ended 30 September 2018 and 2017 would be reduced by Baht 7.8 million and Baht 5.4 million, respectively (the Company only: Baht 7.1 million and Baht 5.0 million, respectively).

- 5.5 Hire purchase agreements of the Company and its subsidiaries have terms of 8 months to 5 years and require settlement in equal installments.
- 5.6 As at 30 September 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 1,550 million as the business security for short term credit facility, debentures and letter of guarantee facility granted by commercial banks as disclosed in Notes 20, 25 and 35.4.
- 5.7 As at 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 69 million (30 September 2018: Nil), in order to secure credit facilities granted by commercial banks as disclosed in Note 24.

6. Asset - backed loan receivables

6.1 As at 30 September 2018 and 31 December 2017, the balances of asset - backed loan receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of		Long-term portion of		Total	
	asset - backed loan receivables		asset - backed loan receivables			
	30 September	31 December	30 September	31 December	30 September	31 December
2018	2017	2018	2017	2018	2017	
Normal receivables						
Asset - backed loan receivables	322,085	364,349	90,088	101,160	412,173	465,509
Interest receivables	13,343	14,794	-	-	13,343	14,794
Less: Unearned interest income, net	(92,381)	(105,427)	(20,063)	(22,753)	(112,444)	(128,180)
Total normal receivables	243,047	273,716	70,025	78,407	313,072	352,123
Terminated agreements receivables						
Asset - backed on receivables	20,582	15,203	2,110	1,493	22,692	16,696
Interest receivables	2,548	1,926	-	-	2,548	1,926
Less: Unearned interest income, net	(5,946)	(4,381)	(359)	(294)	(6,305)	(4,675)
Total terminated agreements receivables	17,184	12,748	1,751	1,199	18,935	13,947
Total receivables	260,231	286,464	71,776	79,606	332,007	366,070
Less: Allowance for doubtful accounts	(19,486)	(16,871)	(3,360)	(2,782)	(22,846)	(19,653)
Asset - backed loan receivables, net	240,745	269,593	68,416	76,824	309,161	346,417

6.2 As at 30 September 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	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
Asset-backed loan receivables						
Not yet due	241,449	282,920	2,388	2,736	239,061	280,184
Past due:						
1 month	42,529	42,676	4,178	4,111	38,351	38,565
2 - 3 months	26,041	25,388	5,057	4,919	20,984	20,469
4 - 6 months	9,996	7,485	3,640	2,799	6,356	4,686
7 - 9 months	6,320	3,951	3,334	2,254	2,986	1,697
10 - 12 months	5,432	3,549	4,025	2,733	1,407	816
12 months over	240	101	224	101	16	-
Total	332,007	366,070	22,846	19,653	309,161	346,417

- 6.3 As at 30 September 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			
	30 September 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	358,558	260,231	396,272	286,464
After one year but not more than five years	92,198	71,776	102,653	79,606
Total	450,756	<u>332,007</u>	498,925	<u>366,070</u>
Less: Amounts representing finance charges	<u>(118,749)</u>		<u>(132,855)</u>	
Present value of minimum loan payments	<u>332,007</u>		<u>366,070</u>	

- 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, subsidiary has a policy to cease recognising revenue from asset - backed loan receivables which are overdue by more than 4 installments. As at 30 September 2018 and 31 December 2017, there are outstanding asset - backed loan receivables amounting to approximately Baht 22 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 nine-month periods ended 30 September 2018 and 2017 would be reduced by Baht 0.5 million and Baht 0.3 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 December 2017, the Company's subsidiary had transferred rights of claim under loan agreements with outstanding balances (net of unearned interest income) of Baht 49 million (30 September 2018: Nil), in order to secure credit facilities granted by commercial bank as disclosed in Note 24.

7. Microfinance receivables

7.1 As at 30 September 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	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
Normal receivables						
Microfinance receivables	528,687	441,420	20,192	61,053	548,879	502,473
Accrued microfinance receivables	2,640	3,055	-	-	2,640	3,055
Less: Unearned interest income, net	(54,038)	(62,386)	(7,168)	(21,452)	(61,206)	(83,838)
Total receivables	477,289	382,089	13,024	39,601	490,313	421,690
Less: Allowance for doubtful accounts	(3,976)	(3,660)	(66)	(74)	(4,042)	(3,734)
Microfinance receivables, net	473,313	378,429	12,958	39,527	486,271	417,956

7.2 As at 30 September 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	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
Loan receivables						
Not yet due	471,858	407,752	3,758	3,679	468,100	404,073
Past due:						
1 month	10,862	12,897	25	45	10,837	12,852
2 - 3 months	5,001	869	59	10	4,942	859
4 - 6 months	1,261	172	200	-	1,061	172
7 - 9 months	1,331	-	-	-	1,331	-
Total	490,313	421,690	4,042	3,734	486,271	417,956

(Unaudited but reviewed)

7.3 As at 30 September 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			
	30 September 2018		31 December 2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	531,327	477,289	444,475	382,089
After one year but not more than five years	20,192	13,024	61,053	39,601
Total	551,519	490,313	505,528	421,690
Less: Amounts representing finance charges	(61,206)		(83,838)	
Present value of minimum loan payments	490,313		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 30 September 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Hire purchase receivables						
Hire purchase receivables under joint financing arrangements	155,759	239,762	148,437	347,520	304,196	587,282
Accrued interest receivables	9,655	15,632	-	-	9,655	15,632
Less: Unearned financing income, net	(47,360)	(92,249)	(28,367)	(83,146)	(75,727)	(175,395)
Less: Portions financed by bank under joint financing arrangement	(105,818)	(148,999)	(107,709)	(222,039)	(213,527)	(371,038)
Total Hire purchase receivables	12,236	14,146	12,361	42,335	24,597	56,481
Less: Allowance for doubtful accounts	(62)	(1,336)	(62)	(97)	(124)	(1,433)
Hire purchase receivables under joint financing arrangements, net	12,174	12,810	12,299	42,238	24,473	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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Microfinance receivables						
Microfinance receivables under						
joint financing arrangements	958	6,407	627	3,792	1,585	10,199
Less: Unearned financing income, net	(177)	(1,444)	(237)	(1,275)	(414)	(2,719)
Less: Portions financed by bank under joint						
financing arrangement	(745)	(3,689)	(383)	(2,008)	(1,128)	(5,697)
Total Microfinance receivables	36	1,274	7	509	43	1,783
Less: Allowance for doubtful accounts	-	(6)	-	(234)	-	(240)
Microfinance receivables under joint financing arrangements, net	36	1,268	7	275	43	1,543
Consumer finance receivables under joint financing arrangements, net	12,210	14,078	12,306	42,513	24,516	56,591

