

Group Lease Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2018

Independent Auditor's Report

To the Shareholders of Group Lease Public Company Limited

1. Basis of Qualified Opinion

(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, fraud and falsehood in accounting with concealed act and was referred to the DSI for consideration of prosecution. The pattern appeared to be round-tripping of fund-out and fund-in in pumping the Group's profits fictitiously with high interest income.

The SEC's findings as stated in the alleged against ex-CEO was a follow-up to the auditor's 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 fraud committed by ex-CEO. After filing of the Company's 2016 audited financial statements on 28 February 2017 with the auditor's highlighted emphasis on the extra nature of the loans, thereafter loans were partially refunded in total of USD 42 million, leaving USD 56 million still outstanding on 30 September 2017 and 31 December 2017.

In an attempt to respond to the first SEC's order to revise and correct past financial statements of the delinquency, the Company decided to set aside a provision for losses from that financial shenanigans as alleged by the SEC the whole sum of USD 56 million against the quarterly profits then ended on 30 September 2017. However, subsequently on 16 January 2018, the SEC ordered the Company again to correct the past financial statements relevantly. 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 50 to the financial statements. Please also refer to our audit report paragraph 1 (e). On 8 January 2019, the SET announced that the SET received notification from the SEC that the SEC had considered the revised financial statements of the Company for the year 2017 and had not found those financial statements not being prepared in compliance with the financial reporting standards.

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, in 2018 the Company reversed USD 1.77 million of the provision.

(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 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 an oversea subsidiary.

I have sent requests for confirmation of balances as at 31 December 2018 to collateral custodian. Up to this report date, I have not yet received any reply from the collateral custodian.

(d) Qualified opinion

Because of that ex-CEO being under ongoing official investigation by DSI following the SEC's criminal complaint, the whole matter is now under consideration for proceeding to court. Due to the legal process not being finalized and my limitation as a professional auditor in examining further the real status of the borrowings, I am therefore unable to conclude on the status of the debts except to await for the DSI's investigation since it has power and official channels to eventually decide and conclude the case and seeking for court's judgement. Therefore, under this limitation by circumstance, I am unable to conclusively determine the eventuality of the SEC's criminal complaint on those loans and receivables and bona fide of interest income and also unable to conclude on the fairness of the provision for losses 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 has amended its past financial statements based on the figures of loans as made known to the Company from the SEC's allegation. The amendment has 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.

	<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)	-
Reversal of a part of provision for loss as recorded in 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 has 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 has 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>2017</u>	<u>2016</u>	<u>2015</u>
	Million	Million	Million
	Baht	Baht	Baht
<u>Consolidated Statement of financial</u>			
<u>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	<u>(591)</u>	<u>-</u>	<u>-</u>
Disputed loans (as alleged by the SEC) as restated	<u>-</u>	<u>1,816</u>	<u>1,158</u>

The revision of above financial statements has been made only on the issue as raised by the SEC i.e. by reclassification of loans as alleged by the SEC and reversal of related interest income. There is no other revision and there is no update of any subsequent events previously disclosed or adjusted in the financial statements.

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>2017</u>	<u>2016</u>	<u>2015</u>
	Million	Million	Million
	Baht	Baht	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)
Reversal of a part of provision for loss as recorded in the year 2017 (because the outstanding balance of loans was reduced as a result of deducting interest received)	593	-	-
Net	<u>393</u>	<u>(283)</u>	<u>(139)</u>
<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	(535)	(263)	(67)
	356	1,235	1,438
Provision for loss as recorded in the year 2017	(356)	-	-
Net	<u>-</u>	<u>1,235</u>	<u>1,438</u>

2. Qualified Opinion

I have audited the accompanying consolidated financial statements of Group Lease Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at 31 December 2018 and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Group Lease Public Company Limited for the same period.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion on the financial statements.

In my opinion, except for the possible effects on the matters described and detailed in the *Basis for Qualified Opinion* section of my report, which are limitations by circumstances, pending investigation of the Department of Special Investigation ("DSI") and legal process and subject to the outcome on the degree of recovery of the Group's assets alleged by the SEC, resulting me in being unable to determine the appropriateness of the loans, interest income and provision for losses and unable to conclude whether there should be more adjustment on the past financial statements, the financial statements referred to above present fairly, in all other material respects, the financial position of Group Lease Public Company Limited and its subsidiaries (the Group) and of Group Lease Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

The restated consolidated and the separate financial statements for the year 2017 (as presented herein for comparative purposes) were audited by other auditor of our office, who expressed a qualified opinion in the same basis as my opinion.

3. Emphasis of matters

I update and draw attention to the following matters:

- 3.1) Loans and interest receivables (included disputed loans) - Baht 1,560 million (before provision for loss) as of 31 December 2018, represents 21 percent of the consolidated net assets (As of 31 December 2017- as restated: Baht 1,569 million - 22 percent of the consolidated net assets)

I draw attention to Note 13 of the consolidated financial statements relating to the loans and interest receivables. The main business of the Company is in the hire purchase financing for motorcycles but, separately and significantly from the main business, loans were granted to two groups of 'borrowers' - portrayed as one group in Cyprus and another in Singapore. Parties in the groups were at that time also shareholders of the Company and pledged the Company's shares against those loans. Besides share pledging, their ownership of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies were also used as collaterals against those indebtedness.

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

In 2017, before due date, the Cyprus 'borrower' repaid a sum of Baht 845 million (USD 25.3 million) and partially released the collateral of the Company's shares but retained other collaterals as stipulated in agreements. In addition, and on due date, the Singapore 'borrower' repaid a sum of approximately Baht 557 million (USD 16.7 million) and the remaining collateral of the Company's shares was also released and replaced by the value of properties in Japan (The Company advised that pledging of the properties in Japan was registered with Japanese Registry Office already). As at 31 December 2018 and 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 13 to the financial statements and our Basis for Qualified Opinion paragraph)

3.2) Investment in associated company in Sri Lanka - As of 31 December 2018 - Baht 1,977 million (investment value under equity method Baht 2,559 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))

I draw attention to Note 19 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 addition, the above referred director who was the director in the selling company and also in the Company has since resigned from the Company's Board effective as of 31 January 2018 citing conflict of interest.

As at 31 December 2018, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 1,977 million (investment value under equity method Baht 2,559 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 year 2018, the total value was only approximately Baht 484 million (at the end of year 2017: Baht 874 million). In late 2018, the management of the Company has evaluated the value of this investment and considered that there is no more provision for loss required. The difference between the carrying value of investment (even after provision for loss) and the Stock Exchange market price is material. Moreover, there are fluctuations in the LKR exchange rate and future assessment is therefore needed to determine whether further provision for loss is required.

(See more significant matters as disclosed by the Company in Note 19 to the financial statements)

3.3) Investment in PT Bank JTrust Indonesia Tbk (Other investment) - As of 31 December 2018 - Baht 414 million (31 December 2017 - Baht 414 million) - Note 20

On 26 October 2017, 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 2017, 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

In late 2018, the management of the Company has evaluated the value of this investment and considered 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.

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 2018, the P/BV ratio increased to 6.6 times while the 'average P/BV ratio' of all commercial banks in Indonesian market was about 1.3 times. The carrying value of this investment was significantly in excess of the value calculated based on the 'average P/BV ratio'. Based on public information in financial statements disclosure, PT Bank JTrust has lawsuits that have been prosecuted both in and outside the Country, these cases depend on legal proceeding and the decisions in the future. The value of the investment depends upon the Company's ability to cooperate with the investee company's major shareholder and the success of the future operations of this company, and there are also fluctuations in the IDR exchange rate. Thus, this investment has high degree of uncertainty and needs special attention and its value needs to be evaluated every year.

3.4) Investment in BG Microfinance Myanmar Co. Ltd. (investment in subsidiary) - As of 31 December 2018 - Baht 718 million (31 December 2017 - Baht 654 million) - Note 18

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

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

As at 31 December 2018 and 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 the acquisition price of 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 filed cases against the Group and other related matters as the following:

a) Legal cases in Thailand (Note 48.1)

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 48.1 to the financial statements.

b) Legal cases in Singapore (Note 48.2)

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 48.2 to the financial statements.

c) Legal cases in Indonesia (Note 48.3)

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 233 million). Please see more details in Note 48.3 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 of approximately Baht 292 million (USD 9 million) were due on the convertible debentures up to the end of 2018. The Company has decided to suspend payment of interest on the convertible debentures, and believes that as long as the legal cases are outstanding, the non-payment of interest does not constitute a breach of the terms and conditions of the convertible debentures.

4. Material uncertainty related to going concern

I draw attention to the legal cases as discussed in 3.5 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. My opinion is not modified in respect of this matter.

5. Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters.

Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matters described in *the Basis for Qualified Opinion and the Material Uncertainty Related to Going Concern Section*, key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Group's policy on recognition of hire purchase and asset - backed loans interest income are discussed in Notes 9 and 10 to the financial statements. In 2018, the Group's revenue mainly consisted of interest income from hire purchase and asset - backed loans contracts, which amounted to Baht 2,216 million (representing 78 percent of total revenue). These hire purchase and asset - backed loans interest incomes were derived from agreements made with a large number of customers, most of whom are retail customers, and the revenue recognition is primarily reliant on data processing by information technology systems. Therefore, I addressed the amount and timing of the recognition of hire purchase and asset - backed loans interest incomes as a key audit matter.

I assessed and tested the Group's IT system controls and significant internal controls related to the loan origination, loan receipt and interest incomes recognition processes by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select hire purchase and asset - backed loans contracts to assess whether the recording of hire purchase receivables, asset - backed loans receivables and revenue recognition were in accordance with the conditions of the relevant agreements and were in compliance with the Group's policy. In addition, I performed analytical procedures on the recognition of interest incomes throughout the year, the cessation of recognition of interest incomes and applied a sampling method to examine accounting entries related to interest income recognition that were made through journal vouchers.

Allowance for doubtful accounts for hire purchase receivables and asset-backed loan receivables

As discussed in Notes 9 and 10 to the financial statements, the estimation of allowances for doubtful accounts for hire purchase receivables and asset-backed loan receivables relies on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating the losses expected to be incurred when debtors are unable to repay principal and interest, and the appropriateness of the timing of recognition.

Moreover, the estimation of these allowances was significant because as at 31 December 2018, the Group had significant balances of hire purchase receivables and asset-backed loan receivables (accounting for 45 percent of total assets). Therefore, there is a risk that the allowances for hire purchase receivables and asset-backed loan receivables recognised will be insufficient, resulting in a risk of the Group overstating the value of its hire purchase receivables and asset-backed loan receivables.

I assessed and tested the internal controls relevant to approval, recording and debt collection for hire purchase receivables and asset-backed loan receivables, and the internal controls relating to the calculation of the allowances. I also assessed the appropriateness of the key information, assumptions and methods used by the Group in calculating allowance for doubtful accounts for hire purchase receivables and asset - backed loan receivables by performing the following procedures:

- Gained an understanding of how allowances were calculated, and assessed the appropriateness of the calculation of probability of default and loss given default.
- Checked the credibility of key data used in the calculation to key sources
- Performed analytical procedures on assumptions that the Group applied against historical data and external sources and evaluated whether the assumptions were consistently applied.
- Checked the correctness of the financial information disclosed in the financial statements.

Valuation of investment in associate company in Sri Lanka

As discussed in Note 19 to the financial statements, the carrying value under the equity method of the investment in the associated company was higher than its market value, which was determined based on the market price of the associated company's shares on the Sri Lanka stock exchange. The difference between the carrying value of the investment and the stock market price could be viewed as an indication of impairment. As a result, management had taken a conservative view and decided to set aside provision for loss on the investment of Baht 582 million in the third quarter of 2017.

As of 31 December 2018, the carrying value of the Group's investment in the associated company was therefore Baht 1,977 million (after provision for loss). The management then estimated the recoverable amount of the investment in the associated company based on residual income approach and the recoverable amount as estimated was higher than the carrying value.

I focused on the estimation of the recoverable amount of the investment because the assessment of impairment of investment in the associated company is a significant accounting estimate requiring management to exercise a high degree of judgment in estimating the residual income that are expected to be generated in the future, and determining an appropriate cost of equity, long-term terminal growth rate and fluctuations in exchange rates. There are thus risks with respect to the valuation of investment in associate company.

My audit procedures of valuation of investment in associate included evaluating the residual income approach basis provided by the Group and the reasonableness of the assumptions the Group applied to the calculation based on the used method by checking them against relevant documents and information from external sources, involving valuation specialist to evaluate the appropriateness of the financial parameters applied to determine cost of equity, terminal growth rate, and fluctuations of exchange rates, based on the economic and industry statistics relevant to the business. In addition, I tested the principles and mathematical accuracy of the residual income approach model and performed sensitivity analysis around the key assumptions. I gained an understanding of the estimation of recoverable amount by the Group and evaluated the reasonableness of the recoverable amount by checking it against relevant documents and information from external sources. I also reviewed the disclosures related to the valuation of investment in the notes to financial statements.

Investment in subsidiary company in Myanmar

As described in the Note 2.1 to the financial statements, during the year 2017, a subsidiary of the Company invested in BG Microfinance Myanmar Co., Ltd (“BGMM”), which is a company incorporated in the Republic of the Union of Myanmar and engaged in the microfinance business. As at the date of acquisition, the Group recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised: 2015) Business combinations. In addition, I checked the value of the acquisition to supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by management's expert, and evaluating the expertise, ability and integrity of the independent valuation specialist. I also assessed the rationale of goodwill recognised from the business combination by analysing the pricing model, and reviewing the disclosures related to the business combination in the notes to financial statements.

My audit procedures of valuation of goodwill, I assessed the appropriateness of the identified cash generating units and the financial models selected by management by gaining an understanding of the management's decision-making process and determining whether the decisions were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in estimating the residual income expected to be realised from the assets, by checking those assumptions against information from the sources of the Group, and determining the accuracy of past residual income projections through comparison with actual operating results. I also considered the appropriateness of the discount rate applied by management, tested the calculation of the realisable values of the assets using the selected financial model, and considered the impact of changes in key assumptions on those realisable values. Moreover, I assessed the adequacy of the disclosures made with respect to the impairment assessment for goodwill.

Goodwill

I have focused on the consideration of the impairment of goodwill, as discussed in Note 23 to the financial statements, because the impairment assessment on goodwill is a significant accounting estimate requiring the management to exercise a high degree of judgment in identifying the cash generating unit, estimating the expected value to be generated from that group of assets in the future. There is thus a risk that the presented values of goodwill will be inappropriate.

I assessed the appropriateness of the identified cash generating units and the recoverable value calculated by management by gaining an understanding of the management's decision-making process and determining whether the decisions were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in the relative valuation approach for evaluating net asset value by calculating price to earnings and price to book value of listed comparable companies to evaluate the fair value of cash generating units. Management has collected comparative information from assets in the market with the most similar characteristics of that of the cash generating unit and compared and performed analytical procedures. I also tested the calculation of the recoverable values of the assets and considered the impact of changes in key assumptions on those recoverable values. Moreover, I assessed the adequacy of the disclosures made with respect to the impairment assessment for goodwill.

Allowance for impairment of investments in subsidiaries and other long-term investments

I have focused my audit on the consideration of the impairment of investments in subsidiaries and other long-term investments, as discussed in Notes 18 and 20 to the financial statements, because the impairment assessment on investment in subsidiaries and other long-term investments is a significant accounting estimate requiring the management to exercise a high degree of judgment in identifying and estimating the recoverable amounts that are expected to be generated from those investments. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use. There is thus a risk with respect to the valuation of investments in subsidiaries and other long-term investments.

I assessed the appropriateness of the financial models selected by management by gaining an understanding of management's decision-making process. In addition, I tested the significant assumptions applied by management in estimating the recoverable amounts that are expected to be generated from the subsidiaries and other long-term investments, by comparing those assumptions with information from both internal and external sources and comparing past residual income projections to actual operating results in order to evaluate the exercise of management judgment in estimating the future residual income projections. I also evaluated the appropriateness of discount rate applied by management through analysis of the average costs of the companies in which the Group invested and those of the industry, tested the calculation of the realisable values of such investments by using the selected financial model, and considered the impact of changes in key assumptions on

those realisable values, especially changes in the discount rate and long-term revenue growth rates.

6. Other matter

The restated consolidated financial statements of Group Lease Public Company Limited and its subsidiaries and the separate financial statements of Group Lease Public Company Limited for the year ended 31 December 2017 (as presented herein for comparative purposes) were audited by other auditor of our office, who expressed qualified opinions on those statements, under the auditor's report dated 31 July 2018, based on the matters described and detailed in the Basis for Qualified Opinion section, which are limitations by circumstances, pending investigation of the Department of Special Investigation ("DSI") and legal process and subject to the outcome on the degree of recovery of the Group's assets alleged by the SEC, resulting the auditor in being unable to determine the appropriateness of the loans, interest income and provision for losses and unable to conclude whether there should be more adjustment on the past financial statements.