8.2 As at 30 September 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Hire purchase receivables						
Not yet due	16,873	51,879	5	1,308	16,868	50,571
Past due:						
1 month	4,546	3,169	10	48	4,536	3,121
2 - 3 months	2,093	1,255	25	40	2,068	1,215
4 - 6 months	528	178	84	37	444	141
7 - 9 months	557	-	-	-	557	-
Total	24,597	56,481	124	1,433	24,473	55,048
Microfinance receivables						
Not yet due	29	1,431	-	44	29	1,387
Past due:						
1 month	8	312	-	156	8	156
2 - 3 months	4	40	-	40	4	-
4 - 6 months	1	-	-	-	1	-
7 - 9 months	1	-	-	-	1	-
Total	43	1,783	-	240	43	1,543
Total Consumer finance receivables under joint financing arrangements	24,640	58,264	124	1,673	24,516	56,591

- 8.3 As at 30 September 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			
	30 September 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	165,414	118,054	255,394	163,145
After one year but not more than four years	148,437	120,070	347,520	264,374
Total	313,851	238,124	602,914	427,519
Less: Amounts representing finance charges	(75,727)	-	(175,395)	-
Less: Portions financed by bank under joint financing arrangements	(213,527)	(213,527)	(371,038)	(371,038)
Present value of minimum loan payments	24,597	24,597	56,481	56,481
Microfinance receivables				
Within one year	958	781	6,407	4,963
After one year but not more than four years	627	390	3,792	2,517
Total	1,585	1,171	10,199	7,480
Less: Amounts representing finance charges	(414)	-	(2,719)	-
Less: Portions financed by bank under joint financing arrangements	(1,128)	(1,128)	(5,697)	(5,697)
Present value of minimum loan payments	43	43	1,783	1,783
Total Present value of minimum loan payments	24,640	24,640	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 30 September 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 97,948 million and IDR 153,322 million, respectively, in order to secure joint financing facilities granted by related - commercial bank.

As at 30 September 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 microfinance agreements under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 517 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 joint financing facilities amounting to IDR 200,000 million. The purpose of these joint financing agreements is to provide loans to consumers for purchases of agricultural machinery and tools, vehicles, solar panels and white goods. The duration of the agreements is 72 months from the first draw down, or for as long as both parties are willing to continue the agreements. The interest rates are 13% per annum. This joint financing agreement is of the debtor assets. As at 30 September 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.

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.

However, the Joint Financing Agreement is in the progress of the legal proceedings initiated by JTrust Group as discussed in Note 37.3.

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:

(Unit: Thousand Baht)

		Consolidated financial statements			
		30 September 2018		31 December 2017 (restated)	
Location of borrowers	Interest rate (% per annum)	Thousand USD	Equivalent to Thousand Baht	Thousand USD	Equivalent to Thousand Baht
Cyprus	14.5 - 17.0	9,243	299,527	9,243	302,063
Singapore	14.5 - 25.0	36,106	1,170,068	36,106	1,179,972
Others	5.0 - 10.0	1,166	37,786	1,166	38,105
Total loans		<u>46,515</u>	<u>1,507,381</u>	<u>46,515</u>	<u>1,520,140</u>
Interest receivables			<u>49,928</u>		<u>48,928</u>
Total loans and interest receivables			1,557,309		1,569,068
Less: Allowance for loans and interest receivables			(1,515,708)		(1,527,679)
Less: Current portion			<u>(41,601)</u>		<u>(549)</u>
Long-term portion of loans and interest receivables			<u>-</u>		<u>40,840</u>

On 19 October 2017, the Company received a request from the SEC to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by the Securities and Exchange Commission ("SEC") to the Department of Special Investigation ("DSI") on 16 October 2017 against former executive director, in relation to allegations of fraud, misappropriation of the company's assets and falsifying account records by executing concealed transactions through several associated companies abroad to exaggerate the company's operating results.

The SEC claimed that the recording of such transactions in the Company's accounts resulted in the Company's financial statements being inaccurate, rendering the Company in breach of Section 56 and/or 312 of the Securities and Exchange Act if they do not rectify their financial statements promptly.

Hence, the Company has hired an external audit firm in Singapore to perform an investigation on those loans and the findings did not include any noted exceptions. One borrower however (out of seven total borrowers contacted) failed to reply to their confirmation request mentioned in their report on the procedures performed, the Company resolved to revise its financial statements as requested by the SEC.

The Company had reclassified from the “Loans to Cyprus and Singapore group” of USD 54 million to “Disputed loans”. In portion of disputed loans by the SEC of USD 54 million, the Company had retroactively restated the financial statements for the year ended 31 December 2017 as comparative information whereby it had not recognised interest income as revenue, but cash received from interest had been treated as a part of loan repayment. In addition, the Company had set up full provision against those loans since the year 2017 and stopped recognising interest income on these loans since the fourth quarter of 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.

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. 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 paid by the borrowers.

In the third quarter of 2018, the subsidiary has engaged a law firm in Brazil to proceed with enforcement of securitised collaterals in Brazil for loan debt of USD 15 million and accrued interest. On 26 October 2018, the application to enforce such collaterals has already been submitted to the Civil Court in Brazil.

On 30 October 2018, the Court issued a decision ordering the service of the defendants (borrowers). The defendants are yet to be served.

Both the disputed loan and normal loan receivable balances from the Singapore and Cyprus borrowers are current. Reclassifications to current for the non-current loan receivable balances from the Singapore and Cyprus borrowers as at 30 September 2018 and 31 December 2017 were made due to the notices sent to the borrowers as described in the previous paragraph.

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, both the disputed loan and normal loan receivable balances are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2018	31 December 2017
		(Restated)
Reflected in the statements of financial position as follows:		
Disputed loans	585,790	590,748
Less: Allowance on disputed loans	(585,790)	(590,748)
Less: Current portion of disputed loans	-	-
Long-term portion of disputed loans	-	-
Loans and interest receivables	971,519	978,320
Less: Allowance on loans and interest receivables	(929,918)	(936,931)
Less: Current portion of loans and interest receivables	(41,601)	(549)
Long-term portion of loans and interest receivables	-	40,840

As at 30 September 2018 and 31 December 2017, both the disputed loan and normal loan receivable balances aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
Aging	Loans and interest receivables		Allowance for doubtful accounts		Loans and interest receivables, net	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Restated)		(Restated)		(Restated)
Not yet due	41,601	1,523,225	-	(1,482,034)	41,601	41,191
Past due:						
1 - 3 months	-	45,744	-	(45,645)	-	99
4 - 6 months	1,469,595	99	(1,469,595)	-	-	99
7 - 12 months	46,015	-	(46,015)	-	-	-
Over 12 months	98	-	(98)	-	-	-
Total	1,557,309	1,569,068	(1,515,708)	(1,527,679)	41,601	41,389

Both the disputed loan and normal loan receivable balances of subsidiary company were subject to pledging of securities of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company as owned by the borrowers. In the second quarter of 2017, part of the collaterals of the Company's shares was released by Singapore group and replaced by the value of properties in Japan (the pledge of the properties in Japan has been registered with Japanese Registry Office already). In the third quarter of 2017, some loans became due and others were prepaid. The Company's shares as collateral have been fully released as of 30 September 2018 and 31 December 2017, meaning there are no longer any Company's shares pledged as securities for any of the remaining loans.

The value of collaterals (before provision for loss) as of 30 September 2018 covered 110 percent for the Cyprus borrowers and 282 percent for the Singapore borrowers (31 December 2017: covered 292 percent for the loan from Cyprus borrowers (as restated) and 124 percent for the loan from Singapore borrowers (as restated)).

The interest rates charged under the loan agreements were in the range of 14.5 percent to 25.0 percent per annum. From original, the terms of the loans granted vary from 3 months to 3 years. All principals were 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. During 2017, before due date, the Cyprus borrower repaid the loans of USD 25.3 million or approximately Baht 845 million. During 2017 and due date, the Singapore borrower repaid the loans 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 former executive director, who have specialized knowledge of the business of these specific borrowers, and their relationships with the borrowers.

10. Assets foreclosed

As at 30 September 2018 and 31 December 2017, assets foreclosed of the Company and its subsidiaries are presented as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Repossessed assets	105,043	104,598	28,657	20,696
Less: Allowance for diminution in value of assets foreclosed	(21,925)	(16,646)	(12,105)	(8,387)
Assets foreclosed, net	<u>83,118</u>	<u>87,952</u>	<u>16,552</u>	<u>12,309</u>

As at 30 September 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 1,550 million as the business security for short term credit facility, debentures and letter of guarantee granted by commercial banks as disclosed in Notes 20, 25 and 35.4.

11. Other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Accrued income	4,041	3,533	2,875	2,798
Advance payment - related parties (Note 3)	168,719	175,653	6,757	5,004
Advance payment	11,794	15,835	390	1,484
Other receivables - sales of assets foreclosed	8,077	3,177	7,931	3,177
Other receivables - related parties (Note 3)	23,161	36,219	7,321	7,950
Other receivables - consulting services	6,481	6,536	-	-
Other receivables	<u>66,064</u>	<u>48,752</u>	<u>4,615</u>	<u>4,565</u>
Total	288,337	289,705	29,889	24,978
Less: Allowance for doubtful accounts	(13,455)	(9,122)	(2,586)	(2,586)
Less: Allowance for doubtful accounts - related parties (Note 3)	<u>(177,585)</u>	<u>(198,169)</u>	-	-
Other receivables, net	<u>97,297</u>	<u>82,414</u>	<u>27,303</u>	<u>22,392</u>

12. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Prepaid expenses	65,716	69,099	51,426	54,696
Undue input tax	2,116	5,387	1,804	5,364
Deposit for assets to be leased - related party (Note 3)	32,234	126,063	-	-
Withholding tax deducted at source	83,695	83,058	14,267	30,241
Others	1,810	2,124	1,810	2,124
Total	185,571	285,731	69,307	92,425
Less: Allowance for doubtful - related party (Note 3)	(32,234)	(38,025)	-	-
Other current assets, net	153,337	247,706	69,307	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 35.4.

(Unaudited but reviewed)

14. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		Allowance for investment loss in subsidiaries		Cost, net		(Unit: Thousand Baht) Dividend received during the nine-month period ended 30 September	
	30	31	30	31	30	31	30	31	30	31	2018	2017
	September	December	September	December	September	December	September	December	September	December		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Thanaban Company Limited	565,000	565,000	100.00	100.00	629,696	629,696	-	-	629,696	629,696	-	-
	Thousand Baht	Thousand Baht										
Group Lease Holdings Pte. Ltd.	214,448	214,448	100.00	100.00	5,387,211	5,387,211	(2,426,818)	(2,426,818)	2,960,393	2,960,393	-	343,768
	Thousand SGD	Thousand SGD										
GL Leasing (Lao) Company Limited	41,840,720	41,840,720	0.12	0.12	213	213	-	-	213	213	-	-
	Thousand LAK	Thousand LAK										
					<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>343,768</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 3, 9 and 15 on the separate financial statements disclosures. The separate financial statements include the investments in subsidiaries holdings that are eliminated in consolidated financial statements disclosures. Associated companies' carrying values however, are not eliminated in the consolidated financial statements. To maintain accounting consistency in the disclosures, the Management of the Company has provided for an equal allowance on the investment in GLH as was set up for the investment in associate and for the loans and interest receivables.

As at 30 September 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 5,230,090 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 the year 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 (equivalent to Baht 0.03 million), respectively. The dividend was paid to shareholders on 31 March 2018.

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

Company's name	Paid-up capital		Shareholdings percentage		Cost		Allowance for investment loss in subsidiaries	
	30	31	30	31	30	31	30	31
	September 2018	December 2017	September 2018 (%)	December 2017 (%)	September 2018	December 2017	September 2018	December 2017
<u>Held by Group Lease Holdings Pte. Ltd.</u>								
GL Finance Plc.	10,300 Thousand USD	10,300 Thousand USD	100.00	100.00	359,470	359,470	-	-
GL Leasing (Lao) Company Limited	41,840,720 Thousand LAK	41,840,720 Thousand LAK	99.88	99.88	176,195	176,195	-	-
PT. Group Lease Finance Indonesia	100,000,000 Thousand IDR	100,000,000 Thousand IDR	65.00	65.00	172,133	172,133	-	-
BG Microfinance Myanmar Co., Ltd.	18,849,080 Thousand MMK	16,160,000 Thousand MMK	100.00	100.00	717,922	654,231	-	-
GL-AMMK Co., Ltd.	4,080,000 Thousand MMK	4,080,000 Thousand MMK	57.00	57.00	59,350	59,350	-	-
Total held by Group Lease Holding Pte Ltd.					1,485,070	1,421,379	-	-
<u>Held by Thanaban Company Limited</u>								
Comfort Services Development Company Limited	4,000 Thousand Baht	-	100.00	-	4,000	-	-	-
Total held by Thanaban Company Limited					4,000	-	-	-
Total held by subsidiaries					1,489,070	1,421,379	-	-

Held by Group Lease Holding Pte. Ltd.