7. Other information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the auditor's report dated 27 February 2019.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

8. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

9. Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my report.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 27 February 2019

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017 (Restated)	2018	2017
Assets					
Current assets					
Cash and cash equivalents	8	3,745,003,105	3,079,901,420	409,892,869	119,941,164
Current investments		18,048,579	47,800,000	-	-
Current portion of hire purchase and installment sales receivables	9	3,324,919,355	3,194,770,438	2,123,034,640	2,024,726,522
Current portion of asset-backed loan receivables	10	230,732,922	269,593,365	-	-
Current portion of microfinance receivables	11	554,319,244	378,428,659	-	-
Current portion of consumer finance receivables under joint financing arrangements	12	5,354,969	14,078,316	-	-
Current portion of disputed loans	13	-	-	-	-
Current portion of loans and interest receivables	13	42,122,819	549,276	-	-
Inventories		281,159	43,000	-	-
Assets foreclosed	14	61,283,706	87,951,954	8,667,252	12,309,013
Short-term loan to and interest receivables from subsidiary	2.2, 7	-	-	209,983,406	165,550,082
Other receivables	7, 15	89,327,132	82,414,092	42,181,365	22,392,144
Other current assets	7, 16	141,575,980	247,705,667	37,143,248	92,425,379
Total current assets		8,212,968,970	7,403,236,187	2,830,902,780	2,437,344,304
Non-current assets					
Pledged fixed deposit at financial institution	17	5,849,909	11,646,907	339,909	336,907
Investments in subsidiaries	18	-	-	3,590,302,150	3,590,302,150
Investments in associate	19	1,976,903,336	2,022,554,791	-	-
Other long-term investments	7, 20	670,995,560	670,995,560	-	-
Long-term portion of hire purchase and installment sales receivables	9	2,886,839,679	3,358,398,496	2,096,961,562	2,094,609,840
Long-term portion of asset-backed loan receivables	10	64,553,909	76,824,446	-	-
Long-term portion of microfinance receivables	11	6,718,277	39,527,013	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	12	19,310,583	42,513,147	-	-
Long-term portion of disputed loans	13	-	-	-	-
Long-term portion of loans and interest receivables	13	-	40,840,376	-	-
Long-term portion of loans to subsidiary	2.2, 7	-	-	5,307,791,992	5,345,592,864
Property, plant and equipment	21	118,879,974	135,519,554	60,848,947	71,486,640
Intangible assets	22	116,809,780	116,001,063	79,030,826	74,483,446
Goodwill	23	336,772,198	338,657,911	-	-
Deferred tax assets	40	122,464,451	53,062,864	44,193,476	32,891,501
Other non-current assets	24	75,065,245	72,212,552	34,474,862	35,127,485
Total non-current assets		6,401,162,901	6,978,754,680	11,213,943,724	11,244,830,833
Total assets		14,614,131,871	14,381,990,867	14,044,846,504	13,682,175,137

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

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017 (Restated)	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	25	-	65,239,485	-	-
Trade accounts payables		10,207,986	4,922,610	1,498,245	1,489,300
Deposits from customers	26	40,623,903	22,906,067	-	-
Short-term loan from and interest payable	27	19,602,987	-	-	-
Current portion of long-term loans	29	22,386,465	102,764,240	-	-
Current portion of long-term loans from subsidiary	7	-	-	-	40,000,000
Current portion of debentures	30	1,486,810,657	-	1,486,810,657	-
Income tax payable		84,401,285	75,637,211	27,567,630	14,923,399
Insurance premium payables		9,448,146	9,163,017	8,274,326	4,794,369
Other payables	7, 28	539,399,894	266,317,108	440,336,665	255,439,121
Derivatives Liability		-	605,430	-	-
Other current liabilities	7	129,371,502	129,109,146	63,127,329	76,393,164
Total current liabilities		2,342,252,825	676,664,314	2,027,614,852	393,039,353
Non-current liabilities					
Convertible debentures under court cases	31	5,794,580,573	5,833,885,172	5,794,580,573	5,833,885,172
Long-term portion of long-term loans	29	-	19,490,689	-	-
Long-term portion of debentures	30	-	1,469,590,222	-	1,469,590,222
Convertible debentures - liability component	7, 31	635,359,840	639,570,791	635,359,840	639,570,791
Provision for long-term employee benefits	32	18,393,647	11,768,045	18,393,647	11,768,045
Deferred tax Liability	40	43,215,973	3,226,355	-	-
Cash guarantee for damage on hire purchase agreements		2,179,973	2,179,973	2,063,646	2,063,646
Total non-current liabilities		6,493,730,006	7,979,711,247	6,450,397,706	7,956,877,876
Total liabilities		8,835,982,831	8,656,375,561	8,478,012,558	8,349,917,229
Shareholders' equity					
Share capital					
Registered					
1,845,090,080 ordinary shares of Baht 0.50 each		922,545,040	922,545,040	922,545,040	922,545,040
Issued and paid-up					
1,525,538,158 ordinary shares of Baht 0.50 each					
(2017: 1,525,538,139 ordinary shares of Baht 0.50 each)		762,769,079	762,769,070	762,769,079	762,769,070
Share premium		5,192,673,312	5,192,672,562	5,192,673,312	5,192,672,562
Retained earnings (Deficit)					
Appropriated - statutory reserve	35	92,254,504	92,254,504	92,254,504	92,254,504
Unappropriated		131,911,306	(144,389,652)	(540,320,952)	(774,896,231)
Other components of shareholders' equity	31	(525,505,121)	(303,130,030)	59,458,003	59,458,003
Total equity attributable to owner of the Company		5,654,103,080	5,600,176,454	5,566,833,946	5,332,257,908
Non-controlling interests of the subsidiary		124,045,960	125,438,852	-	-
Total shareholders' equity		5,778,149,040	5,725,615,306	5,566,833,946	5,332,257,908
Total liabilities and shareholders' equity		14,614,131,871	14,381,990,867	14,044,846,504	13,682,175,137
		-	-	-	-

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 year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated		Separate	
		2018	2017 (Restated)	2018	2017
Profit or loss					
Revenues					
Hire purchase interest income		2,055,273,544	2,070,077,020	1,330,316,312	1,226,675,955
Asset - backed loan interest income		160,588,716	164,648,819	-	-
Microfinance interest income		159,210,377	51,587,722	-	-
Consumer finance under joint financing arrangements					
interest income		44,915,917	47,793,843	-	-
Interest on loan receivables		1,870,376	201,710,870	-	-
Hire purchase service fee income		86,019,968	17,084,924	-	-
Sales		8,442,449	870,037	-	-
Other income					
Interest income		60,629,450	39,746,681	372,393,007	402,266,794
Consulting service fee income		-	20,409,000	-	-
Management service fee income		-	-	84,000,000	84,000,000
Other income related to the activities of hire purchase	36	232,016,510	209,987,058	128,047,961	128,330,191
Other income related to the activities of microfinance	37	10,753,553	4,612,651	-	-
Dividend income	7, 18.1	-	-	-	343,838,800
Gain on exchange rate		-	120,571,256	13,351,569	46,055,299
Others	38	32,995,189	29,262,170	21,837,399	23,645,577
Total revenues		2,852,716,049	2,978,362,051	1,949,946,248	2,254,812,616
Expenses					
Service and administrative expenses	39	1,278,050,123	1,144,950,964	596,508,286	583,583,223
Bad debts and doubtful accounts		560,313,880	323,036,186	366,224,384	200,576,432
Cost of sales		7,643,137	757,129	-	-
Expense allowance on disputed loans		-	603,175,635	-	-
Expense allowance on loan and interest receivables		-	956,640,622	-	-
Loss on disposals of assets foreclosed		329,157,900	245,351,104	271,823,126	216,498,683
Expense (reversal) allowance on other receivables	49	(20,373,857)	208,883,696	-	-
Expense (reversal) allowance on other current assets	49	(38,825,253)	38,825,253	-	-
Expense allowance on investment loss in subsidiary		-	-	-	2,426,817,791
Expense allowance on investment loss in associate		-	582,085,201	-	-
Expense allowance on exclusive right		-	55,937,439	-	-
Total expenses		2,115,965,930	4,159,643,229	1,234,555,796	3,427,476,129
Profit (loss) before share of profit from investments in associate, finance cost and income tax expenses					
		736,750,119	(1,181,281,178)	715,390,452	(1,172,663,513)
Share of profit from investment in associate	19	110,935,697	171,950,702	-	-
Profit (loss) before finance cost and income tax expenses		847,685,816	(1,009,330,476)	715,390,452	(1,172,663,513)
Finance cost		(396,476,786)	(445,346,642)	(388,439,713)	(424,148,868)
Profit (loss) before income tax expenses		451,209,030	(1,454,677,118)	326,950,739	(1,596,812,381)
Income tax expenses	40	(161,673,266)	(152,373,345)	(88,543,745)	(81,452,965)
Profit (loss) for the year		289,535,764	(1,607,050,463)	238,406,994	(1,678,265,346)

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 year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated		Separate	
		2018	2017 (Restated)	2018	2017
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(93,189,034)	(528,028,264)	-	-
Share of other comprehensive income from investment in associate - net of income tax	19	(138,320,707)	(83,880,582)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(231,509,741)	(611,908,846)	-	-
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	19	(1,661,343)	602,305	-	-
Actuarial loss - net of income tax	32	(3,831,715)	-	(3,831,715)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(5,493,058)	602,305	(3,831,715)	-
Other comprehensive income for the year		(237,002,799)	(611,306,541)	(3,831,715)	-
Total comprehensive income for the year		52,532,965	(2,218,357,004)	234,575,279	(1,678,265,346)
Profit (loss) attributable to:					
Equity holders of the Company		281,794,016	(1,603,210,849)	238,406,994	(1,678,265,346)
Non-controlling interests of the subsidiaries		7,741,748	(3,839,614)	-	-
		<u>289,535,764</u>	<u>(1,607,050,463)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		53,925,867	(2,206,728,125)	234,575,279	(1,678,265,346)
Non-controlling interests of the subsidiaries		(1,392,902)	(11,628,879)	-	-
		<u>52,532,965</u>	<u>(2,218,357,004)</u>		
Earnings per share	41	-	-	-	-
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		0.185	(1.051)	0.156	(1.100)
Weighted average number of ordinary shares (shares)		<u>1,525,538,158</u>	<u>1,525,535,438</u>	<u>1,525,538,158</u>	<u>1,525,535,438</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 year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements														
Equity attributable to the owners of the Company														
	Note	Issued and paid-up share capital		Share subscription received in advance	Retained earnings		Other components of equity				Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
		Share premium	Appropriated - statutory reverse		Unappropriated	Other comprehensive income		Convertible debentures - equity component	Total other components of the Company					
						Unrealised gain (loss) 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)		762,754,985	5,191,559,886	365,320	92,254,504	2,101,423,374	1,793,550	-	248,420,803	10,043,152	260,257,505	8,408,615,574	92,295,056	8,500,910,630
Correction of accounting errors	50	-	-	-	-	(233,777,992)	-	-	(3,021,446)	-	(3,021,446)	(236,799,438)	-	(236,799,438)
Balance as at 1 January 2017 (as restated)		762,754,985	5,191,559,886	365,320	92,254,504	1,867,645,382	1,793,550	-	245,399,357	10,043,152	257,236,059	8,171,816,136	92,295,056	8,264,111,192
Loss for the year (restated)		-	-	-	-	(1,603,210,849)	-	-	-	-	-	(1,603,210,849)	(3,839,614)	(1,607,050,463)
Other comprehensive income for the year (restated)		-	-	-	-	602,305	787,103	351,969	(605,258,653)	-	(604,119,581)	(603,517,276)	(7,789,265)	(611,306,541)
Total comprehensive income for the year (restated)		-	-	-	-	(1,602,608,544)	787,103	351,969	(605,258,653)	-	(604,119,581)	(2,206,728,125)	(11,628,879)	(2,218,357,004)
Issuance of ordinary shares during year														
from the exercise of warrants		9,518	751,923	-	-	-	-	-	-	-	-	761,441	-	761,441
Issuance of ordinary shares during year														
from transferring of share subscription received in advance		4,567	360,753	(365,320)	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interest														
from established a new subsidiary		-	-	-	-	-	-	-	-	-	-	-	44,772,675	44,772,675
Dividend paid	34	-	-	-	-	(415,087,849)	-	-	-	-	-	(415,087,849)	-	(415,087,849)
Issue convertible debentures - equity component	31	-	-	-	-	-	-	-	-	49,414,851	49,414,851	49,414,851	-	49,414,851
Effect on cumulative exchange difference adjustment		-	-	-	-	5,661,359	-	-	(5,661,359)	-	(5,661,359)	-	-	-
Balance as at 31 December 2017 (as restated)		<u>762,769,070</u>	<u>5,192,672,562</u>	<u>-</u>	<u>92,254,504</u>	<u>(144,389,652)</u>	<u>2,580,653</u>	<u>351,969</u>	<u>(365,520,655)</u>	<u>59,458,003</u>	<u>(303,130,030)</u>	<u>5,600,176,454</u>	<u>125,438,852</u>	<u>5,725,615,306</u>
Balance as at 1 January 2018 (as previously reported)		762,769,070	5,192,672,562	-	92,254,504	(126,109,075)	2,580,653	351,969	(383,801,225)	59,458,003	(321,410,600)	5,600,176,461	125,438,852	5,725,615,313
Correction of accounting errors	50	-	-	-	-	(18,280,577)	-	-	18,280,570	-	18,280,570	(7)	-	(7)
Balance as at 1 January 2018 (as restated)		<u>762,769,070</u>	<u>5,192,672,562</u>	<u>-</u>	<u>92,254,504</u>	<u>(144,389,652)</u>	<u>2,580,653</u>	<u>351,969</u>	<u>(365,520,655)</u>	<u>59,458,003</u>	<u>(303,130,030)</u>	<u>5,600,176,454</u>	<u>125,438,852</u>	<u>5,725,615,306</u>
Profit for the year		-	-	-	-	281,794,016	-	-	-	-	-	281,794,016	7,741,748	289,535,764
Other comprehensive income for the year		-	-	-	-	(5,493,058)	(554,209)	-	(221,820,882)	-	(222,375,091)	(227,868,149)	(9,134,650)	(237,002,799)
Total comprehensive income for the year		-	-	-	-	276,300,958	(554,209)	-	(221,820,882)	-	(222,375,091)	53,925,867	(1,392,902)	52,532,965
Issuance of ordinary shares during year from														
the exercise of warrants		9	750	-	-	-	-	-	-	-	-	759	-	759
Increase in non-controlling interest from														
established a new subsidiary		-	-	-	-	-	-	-	-	-	-	-	10	10
Balance as at 31 December 2018		<u>762,769,079</u>	<u>5,192,673,312</u>	<u>-</u>	<u>92,254,504</u>	<u>131,911,306</u>	<u>2,026,444</u>	<u>351,969</u>	<u>(587,341,537)</u>	<u>59,458,003</u>	<u>(525,505,121)</u>	<u>5,654,103,080</u>	<u>124,045,960</u>	<u>5,778,149,040</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 (continued)