Investment in GLL

On 14 August 2017, a meeting of the Board of Directors of GLL passed resolutions approving a 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 the year 2016 and an interim dividend for the first half of 2017 to GLH totaling LAK 3,568 million (equivalent to Baht 13.91 million) and LAK 2,099 million (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 30 September 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 (approximately 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.

On 21 March 2018, the Board of Directors of GLH passed a resolution to approve an additional investment in 2,689,080 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 2,689.08 million (equivalent to Baht 63.69 million). The ordinary shares capital of BGMM increased from 16,160,000 ordinary shares to 18,849,080 ordinary shares. The allotment has been filed with the Government on 25 May 2018. 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 25 May 2018.

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 30 September 2018 and 31 December 2017, the carrying value of this investment is Baht 718 million and Baht 654 million, respectively. The increase in carrying value of investment is as a result of capital increase from acquisition date total to Baht 432 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.

Held by Thanaban Company Limited

Investment in CSD

On 13 June 2018, the Board of Directors' Meeting of TNB No.6/2018 passed the resolutions to approve the establishment and/or acquisition of a subsidiary of Thanaban Company Limited, Comfort Service Development Company Limited ("CSD"), of 200,000 ordinary shares with a par value of Baht 5 per share with the registered capital of Baht 1 million (or 100% of total share capital in CSD). The CSD is established by one director and two employees of TNB and has been registered as a juristic person under the Civil and Commercial Code on 3 July 2018 with the Ministry of Commerce. The acquisition of this business from the director of TNB was completed on 11 July 2018 which CSD had not started its operation prior to the acquisition by TNB. CSD is incorporated in Thailand and its main activity is to provide registration services, however, initially is to provide services to affiliated companies.

The Annual General Meeting of CSD's shareholders, held on 31 July 2018, approved additional investment in 600,000 ordinary shares of CSD (or 100% of new ordinary shares) at a price equal to the par value of Baht 5 per share, or total Baht 3 million. The ordinary shares capital of CSD increase from 200,000 ordinary shares to 800,000 ordinary shares. The capital increase was registered with the Ministry of Commerce on 8 August 2018.

15. Investment in associate

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

Company's name	Country of incorporation	Percentage held by the subsidiary		Nature of business
		30 September	31 December	
		2018	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	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017	2018	2017
Commercial Credit and Finance PLC	2,492,602	2,492,602	2,590,439	2,604,640	(582,085)	(582,085)	2,008,354	2,022,555
Total	2,492,602	2,492,602	2,590,439	2,604,640	(582,085)	(582,085)	2,008,354	2,022,555

For the three-month and nine-month periods ended 30 September 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:

Associate	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements of subsidiary	
	Share of profit from investment in associate for the three-month period ended 30 September		Share of other comprehensive income from investment in associate for the three-month period ended 30 September		Dividend received for the three-month period ended 30 September	
	2018	2017	2018	2017	2018	2017
	Commercial Credit and Finance PLC	10,855*	28,882	(71,269)	(13,876)	16,605
Total	10,855	28,882	(71,269)	(13,876)	16,605	21,725

* Share of the profit from investment in associate included the impact amount on GAAP difference adjustment from SLFRS 9 to LKAS 39

(Unaudited but reviewed)

Associate	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements of subsidiary	
	Share of profit from investment in associate for the nine-month period ended 30 September		Share of other comprehensive income from investment in associate for the nine-month period ended 30 September		Dividend received for the nine-month period ended 30 September	
	2018	2017	2018	2017	2018	2017
Commercial Credit and Finance PLC	86,790*	121,100	(84,386)	(67,573)	16,605	33,037
Total	86,790	121,100	(84,386)	(67,573)	16,605	33,037

* Share of the profit from investment in associate included the impact amount on GAAP difference adjustment from SLFRS 9 to LKAS 39

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 30 September 2018, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 2,008 million (investment value under equity method Baht 2,590 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 third quarter 2018, the total value was only approximately Baht 493 million (for the year ended 2017: Baht 874 million).

As at 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-month and nine-month periods ended 30 September 2017. During that 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 the fact that the impairment test has been completely conducted and no impairment

(Unaudited but reviewed)

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 as at the acquisition date	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>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2018	31 December 2017
Balance as at beginning of the period	2,604,640	2,545,426
Acquisition-related costs	-	3,579
Share of profit from investments in associate	86,790	179,285
Share of other comprehensive income		
from investment in associate	(84,386)	(82,926)
Realisation of fair value over book value of net asset		
- Profit (loss)	-	(7,335)
Realisation of fair value over book value of net asset		
- OCI	-	(352)
Dividends received	(16,605)	(33,037)
Balance as at ending of the period	2,590,439	2,604,640
Allowance for investment loss of associate	(582,085)	(582,085)
Investment in associate, net	2,008,354	2,022,555

16. Other long-term investments

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	30	31
	September	December
	2018	2017
<u>Investments in held-to-maturity debt securities (Note 3)</u>		
Convertible loan (Mature in 2022) - related party	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 30 September 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 (equivalent to approximately 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 30 September 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 nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	135,520	71,487
Acquisitions during the period - at cost	18,985	3,686
Disposal	(4,464)	(15)
Transfer out during the period	(74)	-
Depreciation for the period	(30,715)	(11,293)
Exchange differences on translation of financial statements in foreign currency	(3,030)	-
Net book value as at 30 September 2018	116,222	63,865

The Company has mortgaged land and construction thereon with a total net book value as at 30 September 2018 of Baht 27.2 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 24.

18. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	116,001	74,483
Acquisitions during the period - at cost	21,765	16,490
Disposal	-	(1,231)
Amortisation for the period	(9,752)	(4,161)
Exchange differences on translation of financial statements in foreign currency	(381)	-
Net book value as at 30 September 2018	<u>127,633</u>	<u>85,581</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 executive director 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.

(Unaudited but reviewed)

As at 30 September 2018, the fair value of exclusive right in consolidated financial statement amounted to USD 0.06 million (31 December 2017: USD 0.14 million).

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Income tax and value added				
tax refundable	62,371	62,563	61,538	61,713
Deposits	36,353	38,207	1,675	2,504
Others	2,748	2,976	2,387	2,443
Total	101,472	103,746	65,600	66,660
Less: Allowance for value added				
tax refundable	(31,533)	(31,533)	(31,533)	(31,533)
Other non-current assets, net	69,939	72,213	34,067	35,127

20. Short-term loans from financial institutions

	Consolidated financial statements			
	Interest rate		30 September 2018	31 December 2017
30 September 2018	31 December 2017	30 September 2018		
	(% 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 35.4.

As at 30 September 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 30 September 2018 total deposits, including accrued interest, recorded in BGMM's statement of financial position amounted to MMK 1,886.5 million (equivalent to approximately Baht 38.7 million) (31 December 2017: MMK 958.4 million (equivalent to approximately Baht 22.9 million)), and these had remaining terms ranging from 6 months to 1 year.

22. Short-term loan from and interest payable

On 26 January 2018, a subsidiary entered into a loan agreement with an individual to obtain short-term loan totaling USD 0.6 million (approximately Baht 20.0 million) whereby, interest rate of this loan is 9.47% per annum. The purpose of this loan is for use in the operating activities of the subsidiary's company.

Term of the loan agreement is three months commencing from drawdown date and shall be automatic renewed once in every three months consecutively until maximum period of 3 years from drawdown date and this loan is unsecured loan.

As at 30 September 2018, the short term loan from and interest payable in consolidated financial statement amounted to USD 0.6 million (approximately Baht 19.6 million).

23. Other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Accrued interest expenses - related parties (Notes 3 and 26)	329,334	119,696	329,334	119,696
Accrued interest expenses	20,138	11,168	20,138	11,031
Accrued commission expenses	12,820	18,783	4,976	4,506
Accrued bonus	98,647	6,689	81,000	-
Accrued expenses - related parties (Notes 3 and 26)	461	461	15,226	109,345
Accrued expenses	84,741	109,520	9,457	10,861
Total	546,141	266,317	460,131	255,439

24. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance		Interest rate	Repayment condition
	30 September 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	-	10,894	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	-	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	24,923	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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements			Interest rate per annum	Repayment condition
	Balance				
	30 September 2018	31 December 2017			
<u>Loan agreement dated 18 May 2017</u>					
Credit facility No. 1	3,676	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	-	(31)			
Total	28,599	122,255			
Less: Current portion	(23,283)	(102,764)			
Long-term portion of long-term loans	5,316	19,491			

Movements in the long-term loans account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements
Balance as at 1 January 2018	122,255
Add: Amortisation of deferred front end fees	31
Less: Repayment	(100,824)
Exchange differences on translation of financial statements in foreign currency	7,137
Balance as at 30 September 2018	28,599

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 fixed interest rates 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.

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 December 2017, GLF had total assets to mortgage such loan amounting to USD 0.5 million (30 September 2018: Nil).

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Long-term credit facilities which have not yet been drawn down	-	2,500	-	2,500

On 13 February 2018, a commercial bank cancelled the long-term credit facility of Baht 2,500 million. As of 13 February 2018, the long-term credit facility of Company and its subsidiaries which has not yet been draw down was nil.

25. Debentures

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

				(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
Debentures	Interest rate	Terms	Due date	30 September 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				(17,712)	(30,410)
Debentures - net				1,482,288	1,469,590
Less: Current portion				(1,482,288)	-
Long-term portion of debentures				-	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 35.4. In addition, during the period, the Company signed an agreement with a commercial bank as a debentureholders' representative to provide the collateral to guarantee the debentures amounting to Baht 525 million. This amount 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.

By the circumstances mentioned in Note 37, 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.

26. Convertible debentures

The Company has issued convertible debentures, as detailed below.

				(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
Convertible debentures	Interest rate	Terms	Due date	30 September 2018	31 December 2017
Convertible debentures 1/2016	As detailed in the table below	5 years	30 July 2021	4,213,701	4,249,289
Convertible debentures 1/2017	As detailed in the table below	3 years	20 March 2020	1,622,621	1,636,058
Convertible debentures 2/2017	As detailed in the table below	3 years	30 March 2020	649,049	654,424
Total				6,485,371	6,539,771
Less: Unamortised portion of deferred transaction costs				(5,129)	(6,857)
Convertible debentures, net				6,480,242	6,532,914
Less: Amount classified as equity				(59,458)	(59,458)
Amount classified as liability				<u>6,420,784</u>	<u>6,473,456</u>
Reflected in the statements of financial position as follows:					
Convertible debentures under court cases				5,786,351	5,833,885
Convertible debentures - liability component				634,433	639,571
				<u>6,420,784</u>	<u>6,473,456</u>

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> <ul style="list-style-type: none"> a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,540,000 Baht) can be redeemed by converting it to 88,500 shares of common stock
Conversion price	Baht 40 per share
Date of conversion	Last business day of each quarter
Additional information	The Company entered into side agreements with related party to hedge against foreign currency both of principle and interest payable on convertible debentures. 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 not exceeding USD 50 million and approved to Creation Investments Sri Lanka LLC in an amount not exceeding USD 20 million, respectively. The Meeting also approved an increase in the Company's registered capital to support the conversion of the convertible debentures.

On 20 March 2017, the Company issued convertible debentures to a specific foreign investor JTrust Asia Pte. Ltd. through a private placement, a related party as disclosed in Note 3, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 January 2017. Key terms and conditions of the convertible debentures are as 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 have 2 options:</p> <ul style="list-style-type: none"> a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	Baht 70 per share
Date of conversion	Last business day of each month

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

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

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.

(Unaudited but reviewed)

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	
	30 September	31 December
	2018	2017
Balance as at beginning of the period	6,532,914	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	1,728	2,064
Gain on exchange rate	(54,400)	(407,422)
Balance as at ending of the period	6,480,242	6,532,914

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

(Unit: Thousand Baht)

	30 September	31 December
	2018	2017
Convertible debentures under court cases	5,786,351	5,833,885
Convertible debentures - liability component	634,433	639,571
Convertible debentures - equity component	59,458	59,458
Ending balance	6,480,242	6,532,914

The Group is aware of the importance of the current situation regarding the investment agreements and litigations involving JT and JTA mentioned in Note 37.

However, the Company continues record the interest payable to JTA as accrued interest payable in accordance with Generally Accepted Accounting Principles. As at 30 September 2018, the interest payable from convertible debenture under court cases amounted to Baht 329 million (31 December 2017: Baht 111.5 million), which present under the other payables as disclosed in Notes 3 and 23. 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.

27. Warrants

As at 30 September 2018, details of 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 exercised during the period	Number of warrants expired during the period	Number of warrants outstanding as at 30 September 2018
GL-W4	164,946,081	(19)	(164,946,062)	-

28. 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.

29. 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.