For the year ended 31 December 2018

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up		Share subscription received in advance	Retained earnings (Deficit)		Other components of shareholders' equity	Total shareholders' equity
		share capital	Share premium		Appropriated - statutory reverse	Unappropriated	Convertible debentures - equity component	
Balance as at 1 January 2017		762,754,985	5,191,559,886	365,320	92,254,504	1,318,456,964	10,043,152	7,375,434,811
Loss for the year		-	-	-	-	(1,678,265,346)	-	(1,678,265,346)
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(1,678,265,346)	-	(1,678,265,346)
Issuance of ordinary shares during year								
from the exercise of warrants		9,518	751,923	-	-	-	-	761,441
Issuance of ordinary shares during year								
from transferring of share subscription received in advance		4,567	360,753	(365,320)	-	-	-	-
Dividend paid	34	-	-	-	-	(415,087,849)	-	(415,087,849)
Issue convertible debentures - equity component	31	-	-	-	-	-	49,414,851	49,414,851
Balance as at 31 December 2017		<u>762,769,070</u>	<u>5,192,672,562</u>	<u>-</u>	<u>92,254,504</u>	<u>(774,896,231)</u>	<u>59,458,003</u>	<u>5,332,257,908</u>
Balance as at 1 January 2018		762,769,070	5,192,672,562	-	92,254,504	(774,896,231)	59,458,003	5,332,257,908
Profit for the year		-	-	-	-	238,406,994	-	238,406,994
Other comprehensive income for the year		-	-	-	-	(3,831,715)	-	(3,831,715)
Total comprehensive income for the year		-	-	-	-	234,575,279	-	234,575,279
Issuance of ordinary shares during year from								
the exercise of warrants		9	750	-	-	-	-	759
Balance as at 31 December 2018		<u>762,769,079</u>	<u>5,192,673,312</u>	<u>-</u>	<u>92,254,504</u>	<u>(540,320,952)</u>	<u>59,458,003</u>	<u>5,566,833,946</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 year ended 31 December 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Cash flows from operating activities				
Profit (loss) before tax	451,209,030	(1,454,677,118)	326,950,739	(1,596,812,381)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	39,531,067	41,576,160	14,462,613	17,503,408
Amortisation	15,128,324	9,153,733	7,530,713	2,720,277
Bad debts and doubtful accounts	574,526,424	347,128,158	371,157,753	224,671,401
Expense allowance on disputed loans	-	603,175,635	-	-
Expense allowance on loan and interest receivables	-	956,640,622	-	-
Loss on disposals of assets foreclosed	329,157,900	245,351,104	271,823,126	216,498,683
Reversal of loss on diminution in value of assets foreclosed	(2,022,730)	(3,901,469)	(1,149,870)	(6,743,427)
Expense (reversal) of allowance on other receivables	(20,373,857)	208,883,696	-	-
Expense (reversal) of allowance on other current assets	(38,825,253)	38,825,253	-	-
Expense allowance on investment loss in subsidiary	-	-	-	2,426,817,791
Expense allowance on investment loss in associate	-	582,085,201	-	-
Loss (gain) on disposal and write-off of assets	2,821,117	(47,651)	(116,235)	(88,501)
Loss on write off of intangible assets	9,074,974	6,224,052	7,768,830	3,250,728
Expense allowance on exclusive right	-	55,937,439	-	-
Exchange gain from liabilities settlement within the group	-	-	(4,773,641)	-
Unrealised exchange (gain) loss	14,071,954	(113,416,329)	(8,415,709)	(55,024,351)
Realise loss from received loans and interest receivables from subsidiary	-	-	-	12,456,827
Provision for long-term employee benefits	3,992,189	3,591,728	3,992,189	3,591,728
Share of profit from investments in associate	(110,935,697)	(171,950,702)	-	-
Dividend income	-	-	-	(343,768,075)
Interest income	(60,629,450)	(39,746,772)	(372,393,007)	(402,266,795)
Interest expenses	376,916,235	422,822,812	368,910,471	404,713,092
Amortised front end fees of loans	31,309	3,088,054	-	-
Amortised transaction cost of debentures	17,220,435	17,371,999	17,220,435	17,371,999
Amortised transaction cost of convertible debentures	2,308,807	2,063,777	2,308,807	2,063,777
Profit from operating activities before changes in operating assets and liabilities	1,603,202,778	1,760,179,382	1,005,277,214	926,956,181
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(173,501,972)	(583,299,592)	(466,884,224)	(576,156,011)
Asset - backed loan receivables	30,110,495	(79,819,502)	-	-
Microfinance receivables	(156,692,083)	(373,279,502)	-	-
Consumer finance receivables under joint financing arrangements	30,685,431	(29,629,862)	-	-
Disputed loans	-	1,225,066,154	-	-
Loans and interest receivables	11,915,609	704,080,762	-	-
Inventories	(238,159)	-	-	-
Assets foreclosed	(300,400,099)	(278,508,776)	(267,031,495)	(197,116,270)
Other receivables	9,913,198	(89,815,071)	(31,567,934)	11,858,041
Other current assets	85,738,534	(43,729,466)	53,650,158	7,845,482
Other non-current assets	(10,644,559)	11,231,982	(4,321,658)	10,957,380

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 year ended 31 December 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Operating liabilities increase (decrease)				
Trade accounts payable	5,282,778	(6,586,137)	8,945	(2,454,400)
Deposit from customers	17,717,836	13,311,343	-	-
Insurance premium payables	285,130	(2,436,366)	3,479,957	(2,757,432)
Other payables	(19,233,076)	54,402,577	68,695,695	(53,297,631)
Other current liabilities	(9,052,195)	(39,120,974)	(13,172,008)	2,001,965
Derivatives liabilities	(605,430)	605,430	-	-
Cash flows from operating activities	1,124,484,216	2,242,652,382	348,134,650	127,837,305
Cash paid for long-term employee benefits	(2,156,232)	(544,206)	(2,156,232)	(544,206)
Cash paid for interest expenses	(84,448,029)	(404,185,817)	(76,273,950)	(286,032,556)
Cash paid for corporate income tax	(120,303,850)	(122,777,344)	(28,863,728)	(37,426,892)
Net cash flows from (used in) operating activities	917,576,105	1,715,145,015	240,840,740	(196,166,349)
Cash flows from investing activities				
Decrease (increase) in current investment	29,751,421	(47,800,000)	-	-
Decrease (increase) in pledged fixed deposits at financial institution	5,796,998	(11,313,312)	(3,002)	(3,311)
Decrease in accounts receivable and loans to employees	39,779	47,215	39,779	47,215
Cash paid for acquisition of investment in subsidiary	-	(18,579,054)	-	-
Cash paid for transaction cost of investments in associate	-	(3,578,608)	-	-
Cash paid for transaction cost of other long-term investments	-	(1,926,943)	-	-
Cash paid for acquisition of other long-term investments	-	(192,718,140)	-	-
Cash paid for acquisitions of equipments	(30,126,406)	(50,697,087)	(3,839,834)	(13,853,160)
Cash paid for acquisitions of intangible assets	(25,296,762)	(55,842,014)	(19,846,923)	(29,445,821)
Proceeds from sales of equipment	1,985,025	306,884	131,148	296,449
Cash paid for loan to subsidiary	-	-	-	(1,770,518,550)
Cash received from loan to subsidiary	-	-	-	866,064,263
Dividend received	13,791,186	32,078,952	-	343,768,075
Interest received	58,975,657	34,012,769	740,602	579,938,574
Cash received from liabilities settlement within the group	-	-	111,888,436	-
Net cash flows from (used in) investing activities	54,916,898	(316,009,338)	89,110,206	(23,706,266)

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 year ended 31 December 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(65,239,485)	(497,160,756)	-	(452,077,219)
Cash received from short-term loans from related parties	18,739,080	344,501,000	-	-
Repayment of short-term loans from related parties	-	(347,837,840)	-	(130,000,000)
Cash received from long-term loans from subsidiary	-	-	-	120,000,000
Repayment of long-term loans from subsidiary	-	-	(40,000,000)	(133,300,000)
Cash received from long-term loans	-	889,582,240	-	730,000,000
Repayment of long-term loans	(107,048,953)	(1,560,014,842)	-	(1,307,130,003)
Cash paid for front end fees of long-term loans	-	(1,034,020)	-	-
Repayment of debentures	-	(500,000,000)	-	(500,000,000)
Cash received from issuance of convertible debentures	-	1,959,552,647	-	1,959,552,647
Cash paid for transaction costs of convertible debentures	-	(1,626,900)	-	(1,626,900)
Cash received from exercise of warrants	759	761,440	759	761,440
Cash received from non-controlling interests in respect of establishing new subsidiary	-	44,772,675	-	-
Dividend paid	-	(415,087,849)	-	(415,087,849)
Net cash flows used in financing activities	(153,548,599)	(83,592,205)	(39,999,241)	(128,907,884)
Exchange differences on translation of financial statement in foreign currency	(153,842,719)	(786,866,174)	-	-
Net increase (decrease) in cash and cash equivalents	665,101,685	528,677,298	289,951,705	(348,780,499)
Cash and cash equivalents at beginning of year	3,079,901,420	2,551,224,122	119,941,164	468,721,663
Cash and cash equivalents at the end of year (Note 8)	3,745,003,105	3,079,901,420	409,892,869	119,941,164
Supplement cash flows information				
Non-cash items				
Receivable from sale equipment	-	20,000	-	20,000
Transferred assets foreclosed to equipment	41,379	-	-	-
Transferred equipment to assets foreclosed	115,077	-	-	-
Transferred net of share subscription payment in advance for acquisition of investment in subsidiary to investment in subsidiary	-	261,868,669	-	-
Transferred of advance received for issuance of convertible debentures to convertible debentures	-	465,798,450	-	465,798,450
Transferred of share subscription received in advance to ordinary shares and share premium	-	365,320	-	365,320
Purchase of intangible assets that has not yet been paid	-	-	-	15,180,659
Settlement of interest receivables between GL and the group	-	-	270,322,347	-
Settlement of other current liabilities between GL and the group	-	-	93,827	-
Settlement of other payables between GL and the group	-	-	174,890,647	-
Settlement of other receivables between GL and the group	-	-	11,776,922	-

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

Group Lease Public Company Limited and its subsidiaries

Financial statements

For the year ended 31 December 2018

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Group Lease Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

1. General 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).

2. Significant current development during the current year

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

On 6 December 2016, the Extraordinary General Meeting of the Company’s shareholders No.2/2016 passed the resolution to approve GLH’s acquisition of 1,387,680 ordinary shares of BG Microfinance Myanmar Co., Ltd. (“BGMM”) (or 100% of total paid up share capital in BGMM), at a purchase price equal to USD 5.77 per share or a total of USD 8.01 million (equivalent to approximately Baht 280 million). BGMM is incorporated in the Republic of the Union of Myanmar and engaged in the activity of microfinance business.

The acquisition of this business was completed in early January 2017. GLH received permission to register the transfer right of shares from the Government of the Republic of the Union of Myanmar in January 2017. In consequence, the share subscription payment in advance were reclassified to investment in BGMM in early January 2017.

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

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

	(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><u>242,285</u></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><u>280,448</u></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><u>43</u></u>	<u><u>43</u></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><u>281</u></u>	

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

2.2 Hedge accounting for net investment in foreign operations

As at 31 December 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 31 December 2018 the value of the convertible debentures designated as a hedging instrument of USD 200.0 million, translated using the spot rate, was approximately Baht 6,429.9 million, and a resulting unrealised loss of Baht 45.8 million was recognised in other comprehensive income in the consolidated financial statements for the year ended 31 December 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 324.9 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.

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>1,000</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. Basis of preparation

3.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Group Lease Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		2018	2017	
Thanaban Company Limited (“TNB”)	Thailand	100	100	Hire purchase services and asset-backed loans to consumers (motorcycles, 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) Ltd. (shares held by Group Lease Holdings Pte. Ltd.) (“GLL”)	Laos	100	100	Hire purchase services (motorcycles, agricultural machinery and equipment)
PT. Group Lease Finance Indonesia (shares held by Group Lease Holdings Pte. Ltd.) (“GLFI”)	Indonesia	65	65	Financing activities in form of providing fund or capital goods including investment financing, working capital financing, multi-finance and other finance activities.
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 Service

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in equity.
 - f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 3.3 The separate financial statements present investments in subsidiaries under the cost method.

4. New financial reporting standards

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

During the year, 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 for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018), which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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 believe that this standard will not have any significant impact on the financial statements when it is initially applied.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

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.

5. Significant accounting policies

5.1 Revenue recognition

a) Hire purchase interest income

Hire purchase interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. However, recognition of interest income is ceased for receivables which have defaulted on more than 4 scheduled installment payments.

b) Asset - backed loan interest income

Asset - backed loan interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. However, recognition of interest income is ceased for receivables which have defaulted on more than 4 scheduled installment payments.

c) Microfinance interest income

Microfinance interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made.

d) Consumer finance under joint financing arrangements interest income

Consumer finance under joint financing arrangements interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. Consumer finance interest income is presented in the statement of profit or loss after deducting the financing portions belonging to other parties participating to these joint financing transactions. Unearned consumer financing income represents the difference between the total installment payments to be received from a consumer and the principal amount financed, and is recognised as income over the term of the contract based on effective interest rate of the related consumer finance receivables under joint financing arrangements.

e) Interest on loan receivables

Interest on loan receivables is recognised as income on an accrual basis, based on the interest rate of contract agreement.

f) Hire purchase service fee income

Hire purchase service fee income is recognized as income on an accrual basis, based on the contract agreement.

g) Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

h) Penalty income

Penalty income is recognised when received.

i) Consultation service fee income

Consultation service fee income is recognised when services have been rendered taking into account the stage of completion.

j) Other fee income

Fee for other services is recognised as income on an accrual basis.

k) Interest income

Interest income is recognised on an accrual basis based on effective interest rate.

l) Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Expense recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis. Interest included in face value of note payable is amortised to expenses evenly throughout the term of the notes.

b) Commissions and direct expenses of the hire purchase business

The Company and its subsidiaries recorded the initial commissions and direct expenses arising in respect of hire purchase contracts, by the effective interest method, and deducting them from unearned income over the installment period to reflect the effective rate of return of hire purchase agreements.

Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of the hire purchase contract.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Hire purchase and installment sales receivables/ Asset-backed loan receivables and allowance for doubtful accounts

Hire purchase and installment sales receivables are stated net of unearned hire purchase interest income and allowance for doubtful accounts.

Asset-backed loan receivables are stated net of unearned interest income and allowance for doubtful accounts.

The Company and its subsidiaries provide allowance for doubtful accounts for hire purchase receivables and asset-backed loan receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering of the current status of receivables, their ability to make payment, past experience and historical data on actual losses on collection.

5.5 Microfinance receivables and allowance for doubtful accounts

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

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

5.6 Consumer finance receivables under joint financing arrangements and allowance for doubtful accounts

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

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

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

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

5.7 Loan receivables and allowance for doubtful accounts

Loan receivables are stated at the principal amount and accrued interest receivables net of allowance for doubtful accounts (if any).

The Company and its subsidiaries provide allowance for doubtful accounts for loan receivables based on the amount of the debts that the Company expects to be recoverable in the future in comparison with the collateral value, and the amount of debts that may not be collectible, which is generally determined on the basis of collection experience and analysis of debt aging.

5.8 Inventories

Finished goods are valued at the lower of cost (under the specific identification method) and net realisable value.

5.9 Assets foreclosed

These represent assets repossessed from hire purchase receivables and are stated at the lower of cost (which mostly comprises the net outstanding balance) and estimated net realisable value. Allowance is made for the decline in value of the repossessed assets.

5.10 Investments

a) Investment in convertible debentures are determined into the debt and equity components at the date of issue. The debt component is recognised initially at its fair value. Investments in debt components, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt component is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income. The equity component is the residual amount of the convertible debentures after deducting the fair value of the debt component. The equity component is recognised at cost net of allowance for impairment loss (if any).

- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates is accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.11 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalised, while expenditures for maintenance and repairs are charged to profit or loss.

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

	<u>Useful lives</u>
Buildings	20 years
Building improvement and lease area	5 and 10 years
Furniture and office equipment	5 and 10 years

Building improvement and lease area are charged to profit or loss over the lease period.

Depreciation for computers, equipment and motor vehicles is calculated by the reference to their costs, using the sum of the years' digits method over useful lives of 3 - 5 years.

Depreciation is included in determining income.

No depreciation is provided for land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

5.12 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Exclusive right agreement	5 years 10 months
Computer software	3 and 10 years

5.13 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs are recognised as assets are amortised over their useful lives, which does not exceed 3 - 10 years.

5.14 Business combination

The cost of an acquisition is measured at fair value which is the amount of cash or cash equivalents, or the fair market value of any other consideration given as determined at the date of acquisition.

For investment in subsidiaries, the Company and its subsidiaries account for acquisition-related costs such as professional fees and other consulting fees, as expenses in the period in which the costs are incurred and the services are rendered.

For investment in associates the Company and its subsidiaries account for acquisition-related costs such as professional fees and other consulting fees, as part of the cost of investment in the associate.

At the acquisition date, the Company measures components of non-controlling interests amount by identifying the acquiree's net assets to the present proportionate share.

5.15 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.16 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.17 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.18 Hedge accounting - Hedge of net investment in foreign operation

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

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

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

5.19 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.20 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed to by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under the Thai labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the company recognises restructuring - related costs.

5.21 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.22 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.23 Financial derivatives - Interest rate swap contracts

Derivative financial instruments are used to manage exposure to interest rate risks arising from financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Note 5.18).

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

5.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management has estimated the percentage of the allowance for doubtful accounts for each age of receivable on the basis of historical statistical data, assessment of the risk associated with the receivable, the nature of the collateral provided, and actual losses arising from such debtors in the past, while emphasising the principal of conservatism.

Diminution in value of assets foreclosed

In determining diminution in value of assets foreclosed, management applies judgement in estimating the anticipated losses on such assets, based on analysis of various factors, including net realisable value, historical sales data, the age of the assets and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiary have contingent liabilities as a result of litigations. The Company's management has used judgement to assess of the results of the litigation, as disclosed in Note 48.

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases, agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2018	2017	2018	2017	
Transactions with subsidiary companies:					
(Eliminated from consolidated financial statements)					
Hire purchase interest income	-	-	-	16	Contract rate
Interest income	-	-	371,652	401,008	7.00% per annum
Dividend income	-	-	-	343,839	As declared
Other income	-	-	88,189	91,487	Contract rate
Interest expenses	-	-	1,273	10,435	7.00% per annum
Service and administrative expenses	-	-	655	662	Contract rate
Cash paid for executive payroll advance					
of subsidiary	-	-	10,984	-	Actual charge
Liabilities decrease by settlement					
with group companies	-	-	65,840	-	Actual charge
Disposal software	-	-	2,580	-	Actual charge
Transactions with related parties:					
Interest income	11,974	6,299	-	-	6.50% per annum
Other income	5,816	6,602	-	-	Contract rate
Interest expenses*	292,428	312,370	292,428	311,824	5.00% - 10.00% per annum

	Consolidated		Separate		Pricing policy
	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 31 December 2018 and for the year then ended are not classified as related party transactions.