30. Other income - others

In the third quarter of 2018, the management of the Company decided to write off long outstanding balances of payables in the amount of Baht 8.95 million. The rights to claim these long outstanding payables has expired. The write-off of these items has been included in the separate and consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2018.

31. Corporate income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	57,883	54,551	33,422	31,021
Deferred tax:				
Relating to origination of temporary differences	(31,440)	(4,535)	(11,026)	(8,440)
Income tax expenses reported in statement of comprehensive income	26,443	50,016	22,396	22,581

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	142,792	138,516	74,887	75,796
Deferred tax:				
Relating to origination of temporary differences	(52,583)	(22,572)	(29,038)	(19,050)
Income tax expenses reported in statement of comprehensive income	90,209	115,944	45,849	56,746

32. Dividends

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

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

33. Earnings per share

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

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

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

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
		(Restated)		
Profit (loss) for the period (Thousand Baht)	102,406	(2,266,338)	92,707	(2,324,931)
Number of ordinary shares (Thousand shares)	1,525,538	1,525,538	1,525,538	1,525,538
Earnings per share (Baht/share)	0.0671	(1.4856)	0.0608	(1.5240)

(Unaudited but reviewed)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Profit (loss) for the period (Thousand Baht)	328,855	(1,725,185)	249,408	(1,789,897)
Number of ordinary shares (Thousand shares)	1,525,538	1,525,535	1,525,538	1,525,535
Earnings per share (Baht/share)	0.2156	(1.1309)	0.1635	(1.1733)

However, no calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2018 and 2017 was required for warrant (GL-W4) and convertible debentures since the aggregated amount of the exercise price and the fair value of the warrant were higher than the average market price of the Company's ordinary share, and warrant (GL-W4) expired in August 2018.

34. Segment information

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

The following tables present revenue information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017, respectively.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 September 2018

	Hire Purchase and Asset - backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance under joint financing arrangements service	Item not allocated	Consolidated
Revenues							
External customer	612,645	474	24,384	44,847	18,470	-	700,820
Other income	14,714	12,307	2,793	448	(1,526)	-	28,736
Inter segment revenue	117,287	50,066	6,477	-	-	-	173,830
Total revenues	744,646	62,847	33,654	45,295	16,944	-	903,386
Adjustments and eliminations	(117,287)	(50,066)	(6,477)	-	-	-	(173,830)
Total revenues, net	627,359	12,781	27,177	45,295	16,944	-	729,556
Services and administrative expenses	(239,945)	(29,908)	(10,755)	(15,212)	(23,075)	-	(318,895)
Bad debts and doubtful accounts	(108,505)	-	-	665	(12,510)	-	(120,350)
Cost of sale	(1,616)	-	-	-	-	-	(1,616)
Loss on disposals of assets foreclosed	(87,936)	-	-	-	(5,663)	-	(93,599)
Reversal of allowance on other receivables	19,478	-	-	-	-	-	19,478
Reversal of allowance on other current assets	5,635	-	-	-	-	-	5,635
Share of profit from investment in associate	-	-	-	-	-	10,855	10,855
Financial cost	-	-	-	-	-	(99,982)	(99,982)
Income tax expenses	-	-	-	-	-	(26,443)	(26,443)
Segment profit (loss)	214,470	(17,127)	16,422	30,748	(24,304)	(115,570)	104,639

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 September 2017 (Restated)

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance under joint financing arrangements service	Item not allocated	Consolidated
Revenues							
External customer	612,655	56,842	13,145	15,517	16,322	-	714,481
Other income	(4,687)	14,058	5,222	2,476	1,525	-	18,594
Inter segment revenue	155,850	37,460	12,087	-	-	-	205,397
Total revenues	763,818	108,360	30,454	17,993	17,847	-	938,472
Adjustments and eliminations	(155,850)	(37,460)	(12,087)	-	-	-	(205,397)
Total revenues, net	607,968	70,900	18,367	17,993	17,847	-	733,075
Services and administrative expenses	(245,392)	(26,288)	(6,648)	(6,852)	(25,344)	-	(310,524)
Bad debts and doubtful accounts	(53,574)	-	-	(1,096)	-	-	(54,670)
Expense allowance on disputed loans	-	(603,179)	-	-	-	-	(603,179)
Expense allowance on loan and interest receivables	-	(956,637)	-	-	-	-	(956,637)
Loss on disposals of foreclosed assets	(63,141)	-	-	-	-	-	(63,141)
Expense allowance on other receivables	(202,348)	-	-	-	-	-	(202,348)
Expense allowance on other current assets	(38,825)	-	-	-	-	-	(38,825)
Expense allowance on investment loss in associate	-	(582,085)	-	-	-	-	(582,085)
Expense allowance on exclusive right	(55,937)	-	-	-	-	-	(55,937)
Share of profit from investment in associate	-	-	-	-	-	28,882	28,882
Financial cost	-	-	-	-	-	(112,020)	(112,020)
Income tax expenses	-	-	-	-	-	(50,016)	(50,016)
Segment profit (loss)	(51,249)	(2,097,289)	11,719	10,045	(7,497)	(133,154)	(2,267,425)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2018

	Hire Purchase and Asset - backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance under joint financing arrangements service	Item not allocated	Consolidated
Revenues							
External customer	1,843,465	1,398	64,603	130,114	56,842	-	2,096,422
Other income	21,895	32,983	8,457	1,783	167	-	65,285
Inter segment revenue	343,805	126,868	19,141	-	-	-	489,814
Total revenues	2,209,165	161,249	92,201	131,897	57,009	-	2,651,521
Adjustments and eliminations	(343,805)	(126,868)	(19,141)	-	-	-	(489,814)
Total revenues, net	1,865,360	34,381	73,060	131,897	57,009	-	2,161,707
Services and administrative expenses	(719,004)	(111,672)	(32,713)	(38,714)	(83,802)	-	(985,905)
Bad debts and doubtful accounts	(313,228)	-	-	(750)	(12,659)	-	(326,637)
Cost of sales	(4,327)	-	-	-	-	-	(4,327)
Loss on disposals of assets foreclosed	(221,263)	-	-	-	(11,732)	-	(232,995)
Reversal of allowance on other receivables	19,478	-	-	-	-	-	19,478
Reversal of allowance on other current assets	5,635	-	-	-	-	-	5,635
Share of profit from investment in associate	-	-	-	-	-	86,790	86,790
Financial cost	-	-	-	-	-	(296,382)	(296,382)
Income tax expenses	-	-	-	-	-	(90,209)	(90,209)
Segment profit (loss)	632,651	(77,291)	40,347	92,433	(51,184)	(299,801)	337,155