(Unit: Thousand Baht)

	2018	2017	Pricing policy
Transactions between GLH and subsidiaries:			
(Not presented in both consolidated and separate financial statements)			
Interest income	147,345	189,037	7.50% - 10.00% per annum
Other income	25,424	24,535	Contract rate
Dividend income	-	22,088	As declared
Interest expenses	373,466	403,915	7.00% per annum
Administrative expenses	38	4,611	Contract rate
IT staff cost capitalization to software under development	3,336	10,789	Employment contract
IT staff cost - expenses	7,400	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	16,606	33,037	As declared
Liabilities decrease by settlement in group companies			
Loan and interest payable of GLH	65,840	-	-
Loan and interest payable of GLF	65,840	-	-

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 year.

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
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
J Trust 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)

Name of related parties	Relationship with the Company
Wedge Holdings Co., Ltd.	Company's director is major shareholder of that company / Common director
Showa Holdings Co., Ltd.	Company's director is major shareholder of that company / Common director
Century Finance Company Limited	Common director with GL-AMMK

As at 31 December 2018 and 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	financial statements	financial statements
	2018	2017	2018	2017
<u>Short-term loans to and interest receivable from subsidiary</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	209,983	165,550
Total	-	-	209,983	165,550
<u>Other receivables (Note 15)</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	8,262	4,706
GL Finance Plc.	-	-	42	-
Thanaban Co., Ltd.	-	-	29,127	7,879
PT. Group Lease Finance Indonesia	-	-	-	298
GL Leasing (Lao) Company Limited	-	-	-	71
<i>Related parties</i>				
Director of subsidiaries	1,863	8,044	-	-
A.P.F. Group Co., Ltd.	4,333	4,363	-	-
Asia Partnership Fund Pte. Ltd.	-	12	-	-
Cambodian People Micro Insurance PLC.	8,193	4,361	-	-
APF Trading Plc.	164,359	182,506	-	-
Century Finance Company Limited	12,750	12,586	-	-
Total	191,498	211,872	37,431	12,954
Less: Allowance for doubtful accounts	(176,951)	(198,169)	-	-
Net	14,547	13,703	37,431	12,954
<u>Other current assets (Note 16)</u>				
<i>Related party</i>				
APF Trading Plc.	76,470	126,063	-	-
Total	76,470	126,063	-	-
Less: Allowance for doubtful accounts	-	(38,025)	-	-
Net	76,470	88,038	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Other long-term investments (Note 20)</u>				
<i>Related party</i>				
Century Finance Company Limited	192,718	192,718	-	-
Total	192,718	192,718	-	-
<u>Long-term portion of loans to subsidiary (Note 2.2)</u>				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	5,307,792	5,345,593
Total	-	-	5,307,792	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 28)</u>				
<i>Subsidiary companies</i>				
Group Lease Holdings Pte. Ltd.	-	-	543	107,906
GL Finance Plc.	-	-	16	156
GL Leasing (Lao) Company Limited	-	-	-	567
PT. Group Lease Finance Indonesia	-	-	-	255
Comfort Service Development Co., Ltd.	-	-	2	-
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	402,786	111,526	402,786	111,526
Creation Investment Sri Lanka LLC.*	-	8,170	-	8,170
Engine Holdings Asia Pte. Ltd.	461	461	461	461
Total	403,247	120,157	403,808	229,041
<u>Other current liabilities</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	-	562	898
<i>Related parties</i>				
Director of subsidiaries	82	-	-	-
Showa Holdings Co., Ltd.	1,254	1,158	-	-
Century Finance Company Limited	2,199	926	-	-
Total	3,535	2,084	562	898

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Convertible debentures - before transaction costs (Note 31)</u>				
<i>Related parties</i>				
JTrust Asia Pte. Ltd.	5,844,051	5,885,347	5,844,051	5,885,347
Creation Investment Sri Lanka LLC.*	-	654,424	-	654,424
Total	<u>5,844,051</u>	<u>6,539,771</u>	<u>5,844,051</u>	<u>6,539,771</u>

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

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

On 27 July 2016, GLF entered into an agreement with a related party which required to provide a deposit for the future leased assets to end customers. As at 31 December 2018, deposit of assets to be leased as presented under the caption of other current assets in the consolidated financial statements, totaling USD 2.4 million (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 statements. During the third quarter of 2018, GLF settled its balances with the group and has no outstanding balances of advances as at 31 December 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.

In 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 by USD 1.77 million (equivalent to approximately Baht 59.20 million). The impact was recognised in comprehensive income in the consolidated financial statements for the year ended 31 December 2018.

The details of all provisioned items as at 31 December 2018 and 2017 are listed in the table below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Allowance for doubtful accounts - Other receivables (Note 15)</u>				
<i>Related parties</i>				
Director of the subsidiaries	1,781	7,838	-	-
A.P.F. Group Co., Ltd.	4,333	4,363	-	-
Engine Holdings Asia Pte. Ltd.	(461)	492	-	-
Asia Partnership Fund Pte. Ltd.	-	12	-	-
Cambodian People Micro Insurance PLC.	8,193	3,259	-	-
APF Trading Plc.	164,359	183,362	-	-
Showa Holdings Co., Ltd.	(1,254)	(1,157)	-	-
Total	<u>176,951</u>	<u>198,169</u>	<u>-</u>	<u>-</u>
<u>Allowance for doubtful accounts - Other current assets (Note 16)</u>				
<i>Related party</i>				
APF Trading Plc.	-	38,025	-	-
Total	<u>-</u>	<u>38,025</u>	<u>-</u>	<u>-</u>

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.

Assets related to the inventory of traceable assets are excluded from the provision amounts.

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

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 December 2018
	Balance as at	During the year		Loss from	
	1 January 2018	Increase	Decrease	exchange rate	
<u>Loans to and interest receivable from subsidiary</u>					
<i>Subsidiary company</i>					
Group Lease Holdings Pte. Ltd.	5,511,143	315,904	(273,771)	(35,501)	5,517,775
Total	5,511,143	315,904	(273,771)	(35,501)	5,517,775

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

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

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 December 2018
	Balance as at	During the year		
	1 January 2018	Increase	Decrease	
<u>Long-term loans from and interest payable to subsidiary</u>				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	40,000	1,273	(41,273)	-
Total	40,000	1,273	(41,273)	-

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

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements							
	2018				2017			
	Thousand Baht	Thousand USD	Thousand SGD	Thousand JPY	Thousand Baht	Thousand USD	Thousand SGD	Thousand JPY
Short-term employee benefits	40,911	969	-	8,696	34,364	691	34	2,438
Post-employment benefits	2,685	-	-	-	53	-	-	-
Total	43,596	969	-	8,696	34,417	691	34	2,438

	Separate financial statements							
	2018				2017			
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	USD	SGD	JPY	Baht	USD	SGD	JPY
Short-term employee benefits	25,006	27	-	8,696	27,546	188	17	-
Post-employment benefits	2,685	-	-	-	53	-	-	-
Total	27,691	27	-	8,696	27,599	188	17	-

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	4,880	10,159	229	189
Bank deposits	3,740,123	3,069,742	409,664	119,752
Total	3,745,003	3,079,901	409,893	119,941

As at 31 December 2018 and 2017, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.37% - 8.00% per annum and 0.15% - 8.50% per annum, respectively (the Company only: 0.37% - 0.90% per annum and 0.15% - 1.00% per annum, respectively).

9. Hire purchase and installment sales receivables

9.1 As at 31 December 2018 and 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	
	2018	2017	2018	2017	2018	2017
Normal receivables						
Hire purchase and installment sales receivables	4,657,577	4,546,541	3,710,979	4,362,673	8,368,556	8,909,214
Accrued hire purchase and installment sales income	172,899	175,167	-	-	172,899	175,167
Less: Unearned hire purchase and installment sales income, net	(1,473,049)	(1,533,263)	(792,063)	(991,653)	(2,265,112)	(2,524,916)
Total normal receivable	3,357,427	3,188,445	2,918,916	3,371,020	6,276,343	6,559,465

(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	
	2018	2017	2018	2017	2018	2017
Terminated agreements receivables						
Hire purchase and installment sales receivables	260,112	184,865	234,439	142,508	494,551	327,373
Accrued hire purchase and installment sales income	34,302	21,283	-	-	34,302	21,283
Less: Unearned hire purchase and installment sales income, net	(101,245)	(68,903)	(58,408)	(35,139)	(159,653)	(104,042)
Total terminated agreements receivables	193,169	137,245	176,031	107,369	369,200	244,614
Total receivables	3,550,596	3,325,690	3,094,947	3,478,389	6,645,543	6,804,079
Less: Allowance for doubtful accounts	(225,677)	(130,920)	(208,107)	(119,990)	(433,784)	(250,910)
Hire purchase and installment sales receivables, net	3,324,919	3,194,770	2,886,840	3,358,399	6,211,759	6,553,169

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	2018	2017	2018	2017	2018	2017
Normal receivables						
Hire purchase and installment sales receivables	3,083,790	2,989,471	2,655,567	2,662,895	5,739,357	5,652,366
Accrued hire purchase and installment sales income	106,465	102,760	-	-	106,465	102,760
Less: Unearned hire purchase and installment sales income, net	(1,064,723)	(1,083,539)	(556,682)	(578,021)	(1,621,405)	(1,661,560)
Total normal receivable	2,125,532	2,008,692	2,098,885	2,084,874	4,224,417	4,093,566
Terminated agreements receivables						
Hire purchase and installment sales receivables	231,375	166,651	223,998	133,331	455,373	299,982
Accrued hire purchase and installment sales income	30,999	18,923	-	-	30,999	18,923
Less: Unearned hire purchase and installment sales income, net	(88,576)	(60,130)	(56,758)	(33,263)	(145,334)	(93,393)
Total terminated agreements receivables	173,798	125,444	167,240	100,068	341,038	225,512
Total receivables	2,299,330	2,134,136	2,266,125	2,184,942	4,565,455	4,319,078
Less: Allowance for doubtful accounts	(176,295)	(109,409)	(169,163)	(90,332)	(345,458)	(199,741)
Hire purchase and installment sales receivables, net	2,123,035	2,024,727	2,096,962	2,094,610	4,219,997	4,119,337

9.2 As at 31 December 2018 and 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)

Consolidated financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2018	2017	2018	2017	2018	2017
Hire purchase and installment sales receivables						
Not yet due	5,436,103	5,844,662	42,689	42,226	5,393,414	5,802,436
Past due:						
1 month	416,296	399,996	29,866	26,478	386,430	373,518
2 - 3 months	328,840	245,469	77,389	40,244	251,451	205,225
4 - 6 months	204,656	135,649	98,317	43,504	106,339	92,145
7 - 9 months	146,871	95,332	99,489	45,056	47,382	50,276
10 - 12 months	106,097	80,930	79,679	51,630	26,418	29,300
Over 12 months	6,680	2,041	6,355	1,772	325	269
Total	6,645,543	6,804,079	433,784	250,910	6,211,759	6,553,169

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2018	2017	2018	2017	2018	2017
Hire purchase and installment sales receivables						
Not yet due	3,795,185	3,740,926	37,045	36,880	3,758,140	3,704,046
Past due:						
1 month	256,617	229,125	25,225	22,697	231,392	206,428
2 - 3 months	208,980	158,799	61,644	31,494	147,336	127,305
4 - 6 months	136,459	79,893	80,604	31,722	55,855	48,171
7 - 9 months	93,075	56,249	73,613	33,561	19,462	22,688
10 - 12 months	72,868	52,562	65,059	41,865	7,809	10,697
Over 12 months	2,271	1,524	2,268	1,522	3	2
Total	4,565,455	4,319,078	345,458	199,741	4,219,997	4,119,337

9.3 As at 31 December 2018 and 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			
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	5,124,890	3,550,596	4,927,856	3,325,690
After one year but not more than five years	3,945,418	3,094,947	4,505,181	3,478,389
Total	9,070,308	6,645,543	9,433,037	6,804,079
Less: Amounts representing finance charges	(2,424,765)		(2,628,958)	
Present value of minimum lease payments	6,645,543		6,804,079	

(Unit: Thousand Baht)

	Separate financial statements			
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,452,629	2,299,330	3,277,805	2,134,136
After one year but not more than five years	2,879,565	2,266,125	2,796,226	2,184,942
Total	6,332,194	4,565,455	6,074,031	4,319,078
Less: Amounts representing finance charges	(1,766,739)		(1,754,953)	
Present value of minimum lease payments	4,565,455		4,319,078	

9.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 December 2018 and 2017, there are outstanding hire purchase receivable amounting to approximately Baht 375 million and Baht 241 million, respectively (the Company only: Baht 339 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 subsidiaries had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2018 and 2017 would be reduced by Baht 8 million and Baht 6 million, respectively (the Company only: Baht 7 million and Baht 5 million, respectively).

9.5 Hire purchase agreements of the Company and its subsidiaries have terms of 8 months to 5 years and require settlement in equal installments.

9.6 As at 31 December 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) with total outstanding balances not exceeding Baht 1,300 million as the business security for short term credit facility, debentures and letter of guarantee facility granted by commercial banks as disclosed in Notes 25, 30 and 44.4.

9.7 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 (2018: Nil), in order to secure credit facilities granted by commercial banks as disclosed in Note 29.

10. Asset - backed loan receivables

10.1 As at 31 December 2018 and 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	asset - backed loan receivables	asset - backed loan receivables	asset - backed loan receivables	asset - backed loan receivables
	2018	2017	2018	2017	2018	2017
Normal receivables						
Asset - backed loan receivables	314,213	364,349	85,831	101,160	400,044	465,509
Interest receivables	13,381	14,794	-	-	13,381	14,794
Less: Unearned interest income, net	(89,163)	(105,427)	(19,067)	(22,753)	(108,230)	(128,180)
Total normal receivables	238,431	273,716	66,764	78,407	305,195	352,123
Terminated agreements receivables						
Asset - backed loan receivables	20,485	15,203	2,506	1,493	22,991	16,696
Interest receivables	2,547	1,926	-	-	2,547	1,926
Less: Unearned interest income, net	(5,971)	(4,381)	(491)	(294)	(6,462)	(4,675)
Total terminated agreements receivables	17,061	12,748	2,015	1,199	19,076	13,947
Total receivables	255,492	286,464	68,779	79,606	324,271	366,070
Less: Allowance for doubtful accounts	(24,759)	(16,871)	(4,225)	(2,782)	(28,984)	(19,653)
Asset - backed loan receivables, net	230,733	269,593	64,554	76,824	295,287	346,417

10.2 As at 31 December 2018 and 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	
	2018	2017	2018	2017	2018	2017
Asset-backed loan receivables						
Not yet due	234,081	282,920	2,325	2,736	231,756	280,184
Past due:						
1 month	41,462	42,676	4,072	4,111	37,390	38,565
2 - 3 months	26,773	25,388	7,895	4,919	18,878	20,469
4 - 6 months	9,405	7,485	5,224	2,799	4,181	4,686
7 - 9 months	6,641	3,951	4,748	2,254	1,893	1,697
10 - 12 months	5,551	3,549	4,406	2,733	1,145	816
12 months over	358	101	314	101	44	-
Total	324,271	366,070	28,984	19,653	295,287	346,417

10.3 As at 31 December 2018 and 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			
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	350,626	255,492	396,272	286,464
After one year but not more than five years	88,337	68,779	102,653	79,606
Total	438,963	324,271	498,925	366,070
Less: Amounts representing finance charges	(114,692)		(132,855)	
Present value of minimum loan payments	324,271		366,070	

10.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange of Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company and its subsidiaries has a policy to cease recognising revenue from asset-backed loan receivables which are overdue by more than 4 installments. As at 31 December 2018 and 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 and its subsidiaries had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2018 and 2017 would be reduced by Baht 0.5 million and Baht 0.4 million, respectively.

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

10.6 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 (2018: Nil), in order to secure credit facilities granted by commercial bank as disclosed in Note 29.