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2017 (Restated)

	Hire Purchase and Asset-backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance under joint financing arrangements service	Item not allocated	Consolidated
Revenues							
External customer	1,825,231	201,189	26,924	27,010	35,614	-	2,115,968
Other income	122,539	22,133	5,571	6,861	9,733	-	166,837
Inter segment revenue	635,289	(19,252)	16,381	-	-	-	632,418
Total revenues	2,583,059	204,070	48,876	33,871	45,347	-	2,915,223
Adjustments and eliminations	(635,289)	19,252	(16,381)	-	-	-	(632,418)
Total revenues, net	1,947,770	223,322	32,495	33,871	45,347	-	2,282,805
Services and administrative expenses	(689,866)	(74,080)	(13,546)	(13,090)	(48,842)	-	(839,424)
Bad debts and doubtful accounts	(221,142)	-	-	(1,273)	-	-	(222,415)
Expense allowance on disputed loans	-	(603,179)	-	-	-	-	(603,179)
Expense allowance on loan and interest receivables	-	(956,637)	-	-	-	-	(956,637)
Loss on disposals of foreclosed assets	(172,925)	-	-	-	-	-	(172,925)
Expense allowance on other receivables	(202,348)	-	-	-	-	-	(202,348)
Expense allowance on other current assets	(38,825)	-	-	-	-	-	(38,825)
Expense allowance on investment loss in associate	-	(582,085)	-	-	-	-	(582,085)
Expense allowance on exclusive right	(55,937)	-	-	-	-	-	(55,937)
Share of profit from investment in associate	-	-	-	-	-	121,100	121,100
Financial cost	-	-	-	-	-	(342,069)	(342,069)
Income tax expenses	-	-	-	-	-	(115,944)	(115,944)
Segment profit (loss)	566,727	(1,992,659)	18,949	19,508	(3,495)	(336,913)	(1,727,883)

(Unaudited but reviewed)

Segment assets of the Company and its subsidiaries as at 30 September 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 under joint financing arrangements service	Item not allocated	Consolidated
Segment assets							
As at 30 September 2018	<u>7,376,958</u>	<u>133,835</u>	<u>15,460</u>	<u>716,641</u>	<u>101,920</u>	<u>6,264,103</u>	<u>14,608,917</u>
As at 31 December 2017							
(Restated)	<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 and nine-month periods ended 30 September 2018 and 2017, respectively.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
		(Restated)		(Restated)
Revenue from external customers				
Thailand	463,373	417,407	1,350,182	1,326,115
Cambodia	133,649	172,111	423,689	541,666
Singapore	9,227	63,758	24,073	203,634
Cyprus	-	2,854	-	7,966
Luxembourg	-	2,317	-	7,012
Laos	31,820	23,055	95,853	84,951
Indonesia	24,598	21,985	87,704	50,467
Myanmar	66,889	22,959	180,206	40,585
Japan	-	6,629	-	20,409
Total	<u>729,556</u>	<u>733,075</u>	<u>2,161,707</u>	<u>2,282,805</u>

35. Commitments

35.1 Capital commitments

As at 30 September 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).

35.2 Operating lease commitments

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

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

	Consolidated financial statement			
	30 September 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	8,872	13,252	20,178	15,616
Thousand USD	130	329	114	411
Thousand IDR	1,471,680	1,839,600	811,087	2,943,360
Thousand SGD	72	4	126	-
Thousand MMK	28,200	-	-	-
	Separate financial statement			
	30 September 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	8,575	4,451	9,185	8,117

35.3 Service commitments

As at 30 September 2018, the Company is required to pay fees of JPY 0.4 million and Baht 0.2 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).

35.4 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 (30 September 2018: Nil).
- 2) As at 30 September 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 30 September 2018, letters of guarantee to guarantee debentures amounting Baht 975 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.

35.5 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.

36. Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

As at 30 September 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 30 September 2018				
Level 1	Level 2	Level 3	Total	
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	-	-	-

(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	-	(0.61)	-	(0.61)

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

37. Clarification on Legal proceeding

J Trust Co., Ltd. (“JT”), a company listed on Tokyo Stock Exchange, Japan and J Trust Asia Pte. Ltd. (“JTA”), a limited company registered in Singapore, have taken legal action against the Company and its subsidiary by filing civil complaints, filing a petition for rehabilitation of the Company and filing a criminal complaint in Thailand and commencing legal proceeding in Singapore. The Company has also taken legal action in Thailand against JTA by filing civil and criminal complaints.

PT Bank JTrust Indonesia Tbk., a limited company registered in Indonesia (“PT Bank JTrust”) has initiated legal proceedings against PT Group Lease Finance Indonesia, a subsidiary of the Company (“GLFI”).

37.1 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 (civil black case number Por. 83/2561).

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. JTA is seeking compensation for damages with a total claim amounting to THB 8,020,132,483.88.

At present, the Company is taking legal measures through the court. The preliminary hearing and settlement of issues are scheduled for 7 December 2018.

- b) On 30 April 2018, The Company filed a civil complaint against JTA to the Civil Court (civil black case number Por. 2313/2561).

The complaint provides that JTA filed the petition for rehabilitation of the Company in bad faith and inaccuracy to damage the Company and conducted a wrongful act against the Company. The Company is seeking for compensation of damages with a total claim amount of THB 880,000,000.

The Civil Court Court has scheduled the settlement of the disputed issue and taking of plaintiff’s evidence for 17 December 2018.

- c) On 3 May 2018, JT and JTA filed another civil complaint against the Company (civil black case number Por. 2399/2561).

The complaint alleges the Company to have caused reputational damages to the Plaintiffs by posting inaccurate statements on the Company's website. The Plaintiffs are seeking for compensation of damages with a total claim amount of THB 20,271,232.88.

The Civil Court has agreed to the Company's request to extend the period in which it is to file its replies until 16 November 2018 and scheduled a date of 17 December 2018 for settlement of issues.

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, (black case number For. 1/2561).

Pursuant to the Petition for Rehabilitation, JTA alleges that JTA was a creditor of the Company for monetary debt incurred due to the voidance of investment agreements and purchase of convertible debentures in an amount of USD 180,000,000 (approximately THB 5,831,298,000) and claimed that the Company was currently in a state of insolvency. JTA requested the Central Bankruptcy Court to order the rehabilitation of the Company, and JTA nominated PCL Planner Co., Ltd. as a preparer of the Company's rehabilitation plan.

On 19 March 2018, the Central Bankruptcy Court issued an order to dismiss the Petition for Rehabilitation and JTA.