11. Microfinance receivables

11.1 As at 31 December 2018 and 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	
	2018	2017	2018	2017	2018	2017
Normal receivables						
Microfinance receivables	622,262	441,420	8,778	61,053	631,040	502,473
Accrued microfinance receivables	2,604	3,055	-	-	2,604	3,055
Less: Unearned interest income, net	(65,142)	(62,386)	(2,013)	(21,452)	(67,155)	(83,838)
Total receivables	559,724	382,089	6,765	39,601	566,489	421,690
Less: Allowance for doubtful accounts	(5,405)	(3,660)	(47)	(74)	(5,452)	(3,734)
Microfinance receivables, net	554,319	378,429	6,718	39,527	561,037	417,956

11.2 As at 31 December 2018 and 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	
	2018	2017	2018	2017	2018	2017
Microfinance receivables						
Not yet due	544,275	407,752	4,990	3,679	539,285	404,073
Past due:						
1 month	14,434	12,897	70	45	14,364	12,852
2 - 3 months	6,055	869	136	10	5,919	859
4 - 6 months	1,257	172	256	-	1,001	172
7 - 9 months	468	-	-	-	468	-
Total	566,489	421,690	5,452	3,734	561,037	417,956

11.3 As at 31 December 2018 and 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			
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	624,866	559,724	444,475	382,089
After one year but not more than five years	8,778	6,765	61,053	39,601
Total	633,644	566,489	505,528	421,690
Less: Amounts representing finance charges	(67,155)		(83,838)	
Present value of minimum loan payments	566,489		421,690	

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

12. Consumer finance receivables under joint financing arrangements

12.1 As at 31 December 2018 and 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	
	2018	2017	2018	2017	2018	2017
Hire purchase receivables						
Hire purchase receivables under joint financing arrangements	85,748	239,762	44,373	347,520	130,121	587,282
Accrued interest receivables	4,037	15,632	-	-	4,037	15,632
Less: Unearned financing income, net	(15,965)	(92,249)	(7,519)	(83,146)	(23,484)	(175,395)
Less: Portions financed by bank under joint financing arrangement	(68,382)	(148,999)	(17,599)	(222,039)	(85,981)	(371,038)
Total Hire purchase receivables	5,438	14,146	19,255	42,335	24,693	56,481
Less: Allowance for doubtful accounts	(41)	(1,336)	(145)	(97)	(186)	(1,433)
Hire purchase receivables under joint financing arrangements, net	5,397	12,810	19,110	42,238	24,507	55,048
Microfinance receivables						
Microfinance receivables under joint financing arrangements	906	6,407	431	3,792	1,337	10,199
Less: Unearned financing income, net	(297)	(1,444)	(75)	(1,275)	(372)	(2,719)
Less: Portions financed by bank under joint financing arrangement	(653)	(3,689)	(147)	(2,008)	(800)	(5,697)
Total Microfinance receivables	(44)	1,274	209	509	165	1,783
Less: Allowance for doubtful accounts	2	(6)	(8)	(234)	(6)	(240)
Microfinance receivables under joint financing arrangements, net	(42)	1,268	201	275	159	1,543
Consumer finance receivables under joint financing arrangements, net	5,355	14,078	19,311	42,513	24,666	56,591

12.2 As at 31 December 2018 and 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)

Consolidated financial statements						
Aging	Consumer finance receivables under joint financing arrangements				Consumer finance receivables under joint financing arrangements, net	
			Allowance for doubtful accounts			
	2018	2017	2018	2017	2018	2017
Hire purchase receivables						
Not yet due	12,541	51,879	8	1,308	12,533	50,571
Past due:						
1 month	5,404	3,169	26	48	5,378	3,121
2 - 3 months	6,748	1,255	152	40	6,596	1,215
4 - 6 months	-	178	-	37	-	141
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	<u>24,693</u>	<u>56,481</u>	<u>186</u>	<u>1,433</u>	<u>24,507</u>	<u>55,048</u>
Microfinance receivables						
Not yet due	93	1,431	-	44	93	1,387
Past due:						
1 month	23	312	-	156	23	156
2 - 3 months	23	40	1	40	22	-
4 - 6 months	26	-	5	-	21	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	<u>165</u>	<u>1,783</u>	<u>6</u>	<u>240</u>	<u>159</u>	<u>1,543</u>
Total Consumer finance receivables under joint financing arrangements	<u><u>24,858</u></u>	<u><u>58,264</u></u>	<u><u>192</u></u>	<u><u>1,673</u></u>	<u><u>24,666</u></u>	<u><u>56,591</u></u>

12.3 As at 31 December 2018 and 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				
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Hire purchase receivables				
Within one year		89,785	73,820	255,394
After one year but not more than four years		44,373	36,854	347,520
Total		<u>134,158</u>	<u>110,674</u>	<u>602,914</u>
Less: Amounts representing finance charges		(23,484)	-	(175,395)
Less: Portions financed by bank under joint financing arrangements		(85,981)	(85,981)	(371,038)
Present value of minimum loan payments		<u>24,693</u>	<u>24,693</u>	<u>56,481</u>

(Unit: Thousand Baht)

	Consolidated financial statements			
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Microfinance receivables				
Within one year	906	609	6,407	4,963
After one year but not more than four years	431	356	3,792	2,517
Total	1,337	965	10,199	7,480
Less: Amounts representing finance charges	(372)	-	(2,719)	-
Less: Portions financed by bank under joint financing arrangements	(800)	(800)	(5,697)	(5,697)
Present value of minimum loan payments	165	165	1,783	1,783
Total Present value of minimum loan payments	24,858	24,858	58,264	58,264

12.4 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.

12.5 As at 31 December 2018 and 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 38,214 million and IDR 153,322 million, respectively, in order to secure joint financing facilities granted by related - commercial bank.

As at 31 December 2018 and 2017, the Company's subsidiary had transferred rights of claim under Microfinance agreements under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 356 million and IDR 2,354 million, respectively, in order to secure credit facilities granted by commercial bank.

12.6 A subsidiary entered into a joint financing facility agreement with a related - commercial bank to obtain revolving joint financing facilities of IDR 100,000 million. Moreover, during the year 2017, the subsidiary entered into an additional joint financing facility agreement, for non-revolving joint financing facilities amounting to IDR 200,000 million. The purpose of these joint financing agreements is to provide loans to consumers for purchases of agricultural machinery and tools, vehicles, solar panels and white goods. The duration of the agreements is 72 months from the first draw down, or for as long as both parties are willing to continue the agreements. The interest rates are 13% per annum. This joint financing agreement is of the debtor assets. As at 31 December 2018 and 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 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 48.3.

13. Loans and interest receivables

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

(Unit: Thousand Baht)

		Consolidated financial statements			
		2018		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	299,926	9,243	302,063
Singapore	14.5 - 25.0	36,106	1,171,628	36,106	1,179,972
Others	5.0 - 10.0	1,166	37,837	1,166	38,105
Total loans		<u>46,515</u>	1,509,391	<u>46,515</u>	1,520,140
Interest receivables			50,461		48,928
Total loans and interest receivables			1,559,852		1,569,068
Less: Allowance for loan and interest receivables			(1,517,729)		(1,527,679)
Less: Current portion			(42,123)		(549)
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 31 December 2018 and 2017 were made due to the notices sent to the borrowers as described in the previous paragraph.

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

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>2018</u>	<u>2017</u>
		(Restated)
Reflected in the statements of financial position as follows:		
Disputed loans	586,571	590,748
Less: Allowance on disputed loans	(586,571)	(590,748)
Less: Current portion of disputed loans	-	-
Long-term portion of disputed loans	-	-
Loans and interest receivables	973,281	978,320
Less: Allowance on loans and interest receivables	(931,158)	(936,931)
Less: Current portion of loans and interest receivables	(42,123)	(549)
Long-term portion of loans and interest receivables	-	40,840

As at 31 December 2018 and 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				Loans and interest	
	receivables		Allowance for doubtful accounts		receivables, net	
	2018	2017	2018	2017	2018	2017
		(Restated)		(Restated)		(Restated)
Not yet due	42,123	1,523,225	-	(1,482,034)	42,123	41,191
Past due:						
1 - 3 months	-	45,744	-	(45,645)	-	99
4 - 6 months	-	99	-	-	-	99
7 - 12 months	1,472,210	-	(1,472,210)	-	-	-
Over 12 months	45,519	-	(45,519)	-	-	-
Total	<u>1,559,852</u>	<u>1,569,068</u>	<u>(1,517,729)</u>	<u>(1,527,679)</u>	<u>42,123</u>	<u>41,389</u>

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 31 December 2018 and 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 31 December 2018 covered 282 percent for the Cyprus borrowers and 115 percent for the Singapore borrowers (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.

14. Assets foreclosed

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Repossessed assets	75,664	104,598	15,905	20,696
Less: Allowance for diminution in value of assets foreclosed	(14,380)	(16,646)	(7,238)	(8,387)
Assets foreclosed, net	<u>61,284</u>	<u>87,952</u>	<u>8,667</u>	<u>12,309</u>

As at 31 December 2018, the Company had entered into the agreement to transfer the rights of claim under assets foreclosed with total outstanding balances not exceeding Baht 1,275 million as the business security for short term credit facility, debentures and letter of guarantee granted by commercial banks as disclosed in Notes 25, 30 and 44.4.

15. Other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Accrued income	4,488	3,533	2,681	2,798
Advance payment - related parties (Note 7)	166,453	175,653	8,304	5,004
Advance payment	28,567	15,835	114	1,484
Other receivable - sales of assets foreclosed	4,479	3,177	4,479	3,177
Other receivables - related parties (Note 7)	25,045	36,219	29,127	7,950
Other receivables - consulting services	6,490	6,536	-	-
Other receivables	45,282	48,752	62	4,565
Total	280,804	289,705	44,767	24,978
Less: Allowance for doubtful accounts	(14,526)	(9,122)	(2,586)	(2,586)
Less: Allowance for doubtful accounts - related parties (Note 7)	(176,951)	(198,169)	-	-
Other receivables, net	89,327	82,414	42,181	22,392

16. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Prepaid expenses	14,428	69,099	5,184	54,696
Undue input tax	2,324	5,387	1,622	5,364
Deposit for assets to be leased - related party (Note 7)	76,470	126,063	-	-
Withholding tax deducted at source	46,576	83,058	28,559	30,241
Others	1,778	2,124	1,778	2,124
Total	141,576	285,731	37,143	92,425
Less: Allowance for doubtful - related parties (Note 7)	-	(38,025)	-	-
Other current assets, net	141,576	247,706	37,143	92,425

17. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company and subsidiary, as disclosed in Note 44.4.

18. Investments in subsidiaries

18.1 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 year ended 31 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										(9,993 Thousand USD)
GL Leasing (Lao) Company Limited	41,840,720	41,840,720	0.12	0.12	213	213	-	-	213	213	-	71
	Thousand LAK	Thousand LAK										(18,135 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>343,839</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 Notes 13 and 19 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, in 2017, the Management of the Company has provided for an equal allowance on the investment in GLH as was set up for the investment in associate and for the loans and interest receivables.

As at 31 December 2018, investment in GLH in the separate financial statements amounted to USD 88.72 million (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 year end 31 December 2016 and an interim dividend for the first half of 2017 to the Company totaling LAK 11 million (or equivalent to Baht 0.04 million) and LAK 6 million (or equivalent to Baht 0.03 million), respectively. The dividend was paid to shareholders on 31 March 2018.

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

(Unit: Thousand Baht)

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

Held by Group Lease Holdings 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) in GLL by GLH, and the conversion of a loan from GLH to equity in GLL to support the increase in share capital. The share certificate has been issued on 31 July 2017 and the capital increase registration with the Central Bank of Lao has been approved on 13 April 2018.

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

Investment in GLFI

All rights and obligations to all the shares of the Indonesian partner as at 31 December 2018 and 2017, totaling 10,000 non-voting and 5,000 ordinary shares (or 15% of the 100,000 paid up shares) have been transferred to GLH who effectively controls 80% of the total shares outstanding of GLFI. This is reflected in the recognition of the comprehensive income in the consolidated financial statements.

Investment in BGMM

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 (or equivalent to 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 31 December 2018 and 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.

18.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
PT. Group Lease								
Finance Indonesia	20	20	75.1	84.7	(6.56)	(2.53)	-	-
GL-AMMK Co., Ltd.	43	43	48.9	40.8	14.30	(1.30)	-	-

18.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests:

Summarised information about financial position

	(Unit: Million Baht)			
	PT. Group Lease		GL-AMMK Co.,Ltd.	
	2018	2017	2018	2017
Current assets	177	167	119	103
Non-current assets	85	166	4	2
Current liabilities	(84)	(108)	(9)	(10)

Summarised information about comprehensive income

	(Unit: Million Baht)			
	PT. Group Lease		GL-AMMK Co., Ltd.	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
Revenue	100	78	91	18
Profit (loss)	(33)	(13)	33	(3)
Total comprehensive income	(33)	(13)	33	(3)

Summarised information about cash flow

(Unit: Million Baht)

	PT. Group Lease		GL-AMMK Co., Ltd.	
	Finance Indonesia			
	For the year ended		For the year ended	
	31 December		31 December	
	2018	2017	2018	2017
Cash flow from (used in) operating activities	5	(2,563)	17	(1)
Cash flow from (used in) investing activities	(4)	129	(3)	(2)
Cash flow from financing activities	-	511	-	98
Net increase (decrease) in cash and cash equivalents	1	(1,923)	14	95

19. Investment in associate

19.1 Details of the investment in associate which are held by the Company's subsidiary are as follows:

Company's name	Country of incorporation	Percentage held by the subsidiary		Nature of business
		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	
	2018	2017	2018	2017	2018	2017	2018	2017
Commercial Credit and Finance PLC	2,492,602	2,492,602	2,558,988	2,604,640	(582,085)	(582,085)	1,976,903	2,022,555
Total	2,492,602	2,492,602	2,558,988	2,604,640	(582,085)	(582,085)	1,976,903	2,022,555

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 Holdings Pte. Ltd. ("GLH"), to acquire shares in Commercial Credit and Finance PLC ("CCF") which is a company listed on the Colombo Stock Exchange (the "CSE") in Sri Lanka. CCF has been incorporated since 1982, operating businesses of providing leasing, hire-purchase, micro loans, SME loans, educational loans etc. The resolution allowed acquisition of 95,390,500 shares off the stock market, at the price of LKR 111 per share, which was equivalent to 29.99 percent of the total issued shares of CCF, totaling the acquisition price of LKR 10,588 million, equivalent to approximately Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26.5 million). 22.27% from the 29.99% was acquired from an existing shareholder of CCF who was also a director of the Company at the time. Later, he resigned from his position, effective from 31 January 2018. The reason was to prevent conflict of interest, since he was also a founder and a director of a convertible debenture holder of the Company, Creation Investment Sri Lanka LLC.

In passing the special resolution mentioned above, the shareholders had considered information on the appropriate acquisition price showing that it fell in the appropriate price range of LKR 83.52 to 114.20 per share (approximately Baht 1,900 - 2,500 million) as determined through studies and analysis conducted during due diligence by a financial advisory in Sri Lanka. The shareholders had also considered the Opinion of the Independent Financial Advisor ("IFA") which determined that the appropriate price was in the range of LKR 70.09 to 73.55 per share (approximately Baht 1,600 - 1,700 million) while the market price at the Sri Lanka Stock Market during the acquisition period in late 2016, the value was at approximately Baht 1,391 million. The appraisers relied on different valuation methods; however, it was noted by both appraisers that approach which determines the value by referring to the market price i.e. market valuation approach is not an appropriate approach for determining the appropriate price for investment in CCF. In addition, the shareholders had also considered risks associated with investment in CCF. Details are as appear in the Invitation for and the Minutes of the Extraordinary Shareholders' Meeting No. 2/2016.

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

As at 31 December 2018, such investment was presented as an investment in an associate in the consolidated financial statements of Baht 1,977 million (investment value under equity method Baht 2,559 million net of provision for loss of Baht 582 million) (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 year 2018, the total value was only approximately Baht 484 million (for the year ended 2017: Baht 874 million).

As at 31 December 2018, the carrying amount based on equity method of the investment in CCF (before provision for loss) was Baht 2,559 million (or LKR 127.31 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 136.95 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 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	2,489,024

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
Balance as at 1 January	2,604,640	2,545,426
Acquisition-related costs	-	3,579
Share of profit from investments in associate	110,936	179,285
Share of other comprehensive income from investment in associate	(139,982)	(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	(16,606)	(33,037)
Balance as at 31 December	2,558,988	2,604,640
Allowance for investment loss of associate	(582,085)	(582,085)
Investment in associate, net	1,976,903	2,022,555

19.2 Share of comprehensive income and dividend received

During the year, the Company has recognised its share of profit from the investment in associates in the consolidated financial statements and dividend income in the Company's subsidiary separate financial statements as follows:

Associate	Consolidated financial statements				(Unit: Thousand Baht) The Company's subsidiary separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2018	2017	2018	2017	2018	2017
Commercial Credit and Finance PLC	110,936	171,951	(139,982)	(83,278)	16,606	33,037
Total	110,936	171,951	(139,982)	(83,278)	16,606	33,037

19.3 Market value/Fair value investments in listed associate

In respect of the investment in the associated company that is listed on the Stock Exchange of Sri Lanka ("CSE"), management and other outside financial advisors have concluded that due to the very low liquidity of the market for CCF on the CSE, the market value of CCF is not considered active and therefore not representative of the fair value. To determine fair value, management hired a financial advisor to perform financial analysis.

Associates	(Unit: Million Baht) Market values based on CSE as at 31 December*	
	2018	2017
Commercial Credit and Finance PLC	484	874
Total	484	874

* This values corresponds to 29.99% and calculated on the share price on the Stock Exchange of Sri Lanka by using average buying and selling rate to convert the fair values of CCF as at 28 December 2018 and 29 December 2017.

Associates	(Unit: Million Baht) Fair values based on outside financial valuer as at 31 December**	
	2018	2017
Commercial Credit and Finance PLC	2,325	3,564
Total	2,325	3,564

** This value corresponds to value of 29.99% of CCF as calculated on the share price based on the analysis performed by the financial advisor during that year. In 2018, the advisor used a residual income approach.

Key assumptions used in the valuation are summarised below

Financial instruments	Valuation technique	Significant unobservable inputs		Sensitivity of the input to fair value
			Rates	
Investment in CCF (2018)	Residual income approach	Cost of equity	10.77% - 18.77%	The valuation used a 14.44% cost of equity. A 10.77% cost of equity would result in a valuation of LKR 255 per share while 18.77% would result in valuation of LKR 79 per share.
Investment in CCF (2018)	Residual income approach	Terminal growth rate	3.50% - 5.50%	The valuation used a 4.50% terminal growth rate. A 3.50% terminal growth rate would result in a valuation of LKR 129 per share while 5.50% would result in valuation of LKR 147 per share.