Later, JTA appealed against this decision of the Central Bankruptcy Court on 17 April 2018 which has been accepted by the Central Bankruptcy Court on 18 April 2018.

At present, the Company is awaiting feedback from the Court on the cross appeal answers submitted.

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 (criminal black case No. Aor.6/2561).

The complaint states that JTA and other defendants' action of filing a petition for rehabilitation with the court in bad faith caused damage to the Company, its creditors, other stakeholders and the public.

The Court has issued an order scheduling dates for examination of the plaintiff's witnesses of 16 and 17 January 2019.

- b) JT and JTA filed a criminal case with the Criminal Court against the Company, on 3 May 2018 (black case No. Aor.1346/2561). The Complaint alleges defamation by the Company by posting inaccurate statements on its website.

At present, the preliminary hearing is scheduled for 12 and 13 December 2018.

37.2 Litigation in Singapore

JTA initiated legal proceedings in the Singapore court against GLH and other parties on 26 December 2017.

The claims by the Plaintiff are for acting in conspiracy to cause damage and entice them to invest in the Company by misrepresenting the financial position of the Company and the resulting loss in value of their investments.

An injunction order was instated against GLH, which restrained GLH from dealing with or disposing of its assets in Singapore up to the value of USD 180,000,000 (excluding allowances for ordinary living and business expenses, and legal fees). Subsequently the Court dismissed the orders. However, JTA filed an appeal against this decision and the Court reversed the decision and reinstated the injunction, expanding its scope to a worldwide injunction. The amount of the injunction covers USD 180,000,000.

Court proceedings for this case are currently scheduled to be held from 17 September 2019 to 29 October 2019.

37.3 Litigation in Indonesia

On 1 October 2018, PT Bank JTrust filed a civil complaint against GLFI with the District Court of Central Jakarta (case number 542/PDT.G/2018/PN.JKT.PST).

The claim covers repayment of loan facilities granted to GLFI as well as compensation payments for an alleged breach of contract between the parties. The total amount claimed is IDR 103,636,408,863 (equivalent to approximately Baht 225.93 million).

The legal proceedings are in the beginning stages. GLFI fully rejects the claims of PT Bank JTrust both in substance and in the claimed amounts.

As discussed in the Notes 37.1 37.2 and 37.3, the Group is aware of the importance of the above situation and, together with our external legal advisors, have considered the likelihood that there has been any breach of covenants or event of default as stipulated in the Group's credit facility agreements, debentures agreements and joint finance agreements 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 the joint finance partner and has not violated any laws and the demands as claims. Furthermore, 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 the convertible debentures conditions.

38. Significant adjustments

As at 30 September 2018, the Company has considered and decided to reverse provisions for doubtful accounts from other receivables and other current assets which are relating to the former executive director of the Company as the balance reduced by USD 0.75 million (equivalent to approximately Baht 25.11 million). The impact was recognised in other comprehensive income in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2018.

39. Correction of accounting errors and reclassification of transactions

On 19 October 2017, the Company received a request from the SEC to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by the SEC to the Department of Special Investigation (DSI) on 16 October 2017 against former executive director, in relation to allegations of fraud, misappropriation of the company's assets and falsifying account records by executing concealed transactions through several associated companies abroad to exaggerate the company's operating results. The SEC claimed that the recording of such transactions in the Company's accounts resulted in the Company's financial statements being inaccurate, rendering the Company in breach of Section 56 and/or 312 of the Securities and Exchange Act if they do not rectify their financial statements promptly.

Hence, the Company has hired an external audit firm in Singapore to perform an investigation on those loans and the findings did not include any noted exceptions. One borrower however (out of seven total borrowers contacted) failed to reply to their confirmation request mentioned in their report on the procedures performed, the Company resolved to revise its financial statements as requested by the SEC.

The Company has revised the material prior period errors in the set of Financial Statements as at 31 December 2017 as the comparative amounts for prior periods to present fairly the cumulative effect of the error restatement.

(Unaudited but reviewed)

The cumulative effects of financial statements for the years ended 31 December 2017, presented herewith for comparative purposes, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2017			
	As previously reported	Reclassified Increase (Decrease)	Restated Increase (Decrease)	As restated
Statement of financial position				
Current assets				
Current portion of loans and interest receivables	1,912,885	(975,405)	-	937,480
Allowance for loans and interest receivables	(1,912,336)	975,405	-	(936,931)
Current portion of loans and interest receivables - net	549	-	-	549
Current portion of disputed loans	-	975,405	(384,657)	590,748
Allowance for disputed loans	-	(975,405)	384,657	(590,748)
Current portion of disputed loans - net	-	-	-	-
Non-current assets				
Long-term portion of loans and interest receivables	40,840	-	-	40,840
Allowance for loans and interest receivables	-	-	-	-
Long-term portion of loans and interest receivables - net	40,840	-	-	40,840
Long-term portion of disputed loans	-	-	-	-
Allowance for disputed loans	-	-	-	-
Long-term portion of disputed loans - net	-	-	-	-
Shareholders' equity				
Unappropriated retained earnings (deficit)	(126,109)	-	(18,281)	(144,390)
Other components of shareholders' equity	(321,411)	-	18,281	(303,130)

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2017				
	Reclassified	Restated		
As previously	Increase	Increase		
reported	(Decrease)	(Decrease)	As restated	
<u>Statement of comprehensive income</u>				
Profit or loss:				
Revenues				
Interest on loan receivables	378,962	-	(177,251)*	201,711
Expenses				
Expense allowance on loans and interest receivables	(1,952,565)	995,924	-	(956,641)
Expense allowance on disputed loans	-	(995,924)	392,748	(603,176)
Loss for the year	(1,822,548)	-	215,497	(1,607,051)
<u>Other comprehensive income:</u>				
Exchange differences on translation of financial statements in foreign currency - net of income tax	(549,330)	-	21,302	(528,028)
Other comprehensive income for the year	(632,609)	-	21,302	(611,307)
<u>Profit (loss) attributable to:</u>				
Equity holders of the Company	(1,818,708)	-	215,497	(1,603,211)
<u>Total comprehensive income attributable to:</u>				
Equity holders of the Company	(2,443,528)	-	236,799	(2,206,729)
<u>Earnings per share (Baht):</u>				
Basic earnings per share (loss)	(1.192)	-	0.141	(1.051)
Diluted earnings per share (loss)	(1.192)	-	0.141	(1.051)

Note: * For the year 2017, interest income of the 1st quarter decreased by Baht 70 million, the 2nd quarter decreased by Baht 55 million and the 3rd quarter decreased by Baht 52 million, respectively.

40. Approval of interim financial statements

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