19.4 Summarised financial information about material associates

Summarised information about financial position

	(Unit: Million Baht)	
	Commercial Credit and Finance PLC	
	2018	2017
Total assets	15,913	19,197
Total liabilities	(13,448)	(16,579)
Net assets	2,465	2,618
Shareholding percentage (%)	29.99	29.99
Share of net assets	739	785
Elimination entries	(55)	(55)
Intangibles recognised	523	523
Goodwill	1,322	1,322
Acquisition - related costs	30	30
Carrying amounts of associates based on equity method	2,559	2,605

Summarised information about comprehensive income

	(Unit: Million Baht)	
	Commercial Credit and Finance PLC	
	For the year ended 31 December	
	2018	2017
Revenue	2,233	2,395
Profit (loss)	370	598
Other comprehensive income	(7)	7
Total comprehensive income	363	605

20. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
<u>Investments in held-to-maturity debt securities</u> (Note 7)		
Convertible loan (Mature in 2022)	192,718	192,718
<u>Investments in other companies</u>		
Bagan Innovation Technology (Singapore) Pte. Ltd.	63,776	63,776
PT Bank JTrust Indonesia Tbk.	414,502	414,502
Total investments in other companies	478,278	478,278
Total	670,996	670,996

Convertible loan - Century Finance Company Limited

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

Bagan Innovation Technology (Singapore) Pte. Ltd

On 26 October 2016, a meeting of the Board of Directors of the Company approved the acquisition of shares of Bagan Innovation Technology (Singapore) Pte. Ltd. (“BiT”). On 28 December 2016, GLH subscribed to new shares of BiT totaling 2,778 ordinary shares (or 20.00% of the paid up shares of BiT in issue after GLH subscription) and representing a total payment of USD 1.73 million (equivalent to approximately Baht 61.85 million). BiT registered its new paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore on 16 January 2017.

During 2017, GLH recorded addition acquisition-related costs of Baht 1.9 million related to external legal fee and due diligence costs. As at 31 December 2018, such investment was presented as other long-term investments in the consolidated financial statements, of Baht 63.8 million (2017: Baht 63.8 million). BiT is incorporated in Singapore and the Company is a software development company specialised in digital content and mobile application solutions.

PT Bank JTrust Indonesia Tbk.

On 26 October 2016, the Board of Directors of the Company approved a subsidiary company to acquire shares of PT Bank JTrust Indonesia Tbk. (“PT Bank JTrust”) and subsequently on 13 December 2016, the subsidiary company acquired 28.15 trillion shares (3.12% of the total shares) in this company at total cost of USD 11.70 million (Baht 414 million) from J Trust Co. Ltd. - a related company. The remaining portions of approximately 97% being majority shareholding in this company were still held by J Trust Co. Ltd. - a related company as disclosed in Note 7. 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 2018, the P/BV ratio increased to 6.66 times while the ‘average P/BV ratio’ of all commercial banks in Indonesian market was about 1.3 times. The carrying value of this investment was significantly in excess of the value calculated based on the ‘average P/BV ratio’. In late 2018, the management of the Company has evaluated the value of this investment and considered that this is no impairment on this investment due to other favorable factors including profitability ratio and business opportunities of this company in the future. Based on public information in financial statements disclosure, PT Bank JTrust has lawsuits that have been prosecuted both in and outside the Country, these cases depend on legal

proceeding and the decisions in the future. The value of the investment depends upon the Company's ability to cooperate with the investee company's major shareholder and the success of the future operations of this company. Thus, this investment has high degree of uncertainty and needs special attention and its value needs to be evaluated every year.

21. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computer and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2017	35,983	45,553	32,116	49,467	85,073	41,388	13,110	302,690
Additions	-	-	1,275	8,183	25,222	5,700	10,317	50,697
Increase from acquisition of BGMM	-	-	185	83	784	337	-	1,389
Disposals/Write-off	-	-	(1,589)	(6,001)	(4,366)	(1,666)	-	(13,622)
Transfer in (out)	-	-	8,512	46	14,006	(65)	(22,564)	(65)
Exchange differences on translation of Financial statements in foreign currency	-	-	(1,615)	(918)	(4,519)	(1,687)	(564)	(9,303)
31 December 2017	35,983	45,553	38,884	50,860	116,200	44,007	299	331,786
Additions	-	-	950	3,968	8,529	16,679	-	30,126
Disposals/Write-off	-	-	-	(392)	(4,837)	(4,880)	-	(10,109)
Transfer in (out)	-	-	-	-	-	(74)	-	(74)
Exchange differences on translation of Financial statements in foreign currency	-	-	(185)	(172)	(2,452)	(483)	-	(3,292)
31 December 2018	35,983	45,553	39,649	54,264	117,440	55,249	299	348,437
Accumulated depreciation								
1 January 2017	-	40,833	15,777	32,565	51,946	30,897	-	172,018
Depreciation for the year	-	354	3,907	7,505	24,231	5,579	-	41,576
Increase from acquisition of BGMM	-	-	45	9	232	121	-	407
Depreciation on disposals/Write-off	-	-	(1,589)	(6,000)	(4,315)	(1,460)	-	(13,364)
Exchange differences on translation of Financial statements in foreign currency	-	-	(643)	(439)	(2,146)	(1,143)	-	(4,371)
31 December 2017	-	41,187	17,497	33,640	69,948	33,994	-	196,266
Depreciation for the year	-	354	4,615	7,765	20,996	5,801	-	39,531
Depreciation on disposals/Write-off	-	-	-	(352)	(1,644)	(3,307)	-	(5,303)
Exchange differences on translation of Financial statements in foreign currency	-	-	(71)	(56)	(501)	(309)	-	(937)
31 December 2018	-	41,541	22,041	40,997	88,799	36,179	-	229,557
Net book value								
31 December 2017	35,983	4,366	21,387	17,220	46,252	10,013	299	135,520
31 December 2018	35,983	4,012	17,608	13,267	28,641	19,070	299	118,880
Depreciation for the year								
2017								41,576
2018								39,531

(Unit: Thousand Baht)

Separate financial statements								
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computer and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2017	35,983	45,553	14,776	23,036	47,408	24,303	-	191,059
Additions	-	-	1,188	2,436	3,503	3,930	2,796	13,853
Disposals/Write-off	-	-	(1,589)	(159)	-	(1,666)	-	(3,414)
Transfer in (out)	-	-	2,496	-	-	-	(2,496)	-
31 December 2017	35,983	45,553	16,871	25,313	50,911	26,567	300	201,498
Additions	-	-	933	1,346	1,505	56	-	3,840
Disposals/Write-off	-	-	-	(10)	-	(1,020)	-	(1,030)
Transfer in (out)	-	-	-	-	-	-	-	-
31 December 2018	35,983	45,553	17,804	26,649	52,416	25,603	300	204,308
Accumulated depreciation								
1 January 2017	-	40,833	9,522	17,758	27,732	19,849	-	115,694
Depreciation for the year	-	354	1,568	2,204	10,899	2,477	-	17,502
Depreciation on disposals/ write-off	-	-	(1,588)	(159)	-	(1,438)	-	(3,185)
31 December 2017	-	41,187	9,502	19,803	38,631	20,888	-	130,011
Depreciation for the year	-	354	1,597	2,336	7,551	2,625	-	14,463
Depreciation on disposals/ write-off	-	-	-	(4)	-	(1,011)	-	(1,015)
31 December 2018	-	41,541	11,099	22,135	46,182	22,502	-	143,459
Net book value								
31 December 2017	35,983	4,366	7,369	5,510	12,280	5,679	300	71,487
31 December 2018	35,983	4,012	6,705	4,514	6,234	3,101	300	60,849
Depreciation for the year								
2017								17,502
2018								14,463

As at 31 December 2018 and 2017, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 105.52 million and Baht 99.3 million, respectively (the Company only: Baht 92.49 million and Baht 87.5 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2018 of Baht 26.8 million (2017: Baht 27.6 million) as collateral for short-term loans from financial institutions and long-term credit facilities as discussed in Notes 25 and 29.

22. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Exclusive right agreement	Computer software	Leasehold	Software under development	Total
Cost					
1 January 2017	125,794	28,655	39	47,341	201,829
Acquisitions during the year	-	5,461	-	50,381	55,842
Write-off	-	(4,566)	-	-	(4,566)
Transfer in (out)	-	27,998	-	(30,610)	(2,612)
Allowance for loss on exclusive right	(96,768)	-	-	-	(96,768)
Exchange differences on translation of financial statements in foreign currency	(9,064)	(1,180)	-	(2,557)	(12,801)
31 December 2017	19,962	56,368	39	64,555	140,924
Acquisitions during the year	-	1,950	20	23,326	25,296
Write-off	-	(429)	-	(8,688)	(9,117)
Transfer in (out)	-	75,760	-	(75,760)	-
Exchange differences on translation of financial statements in foreign currency	(141)	(201)	-	(56)	(398)
31 December 2018	19,821	133,448	59	3,377	156,705
Amortisation					
1 January 2017	57,218	4,804	11	-	62,033
Amortisation for the year	3,455	5,682	17	-	9,154
Amortisation on write-off	-	(954)	-	-	(954)
Allowance for loss on exclusive right	(40,831)	-	-	-	(40,831)
Exchange differences on translation of financial statements in foreign currency	(4,316)	(163)	-	-	(4,479)
31 December 2017	15,526	9,369	28	-	24,923
Amortisation for the year	3,289	11,824	15	-	15,128
Amortisation on write-off	-	(43)	-	-	(43)
Exchange differences on translation of financial statements in foreign currency	(96)	(17)	-	-	(113)
31 December 2018	18,719	21,133	43	-	39,895
Net book value					
31 December 2017	4,436	46,999	11	64,555	116,001
31 December 2018	1,102	112,315	16	3,377	116,810

(Unit: Thousand Baht)

Separate financial statement

	Computer software	Software under development	Total
Cost			
1 January 2017	17,096	21,195	38,291
Acquisitions during the year	2,725	41,901	44,626
Write off	(3,251)	-	(3,251)
Transferred in (out)	6,300	(6,300)	-
31 December 2017	22,870	56,796	79,666
Acquisitions during the year	660	19,188	19,848
Write off	-	(7,769)	(7,769)
Transferred in (out)	65,443	(65,443)	-
31 December 2018	88,973	2,772	91,745
Amortisation			
1 January 2017	2,463	-	2,463
Amortisation on write-off	(1,772)	-	(1,772)
Amortisation for the year	4,492	-	4,492
31 December 2017	5,183	-	5,183
Amortisation on write-off	-	-	-
Amortisation for the year	7,531	-	7,531
31 December 2018	12,714	-	12,714
Net book value			
31 December 2017	17,687	56,796	74,483
31 December 2018	76,259	2,772	79,031

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 set up of other shareholder-related allowances in terms of prudence during the scrutiny period of the regulating authorities (refer to Note 7 and 49). Should the amount of the deposit be subsequently received, the allowance will be reversed for the amount of money received.

As at 31 December 2018, the value of exclusive right in consolidated financial statement amounted to USD 0.03 million (2017: USD 0.11 million).

23. Goodwill

The Company allocated goodwill acquired through business combinations to each of the cash generating units (CGUs) for annual impairment testing as follows:

	(Unit: Thousand Baht)		
	Hire purchase services Thanaban Co., Ltd.	Hire purchase services GL Finance Plc.	Microfinance services BG Microfinance Myanmar Co., Ltd.
Goodwill	71,872	45,540	219,360

Hire purchase services of Thanaban and GLF

As at 31 December 2018, the recoverable amount of the Hire Purchase services of Thanaban and GLFs' CGUs have been determined based on fair value calculation using the relative valuation approach for evaluating net asset value by calculating price to earnings and price to book value of listed comparable companies to evaluate the fair value of cash generating units. The management of the Group has collected comparative information from assets in the market with the most similar characteristics of that of the cash generating unit and compared and performed analytical procedures. The management of the Group tested the calculation of the recoverable values of the assets and considered the impact of changes in key assumptions on those recoverable values. (2017: CGUs based on value in use calculation using discount cashflows model from financial budgets approved by the management covering a five-year period).

The Company used a relative valuation based approach for two of its subsidiaries' valuation. This has replaced the value in use approach used in prior years. The reasons for the change is that a market approach better reflects true business value and relies on less assumptions.

As at 31 December 2018 key assumptions used in relative valuation calculations are summarised below:

	(Unit: time)	
	Hire purchase services Thanaban Co., Ltd.	Hire purchase services GL Finance Plc.
Price to earnings	13.89x	8.13x
Price to book value	2.30x	1.11x

Microfinance services of BGMM

As at 31 December 2018, The recoverable amount of the Microfinance services of BGMM's CGU has been determined based on value in use calculation using residual income from financial budgets approved by the management covering a five-year period.

As at 31 December 2018 key assumptions used in value in use calculations for Microfinance services BG Microfinance Myanmar Co., Ltd. are summarised below:

	(Unit: % per annum)
Growth rates	4.5%
Pre-tax discount rates	16.0%

The management determined growth rates based on past performance and its expectations of market development and discount rates is pre-tax rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for all goodwill.

24. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax and value added				
tax refundable	62,731	62,563	61,920	61,713
Deposits	41,216	38,207	1,673	2,504
Others	7,583	2,976	7,348	2,443
Total	111,530	103,746	70,941	66,660
Less: Allowance for value added				
tax refundable	(36,465)	(31,533)	(36,466)	(31,533)
Other non-current assets, net	75,065	72,213	34,475	35,127

25. Short-term loans from financial institutions

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

As at 31 December 2018 and 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 44.4.

As at 31 December 2018 and 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 9 and 14.

26. Deposits from customers

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

As a result of the notification, all microfinance retail customers are required to contribute a compulsory savings amount when paying for their installments. The total compulsory amount of each customer may not exceed 5% of the loan size. In addition, customers can contribute voluntary savings. BGMM has been notified of the regulating authority visit during November 2017, which will determine if BGMM has fulfilled all the requirements for taking deposits. In accordance with the notification, the Microfinance Supervisory Committee of the Republic of the Union of Myanmar has set required rates of interest payment to retail customers for BGMM at 15% per annum for compulsory savings and 10% per annum for voluntary savings.

As at 31 December 2018 total deposits, including accrued interest, recorded in BGMM's statement of financial position amounted to MMK 1,944 million (equivalent to approximately Baht 40.6 million) (2017: MMK 958.4 million (equivalent to approximately Baht 22.9 million)), and these had remaining terms ranging from 6 months to 1 year.

27. 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 31 December 2018, the short-term loan from and interest payable in consolidated financial statement amounted to USD 0.6 million (approximately Baht 19.6 million).

28. Other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Accrued interest expenses - related parties (Note 7 and 31)	402,786	119,696	402,786	119,696
Accrued interest expenses	19,260	11,168	19,260	11,031
Accrued commission expenses	12,559	18,783	3,634	4,506
Accrued bonus	12,262	6,689	-	-
Accrued expenses - related parties (Note 7 and 31)	461	461	1,022	109,345
Accrued expenses	92,072	109,520	13,635	10,861
Total	539,400	266,317	440,337	255,439

29. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements			Repayment condition
	Balance		Interest rate	
	2018	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	19,899	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

(Unit: Thousand Baht)

Consolidated financial statements				
	Balance		Interest rate	Repayment condition
	2018	2017	per annum	
<u>Loan agreement dated 18 May 2017</u>				
Credit facility No. 1	2,487	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	22,386	122,255		
Less: Current portion	(22,386)	(102,764)		
Long-term portion of long-term loans	-	19,491		

Movements in the long-term loans account during the year ended 31 December 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	(107,049)
Exchange differences on translation of financial statements in foreign currency	7,149
Balance as at 31 December 2018	22,386

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

On 20 June 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 200 million. The purpose of such loan is for use in the operating activities of the Company. In order to reduce the fluctuation of interest rate risk, the subsidiary has entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 4.90% and 5.10% per annum.

During the year 2017 and 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 10 million and Baht 60 million, respectively. The purpose of such loan is for use in its operating activities.

The loan agreements contain financial covenants regarding, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, the maintenance of a certain debt to equity ratio, ratio of hire purchase receivables more than three months' past due to total hire purchase receivables and ratio of total hire purchase receivables to loans and prohibition of disposal of assets or rights of claim under hire purchase agreements, other practice comply with loan agreements. Moreover, the agreements stipulate that in the event that any new liabilities are created, the financial conditions and collateral terms of the existing creditors may not be inferior to those of the new credit facilities.

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 loans amounting to USD 0.5 million (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 financial statements		Separate financial statements	
	2018	2017	2018	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 the Company and its subsidiaries which has not yet been draw down was nil.

30. Debentures

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

Debentures	Interest rate	Terms	Due date	(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
				2018	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				(13,189)	(30,410)
Debentures - net				1,486,811	1,469,590
Less: Current portion				(1,486,811)	-
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 44.4. In addition, during the year, 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 9 and 14.

By the circumstances mentioned in Note 48, 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.

31. 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	2018	2017
Convertible debentures 1/2016	As detailed in the table below	5 years	30 July 2021	4,219,312	4,249,289
Convertible debentures 1/2017	As detailed in the table below	3 years	20 March 2020	1,624,739	1,636,058
Convertible debentures 2/2017	As detailed in the table below	3 years	30 March 2020	649,896	654,424
Total				6,493,947	6,539,771
Less: Unamortised portion of deferred transaction costs				(4,548)	(6,857)
Convertible debentures, net				6,489,399	6,532,914
Less: Amount classified as equity				(59,458)	(59,458)
Amount classified as liability				6,429,941	6,473,456

Reflected in the statements of financial position as follows:

Convertible debentures under court cases	5,794,581	5,833,885
Convertible debentures - liability component	635,360	639,571
	6,429,941	6,473,456

On 24 June 2016, the Extraordinary General Meeting of Shareholders No.1/2016 approved the issue and offering of convertible debentures in an amount not exceeding USD 130 million or the equivalent in other currencies. The Meeting also approved an increase in the Company's registered capital to support the conversion of the convertible debentures. On 1 August 2016, the Company issued convertible debentures to a specific foreign investor JTrust Asia Pte. Ltd. through a private placement, a related party as disclosed in Note 7, 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 7, 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 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.

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)

	2018	2017
Balance as at 1 January	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	2,309	2,064
Gain on exchange rate	(45,824)	(407,422)
Balance as at 31 December	6,489,399	6,532,914

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

	(Unit: Thousand Baht)	
	31 December 2018	31 December 2017
Convertible debentures under court cases	5,794,581	5,833,885
Convertible debentures - liability component	635,360	639,571
Convertible debentures - equity component	59,458	59,458
Ending balance	<u>6,489,399</u>	<u>6,532,914</u>

The Group is aware of the importance of the current situation regarding the investment agreements and litigations involving J Trust Co., Ltd. and JTrust Asia Pte. Ltd. mentioned in Note 48.

However, the Company continues record the interest payable to JTA as accrued interest payable in accordance with Generally Accepted Accounting Principles. As at 31 December 2018, the interest payable from convertible debenture under court cases amounted to Baht 402.7 million (2017: Baht 111.5 million), which present under the other payables as disclosed in Notes 7 and 28. 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.

32. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Provision for long-term employee benefits at beginning of year	11,768	8,721
Included in profit or loss:		
Current service cost	3,748	3,398
Interest cost	244	193
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	1,468	-
Financial assumptions changes	354	-
Experience adjustments	2,968	-
Benefits paid during the year	(2,156)	(544)
Provision for long-term employee benefits at end of year	18,394	11,768

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2018	2017
Administrative expenses	3,992	3,591

The Company expects to pay Baht 4.7 million of long-term employee benefits during the next year (2017: Baht 1.8 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2017: 21.9 years).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)	
	Consolidated/Separate financial statements	
	2018	2017
Discount rate	2.8	2.2
Salary increase rate	4.5	1.8-4.4
Turnover rate	8.0-18.0	9.0-22.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	Consolidated /Separate financial statements			
	2018		2017	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(1.24)	1.42	(0.66)	0.75
Salary increase rate	1.47	(1.31)	0.85	(0.76)
	Increase 10.0%	Decrease 10.0%	Increase 1.0%	Decrease 1.0%
Turnover rate	(1.23)	1.41	(0.75)	0.78

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less 400 days' compensation at the latest wage rate. This based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 1.8 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

33. Warrants

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

Type of warrant	Issue to	Issuance date of warrant	Number of warrants original issued	Warrant offer price	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
GL-W4	Existing shareholders	2 August 2016	165,098,969	-	2 years	Baht 40	1 ordinary share

During the current year, 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 year	Number of warrants expired during the year	Number of warrants outstanding as at 31 December 2018
GL-W4	164,946,081	(19)	(164,946,062)	-

34. 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
Total dividends paid in 2017		415,088	0.2740

35. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

36. Other income related to hire purchase activities

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

37. Other income related to the microfinance activities

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

38. Other income - others

In 2018, the management of the Company decided to write off long outstanding balances of payables in the amount of Baht 8.69 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 year ended 31 December 2018.

39. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salary and wages and other employee benefits	722,387	712,718	385,560	395,230
Service agreement expenses	2,454	8,202	1,398	6,007
Debt following expenses	22,497	20,509	18,416	17,897
Depreciation	39,531	41,576	14,463	17,503
Amortisation	15,128	9,154	7,531	2,720
Registration fee	9,824	13,406	1,400	5,255
Rental fee	47,667	38,872	4,935	5,080
Professional fee	104,385	51,797	68,480	17,128

40. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	190,127	166,686	98,948	90,104
Deferred tax:				
Relating to origination and reversal of temporary differences	(28,454)	(14,313)	(10,404)	(8,651)
Income tax expense reported in the statement of comprehensive income	161,673	152,373	88,544	81,453

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax on actuarial loss	958	-	958	-
Total	958	-	958	-

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Accounting profit (loss) before tax	451,209	(1,454,677)	326,951	(1,596,812)
Applicable tax rate	17% - 25%	17% - 25%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	65,106	(245,371)	65,390	(319,362)
Effects of non-taxable income and expenses	46,575	408,694	(36)	400,815
Decrease (increase) in deferred tax assets	(24,884)	-	7,153	-
Unused tax losses	57,602	-	-	-
Others	17,275	(10,950)	16,037	-
Total income tax expenses reported in the statement of comprehensive income	161,674	152,373	88,544	81,453

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	83,596	57,897	69,982	47,992
Allowance for diminution of value foreclosed assets	2,376	3,279	1,448	1,677
Reserve for employee benefits	3,679	2,357	3,679	2,357
Loss brought forward	19,233	11,208	-	-
Allowance for doubtful account - other receivables	48,937	-	-	-
Others	960	640	-	-
Total	158,781	75,381	75,109	52,026
Deferred tax liabilities				
Prepaid commission expenses	11,733	11,676	11,733	11,676
Accumulated depreciation and amortisation	896	2,191	-	-
Amortised transaction cost of convertible debentures - liability component	894	1,355	894	1,355
Amortised transaction cost of convertible debentures - equity component	17	17	17	17
Amortised transaction cost of debentures	2,638	6,015	2,638	6,015
Interest income receivable from NPLs	4,506	4,219	-	-
Revaluation of loan and interest receivables from subsidiary	8,673	-	8,673	-
Revaluation of convertible debentures	6,961	-	6,961	-
Unremitted foreign income	43,215	-	-	-
Others	-	71	-	71
Total	79,533	25,544	30,916	19,134
Net deferred tax assets	79,248	49,837	44,193	32,892
Reflected in the statements of financial position as follows:				
Deferred tax assets	122,464	53,063	44,193	32,892
Deferred tax liabilities	(43,216)	(3,226)	-	-
Net deferred tax assets	79,248	49,837	44,193	32,892

41. Earnings per share

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
		(Restated)		
Profit (loss) for the year (Thousand Baht)	281,794	(1,603,211)	238,407	(1,678,265)
Number of ordinary shares (Thousand shares)	1,525,538	1,525,535	1,525,538	1,525,535
Earnings per share (Baht/share)	0.185	(1.051)	0.156	(1.100)

However, no calculation of diluted earnings per share for the year ended 31 December 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.

42. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on their services and have five reportable segments as follows:

- Hire purchase and Asset-backed loan services.
- Financing to corporates and investment holding.
- Business management and consulting service.
- Microfinance service.
- Consumer finance service under joint financing arrangements.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss, total assets and total liabilities and on a basis consistent with that used to operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit, total assets and total liabilities information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2018						
	Hire Purchase and Asset- backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance service under joint financing arrangements	Item not allocated	Consolidated
Revenues							
External customer	2,454,275	1,870	86,092	169,964	46,890	-	2,759,091
Other income	30,444	45,200	11,221	5,474	1,286	-	93,625
Inter segment revenue	461,146	161,137	25,424	-	-	-	647,707
Total revenues	2,945,865	208,207	122,737	175,438	48,176	-	3,500,423
Adjustments and eliminations	(461,146)	(161,137)	(25,424)	-	-	-	(647,707)
Total revenues, net	2,484,719	47,070	97,313	175,438	48,176	-	2,852,716
Services and administrative expenses	(871,225)	(203,548)	(47,068)	(56,329)	(99,880)	-	(1,278,050)
Bad debts and doubtful accounts	(530,286)	-	-	(1,883)	(28,145)	-	(560,314)
Cost of sales	(7,643)	-	-	-	-	-	(7,643)
Loss on disposals of assets foreclosed	(315,428)	-	-	-	(13,730)	-	(329,158)
Reversal of allowance on other receivables	20,374	-	-	-	-	-	20,374
Reversal of allowance on other current assets	38,825	-	-	-	-	-	38,825
Share of profit from investment in associate	-	-	-	-	-	110,936	110,936
Financial cost	-	-	-	-	-	(396,477)	(396,477)
Income tax expense	-	-	-	-	-	(161,673)	(161,673)
Segment profit (loss)	819,336	(156,478)	50,245	117,226	(93,579)	(447,214)	289,536
Segment total assets							
Additions to non-current assets other than financial instruments and deferred tax assets	31,820	-	3,146	11,146	-	9,310	55,422

For the year ended 31 December 2017 (restated)

	Hire Purchase and Asset- backed loan services	Financing to corporates and investment holding	Business management and consulting services	Microfinance service	Consumer finance service under joint financing arrangements	Item not allocated	Consolidated
Revenues							
External customer	2,445,429	201,711	37,494	56,200	47,948	-	2,788,782
Other income	113,779	47,299	8,072	10,256	10,174	-	189,580
Inter segment revenue	780,835	31,060	24,535	-	-	-	836,430
Total revenues	3,340,043	280,070	70,101	66,456	58,122	-	3,814,792
Adjustments and eliminations	(780,835)	(31,060)	(24,535)	-	-	-	(836,430)
Total revenues, net	2,559,208	249,010	45,566	66,456	58,122	-	2,978,362
Services and administrative expenses	(911,995)	(97,340)	(21,582)	(22,638)	(91,396)	-	(1,144,951)
Bad debts and doubtful accounts	(317,727)	-	-	(3,293)	(2,016)	-	(323,036)
Cost of sales	(757)	-	-	-	-	-	(757)
Expense allowance on disputed loans	-	(603,176)	-	-	-	-	(603,176)
Expense allowance on loan and interest receivables	-	(956,641)	-	-	-	-	(956,641)
Loss on disposals of assets foreclosed	(245,351)	-	-	-	-	-	(245,351)
Expense allowance on other receivables	(208,884)	-	-	-	-	-	(208,884)
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	-	-	-	-	-	171,951	171,951
Financial cost	-	-	-	-	-	(445,347)	(445,347)
Income tax expense	-	-	-	-	-	(152,373)	(152,373)
Segment profit (loss)	779,732	(1,990,232)	23,984	40,525	(35,290)	(425,769)	(1,607,050)
Segment total assets							
Additions to non-current assets other than financial instruments and deferred tax assets	59,059	-	2,001	5,701	-	39,778	106,539

Geographic information

Revenue from external customers is based on locations of the customers and includes only the Company and its subsidiaries.

(Unit: Thousand Baht)

	2018	2017
Revenue from external customers		
Thailand	1,801,908	1,766,544
Cambodia	539,654	693,625
Singapore (restated)	33,225	225,744
Cyprus (restated)	-	7,966
Luxembourg	-	7,012
Laos	128,277	96,806
Indonesia	102,023	79,482
Myanmar	247,629	80,774
Japan	-	20,409
Total	<u>2,852,716</u>	<u>2,978,362</u>

Non-current assets (other than financial instruments, deferred tax assets and investment in associate)

Thailand	147,034	155,139
Cambodia	23,874	35,785
Singapore	36,438	36,958
Laos	1,659	1,404
Indonesia	10,787	15,547
Myanmar	15,898	6,688
Total	<u>235,690</u>	<u>251,521</u>

Major customers

For the year 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

43. Provident fund

The Company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributed to the fund monthly at the rate of 0% - 5% of basic salary and employees contributed at the rate of 0% - 15% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2018 and 2017, the Company contributed Baht 10.7 million and Baht 9.2 million, respectively to the fund.

44. Commitments

44.1 Capital commitments

As at 31 December 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 (2017: USD 0.02 million and Baht 0.40 million, respectively).

44.2 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			
	2018		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	17,320	12,020	20,178	15,616
Thousand USD	221	590	114	411
Thousand IDR	1,471,680	4,047,120	811,087	2,943,360
Thousand SGD	56	-	126	-
Thousand MMK	33,000	-	-	-

	Separate financial statement			
	2018		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	7,606	2,877	9,185	8,117

44.3 Service commitments

As at 31 December 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 (2017: USD 0.01 million, JPY 0.6 million and Baht 0.2 million per month).

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

As at 31 December 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 9 and 14.

44.5 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.

45. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)		
	Consolidated financial statements		
	As at 31 December 2018		
	Level 1	Level 2	Level 3
Assets for which fair value are disclosed			
Investment in associates	-	-	2,325*
Other long-term investments			
Investments in held-to-maturity debt securities	-	-	184
Investments in other companies	-	62	376
Liabilities for which fair value are disclosed			
Convertible debentures	-	7,081	-

* This value was calculated based on the financial advisor, using the residual income approach disclosed in Note 19.3.

	(Unit: Million Baht)		
	Consolidated financial statements		
	As at 31 December 2017 (restated)		
	Level 1	Level 2	Level 3
Liabilities measured at fair value			
Derivatives			
Interest rate swap contracts	-	(1)	-
Assets for which fair value are disclosed			
Long-term portion of loans and interest receivables	-	-	40
Investment in associates	-	-	3,564*
Other long-term investments			
Investments in held-to-maturity debt securities	-	-	186
Investments in other companies	-	65	435
Liabilities for which fair value are disclosed			
Debentures	-	1,547	-
Convertible debentures	-	7,427	-

* This value was calculated based on the financial advisor, using the discount cash flow model as disclosed in Note 19.3.

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Convertible debentures	-	7,081	-	7,081

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	1,547	-	1,547
Convertible debentures	-	7,427	-	7,427

46. Financial instruments

46.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investment, hire purchase and installment sales receivables, asset-backed loan receivables, microfinance receivables, consumer finance receivables under joint financing arrangement, loans receivables, pledged fixed deposit at financial institution, other receivables, other long term investments, short-term loans from financial institutions, Trade and other payables, deposits from customers, short-term loan, long-term loan, debentures, convertible debentures and derivatives liability. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and installment sales receivables, asset-backed loan receivables and loans receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase and installment sales receivables, asset-backed loan receivables and loans receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase and installment sales receivables, asset-backed loan receivables, loans receivables, pledged fixed deposit at financial institution, bank overdraft and short-term loans from financial institutions, short-term loan, long-term loan, debentures and convertible debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Company and its subsidiaries mitigates the risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instrument, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018

	Fixed interest rates				Total
	In up to 1 year	In over 1 and up to 5 years	Floating interest rate	Non- interest bearing	
Financial assets					
Cash and cash equivalent	2,136.67	-	526.17	1,082.16	3,745.00
Current investment	18.05	-	-	-	18.05
Hire purchase and installment sales receivables, net	3,324.92	2,886.84	-	-	6,211.76
Asset - backed loan receivables, net	230.73	64.55	-	-	295.28
Microfinance receivables	554.32	6.72	-	-	561.04
Consumer finance receivables under joint financing	5.35	19.31	-	-	24.66
Loan and interest receivables - as restated	42.12	-	-	-	42.12
Other receivables	-	-	-	89.33	89.33
Pledged fixed deposit at financial institution	-	5.85	-	-	5.85
Other long-term investments	-	192.72	-	478.28	671.00
Deposits	-	-	-	41.22	41.22
	<u>6,312.16</u>	<u>3,175.99</u>	<u>526.17</u>	<u>1,690.99</u>	<u>11,705.31</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018

	Fixed interest rates				Total
	In up to	In over 1	Floating	Non-	
	1 year	and up to	interest rate	interest	
Financial liabilities					
Trade and other payables	-	-	-	559.06	559.06
Deposit from customer	40.62	-	-	-	40.62
Short-term loans	19.60	-	-	-	19.60
Long-term loans	22.39	-	-	-	22.39
Debenture	1,486.81	-	-	-	1,486.81
Convertible debenture	-	6,429.94	-	-	6,429.94
	<u>1,569.42</u>	<u>6,429.94</u>	<u>-</u>	<u>559.06</u>	<u>8,558.42</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2017

(restated)

	Fixed interest rates				Total
	In up to	In over 1	Floating	Non-	
	1 year	and up to	interest rate	interest	
Financial assets					
Cash and cash equivalent	1,797.45	-	286.10	996.35	3,079.90
Short-term investment	47.80	-	-	-	47.80
Hire purchase and installment					
sales receivables, net	3,194.77	3,358.40	-	-	6,553.17
Asset - backed loan receivables, net	269.59	76.82	-	-	346.41
Microfinance receivables	378.43	39.53	-	-	417.96
Consumer finance receivables under					
joint financing	14.08	42.51	-	-	56.59
Loan and interest receivables					
– as restated	0.55	40.84	-	-	41.39
Other receivables	-	-	-	82.41	82.41
Deposits at bank with restrictions	-	11.65	-	-	11.65
Other long-term investments	-	192.72	-	478.28	671.00
Deposits	-	-	-	38.21	38.21
	<u>5,702.67</u>	<u>3,762.47</u>	<u>286.10</u>	<u>1,595.25</u>	<u>11,346.49</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2017
(restated)

	Fixed interest rates				Total
	In up to 1 year	In over 1 and up to 5 years	Floating interest rate	Non- interest bearing	
Financial liabilities					
Short-term loans from financial institutions	65.24	-	-	-	65.24
Trade and other payables	-	-	-	280.40	280.40
Deposit from customer	22.91	-	-	-	22.91
Derivatives liability	0.61	-	-	-	0.61
Long-term loans	102.76	19.49	-	-	122.25
Debenture	-	1,469.59	-	-	1,469.59
Convertible debenture	-	6,473.46	-	-	6,473.46
	<u>191.52</u>	<u>7,962.54</u>	<u>-</u>	<u>280.40</u>	<u>8,434.46</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2018

	Fixed interest rates				Total
	In up to 1 year	In over 1 and up to 5 years	Floating interest rate	Non- interest bearing	
Financial assets					
Cash and cash equivalent	-	-	373.37	36.52	409.89
Hire purchase and installment sales receivables, net	2,123.03	2,096.96	-	-	4,219.99
Short-term loans to and interest receivable from subsidiary	209.98	-	-	-	209.98
Other receivables	-	-	-	42.18	42.18
Pledged fixed deposit at financial institution	-	0.34	-	-	0.34
Long-term loan to and interest receivables from subsidiary	-	5,307.79	-	-	5,307.79
Deposit	-	-	-	1.67	1.67
	<u>2,333.01</u>	<u>7,405.09</u>	<u>373.37</u>	<u>80.37</u>	<u>10,191.84</u>
Financial liabilities					
Trade and other payables	-	-	-	450.11	450.11
Debentures	1,486.81	-	-	-	1,486.81
Convertible debenture	-	6,429.94	-	-	6,429.94
	<u>1,486.81</u>	<u>6,429.94</u>	<u>-</u>	<u>450.11</u>	<u>8,366.86</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2017

	Fixed interest rates				Total
	In up to 1 year	In over 1 and up to 5 years	Floating interest rate	Non- interest bearing	
Cash and cash equivalent	-	-	117.80	2.14	119.94
Hire purchase and installment sales receivables, net	2,024.73	2,094.61	-	-	4,119.34
Short-term loans to and interest receivable from subsidiary	165.55	-	-	-	165.55
Other receivables	-	-	-	22.39	22.39
Deposits at bank with restrictions	-	0.34	-	-	0.34
Long-term loan to and interest receivables from subsidiary	-	5,345.59	-	-	5,345.59
Deposit	-	-	-	2.50	2.50
	<u>2,190.28</u>	<u>7,440.54</u>	<u>117.80</u>	<u>27.03</u>	<u>9,775.65</u>
Financial liabilities					
Trade and other payables	-	-	-	261.72	261.72
Long-term loans from subsidiary	40.00	-	-	-	40.00
Debentures	-	1,469.59	-	-	1,469.59
Convertible debenture	-	6,473.46	-	-	6,473.46
	<u>40.00</u>	<u>7,943.05</u>	<u>-</u>	<u>261.72</u>	<u>8,244.77</u>

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets as at 31 December		Financial liabilities as at 31 December		Financial assets as at 31 December		Financial liabilities as at 31 December		31 December	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	2.37	1.16	210.95	201.95	168.48	166.83	210.96	205.26	32.4498	32.6809
SGD	0.11	0.16	-	0.07	-	-	-	-	23.69425	24.4503
LKR	111.40	44.15	-	-	-	-	-	-	0.17795	0.21305
KHR	0.24	243.58	-	-	-	-	-	-	0.8032	0.00805
THB	30.41	23.00	22.39	41.95	-	-	-	-	1.0000	1.0000
LAK	-	-	-	-	-	18.13	-	145.49	0.0038	0.0039
IDR	-	-	-	-	-	-	-	105.11	0.0022	0.0024
JPY	-	0.10	-	-	-	-	-	-	0.2931	0.2898

46.2 Fair values of financial instruments

The fair values of the Company and its subsidiaries' financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated financial statements			
	2018		2017	
	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets				
Long-term portion of loans and interest receivables - as restated	-	-	41	40
Other long-term investments				
Investments in held-to-maturity debt securities	193	184	193	186
Investments in other companies	478	438	478	500
Financial liabilities				
Long-term portion of debentures	-	-	1,470	1,547
Convertible debentures	6,430	7,081	6,473	7,427

* The fair value are calculated by using average buying and selling rate to convert the fair value as at 28 December 2018 and 29 December 2017

(Unit: Million Baht)

	Separate financial statements			
	2018		2017	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Long-term portion of debentures	-	-	1,470	1,547
Convertible debentures	6,430	7,081	6,473	7,427

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Fair value	Fair value	Fair value	Fair value
Financial derivatives				
Interest rate swap contracts	-	(1)	-	-

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans to, other receivables, trade and other payables, and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- b) For hire purchase and installment sales receivables and asset-backed loan receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- c) For loan receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For non-marketable securities, their fair value is estimated by discounting expected future cash flow by capital assets pricing model.
- e) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair value.
- f) For fixed rate debentures and convertible debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the bonds with similar terms and conditions.
- g) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves and commodity price yield curves.

47. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 1.53:1 (2017: 1.51:1) and the Company's was 1.52:1 (2017: 1.57:1).

48. 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”).

48.1 Litigations in Thailand

1) Civil Case

a) Civil Case black case number Por. 83/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd. ("JTA")	Group Lease Public Company Limited ("GL"), directors and former director of the Company	<ul style="list-style-type: none"> - Wrongful acts - Avoidance of Convertible Debenture Transaction - Compensation 	Baht 8,020,132,483.88	<ul style="list-style-type: none"> - On 9 January 2018, JTA filed a civil complaint with the Civil Court. - On 13 March 2018, GL submitted the answer to the Civil Court against the JTA's claims. - On 17 April 2018, GL submitted the petition to the Civil Court requesting the Court to first make a decision on legal issues to set aside the JTA's claim against GL case. - On 23 April 2018, the Civil Court adjourned the preliminary hearing to 4 July 2018. JTA submitted its objection to the petition of the defendants to the Civil Court. - On 4 July 2018, GL filed the petition to postpone the case. The Civil Court then fixed the preliminary hearing to be held on 24 August 2018. - On 3 August 2018, JTA filed its objection requesting the Civil Court to postpone the proceeding.

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - On 24 August 2018, the Civil Court fixed the date for settlement of the disputed issues of the case to be held on 2 October 2018. - On 2 October 2018, GL filed a petition requesting the Court to grant an injunctive relief for the plaintiff to deposit money as security for the Court's fee and expense in the amount of Baht 10 million. The Civil Court scheduled an examination date for such petition on 8 November 2018. - On 8 November 2018, the Court scheduled a date of 7 December 2018 for a settlement of disputed issues. - On 7 December 2018, the Court ordered dismissal of the GL's petition requesting the Court to grant an injunctive relief for JTA to deposit money as security for the Court's fees and expenses and the petition requesting to the Court to make a decision on legal issues to set aside the JTA's claims against GL. In addition, the Court has also fixed the disputed issues and burden of proof of the parties as fixed the schedules for Plaintiff's and Defendants' witness examination between 20 August and 9 October 2019. - The Court scheduled a judgment date on 3 December 2019.

b) Civil black case number Por. 2313/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	JTrust Asia Pte. Ltd. (“JTA”)	<ul style="list-style-type: none"> - Tort, - Claim for damage regarding violation to Bankruptcy Act B.E. 2483 	Baht 880,000,000	<ul style="list-style-type: none"> - On 30 April 2018, GL filed a civil complaint against JTA to the Civil Court. The Court has fixed the date for settlement of disputed issues on 20 August 2018. - On 20 August 2018, the Court rescheduled the date of settlement of disputed issues to be on 29 October 2019 due to the time extension for JTA to file the statement of answer by 20 September 2018. - On 29 October 2018, JTA submitted the petition requesting for extension to submit the statement answer. The Court rescheduled the date for settlement of disputed issues on 17 December 2018. - On 17 December 2018, the Court ordered dismissal of the JTA’s petition requesting the Court to suspend further proceedings of the case. In addition, on the same, the Court has also fixed the disputed issues and burden of proof of the parties as fixed schedules for the parties’ witness examination between 12 and 29 November 2019. - The Court scheduled a judgment date on 29 January 2020.

c) Civil black case number Por. 2399/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
<p>1. J Trust Co., Ltd. ("JTrust")</p> <p>2. JTrust Asia Pte. Ltd. ("JTA")</p>	<p>Group Lease Public Company Limited ("GL")</p>	<p>- Tort, - Defamation, - Claim for damage</p>	<p>Baht 20,271,232.88</p>	<ul style="list-style-type: none"> - On 3 May 2018, JTrust and JTA filed the civil complaint against GL for defamation. - On 3 August 2018, the Company submitted a petition requesting the Court to temporarily suspend further proceedings of the case in order to hear the result of the Court's order/judgment in the preliminary examination stage of the related Criminal Black Case No. Aor. 1346/2561. Subsequently, the Plaintiffs filed the objection statement to the Court against the GL's petition. - On 7 August 2018, the Court fixed a new schedule for settlement of the disputed issues and the burden of proof of the parties on 26 October 2018. - During October to December 2018, there were some delays to the proceedings of the case because the parties requested adjournment of the Court's hearings. In this regard, the Court has fixed a new schedule for the settlement of the disputed issues on 21 February 2019. - On 21 February 2019, the Court informed the schedule for plaintiff's and defendant's witness examination between 16 and 28 January 2020. - The Court scheduled a judgement date on 20 March 2020.

2) Rehabilitation Case

Black case number For. 1/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”)	Business rehabilitation	USD 180,000,000	<ul style="list-style-type: none"> - On 10 January 2018, JTA filed a petition for rehabilitation against GL to the Central Bankruptcy Court. - On 12 March 2018, GL submitted the objection statement against the rehabilitation petition to the Court. - On 19 March 2018, the Central Bankruptcy Court dismissed JTA’s rehabilitation petition. - On 17 April 2018, JTA submitted the appeal against the Court’s order dismissing the Rehabilitation Petition. The appeal has been accepted by the Court on 18 April 2018. - On 19 September 2018, GL submitted its answer to the Petitioner’s appeal. - On 4 January 2019, the Central Bankruptcy Court has fixed a schedule for the reading of the Court of Appeal for Specialised Cases order on the appeal submission on 26 February 2019. - On 26 February 2019, the Court of Appeal for Specialised Cases overruled the Central Bankruptcy Court’s order and ordered for the re-hearing to be in accordance with the details of the case. - The Court of Appeal fixed the witness examination date on 26 April 2019.

3) Criminal Case

a) Criminal black case No. Aor 6/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	1.JTrust Asia Pte. Ltd. (“JTA”) 2.Mr. Nobuyoshi Fujisawa 3.Shigeyoshi Asano 4.Legal advisor	Submission of false business rehabilitation petition	-	<ul style="list-style-type: none"> - On 11 April 2018, GL filed the Criminal Complaint with the Central Bankruptcy Court. The Court scheduled the preliminary examination hearing on 25 June 2018. - On 25 June 2018, the Court rescheduled the preliminary examination hearing to be on 18 September 2018. - On 18 September 2018, The Court has issued an order scheduling dates for examination of the plaintiff’s witnesses and continuing the preliminary examination on 16 and 17 January 2019. - On 16 January 2019, the Court has fixed the new scheduled for the preliminary examination on 11 and 18 March 2019.

b) Criminal black case No. Aor. 1346/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
1. J Trust Co., Ltd. (“JTrust”) 2. JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”)	- Defamation	-	<ul style="list-style-type: none"> - On 3 May 2018, JTrust and JTA filed the criminal complaint with the Criminal Court against GL. The preliminary examination is scheduled on 9 July 2018. - On 9 July 2018, the Court adjourned and rescheduled the preliminary examination to 17 September 2018. - On 17 September 2018, the Court adjourned and rescheduled the preliminary examination to 12 and 13 December 2018. - On 13 December 2018, The Court’s preliminary examination of JTrust and JTA’s witness was completed and then fixed a schedule for the reading/rendering of the Court’s order/judgment on 31 January 2019. - On 31 January 2019, the Court dismissed the complaint of JTrust and JTA.

48.2 Litigation in Singapore

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
<p>JTrust Asia Pte. Ltd ("JTA")</p>	<p>Group Lease Holdings Pte. Ltd. ("GLH"), former director of the Company and other defendants</p>	<p>- Tort of conspiracy by introducing to invest in GL</p>	<p>- Damages for the conspiracy - Interest - Costs - Other reliefs as the Court deems fit</p>	<p>- JTA commenced legal proceedings in the Singapore court against GLH and other defendants on 26 December 2017.</p> <p>- JTA commenced legal proceedings in the Singapore court against GLH and other defendants and JTA applied for and obtained an ex parte interim injunction order restraining GLH from dealing with or disposing of its assets in Singapore up to the value of USD 180,000,000 (save allowances for ordinary living and business expenses, and legal fees).</p> <p>- GLH denies JTA's claims, and has duly engaged lawyers in Singapore to defend against these allegations.</p> <p>- On 23 February 2018, the High Court granted the GLH's setting aside application and discharged the ex parte interim injunction order. In addition, the High Court dismissed JTA's applications to expand the scope of the ex parte interim injunction order. Therefore, GLH was no longer under any restraints in relation to the use and/or dealings with their assets at that time until 1 June 2018.</p>

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - JTA filed an appeal against this decision, and on 1 June 2018, the Singapore Court allowed the appeal in part. The Singapore Supreme Court reinstated the Mareva injunction against GLH be expanded in scope to cover its assets both in Singapore and worldwide up to the value of USD 180,000,000 (save allowances for ordinary living and business expenses, and legal fees). The Singapore Supreme Court however disallowed the JTA's appeal in relation to its application to expand the scope of the Mareva injunction orders to include "asset sales, investments and/or loans", regardless of whether such transactions were made in the ordinary and proper course of business. - Parties are now in the pre-trial stage. The Court proceedings for this case are currently scheduled to be held from 17 September 2019 to 30 October 2019. The Court will issue its final decision on the matters in disputes after considering all of the parties's evidence and submission at trial.

48.3 Litigation in Indonesia

Case number 542/PDT.G/2018/PN.JKT.PST

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Bank JTrust Indonesia, TBK (“BJTI”)	PT Group Lease Finance Indonesia (“GLFI”)	Breaching of the Joint Financing agreement	IDR 103,636,408,863 (equivalent to approximately Baht 233.18 million)	<ul style="list-style-type: none"> - On 1 October 2018, BJTI filed a civil complaint against GLFI with District Court of Central Jakarta. - On 13 November 2018, the District Court of Central Jakarta scheduled dates for mediation and the mediation are failed. - On 8 January 2019, the Panel of Judges (“POJ”) scheduled the next hearing for 22 January 2019. - On 22 January 2019, GLFI submitted its reply to the Court. - On 29 January 2019, the POJ instructed BJTI to prepare and submit its rejoinder to the reply at the next hearing, which will be held on 12 February 2019. - On 12 February 2019, BJTI submitted its response to the Court. - On 19 February 2019, BJTI submitted written evidence. The next hearing was held on 26 February 2019. - On 26 February 2019, GLFI submitted its written evidence.

As discussed in the Notes 48.1 48.2 and 48.3, 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.

49. Summary of Significant Adjustments

In 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 USD by 1.77 million (equivalent to approximately Baht 59.20 million). The impact was recognised in profit and loss in the consolidated financial statements for the year ended 31 December 2018.

50. 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.

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			
		Reclassified	Restated	
	As previously reported	Increase (Decrease)	Increase (Decrease)	As restated
<u>Statement of financial position</u>				
<i>Current assets</i>				
Current portion of loans and interest receivables	1,912,885	(975,405)	-	937,480
Allowance for loan 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	-	-	-	-
<i>Non-current assets</i>				
Long-term portion of loans and interest receivables	40,840	-	-	40,840
Allowance for loan 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	-	-	-	-
<i>Shareholders' equity</i>				
Unappropriated retained earnings (deficit)	(126,109)	-	(18,281)	(144,390)
Other components of shareholders' equity	(321,411)	-	18,281	(303,130)

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2017				
	As previously reported	Reclassified Increase (Decrease)	Restated Increase (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 loan 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)
Other comprehensive income:				
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)
Profit (loss) attributable to:				
Equity holders of the Company	(1,818,708)	-	215,497	(1,603,211)
Total comprehensive income attributable to:				
Equity holders of the Company	(2,443,528)	-	236,799	(2,206,729)
Earnings per share (Baht):				
Basic earnings per share (loss)	(1.192)	-	0.141	(1.051)
Diluted earnings per share (loss)	(1.192)	-	0.141	(1.051)

51. Event after reporting period

On 22 February 2019, the Company has entered into loan agreement with a subsidiary to lend subsidiary amount of Baht 450 million. The interest rate charged to the subsidiary is of 5.5% per annum and the maturity date is within 3 years. The purpose is working capital for the operations in Thailand and the subsidiary's operative expansion.

52. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.