

**Group Lease Public Company Limited  
and its Subsidiaries**

Interim financial statements  
for the three-month period ended  
31 March 2019

and

Independent auditor's report  
on review of interim financial information

## **Independent Auditor's Report on Review of Interim Financial Information**

### **To the Board of Directors of Group Lease Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of Group Lease Public Company Limited and its subsidiaries (the "Group"), and of Group Lease Public Company Limited (the "Company"), respectively, as at 31 March 2019; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2019; and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

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

#### *Emphases of Matters*

I draw attention to following matters:

- 1) I draw attention to Note 8 of the financial statements relating to corporate loan and interest receivables. As more fully described in the audited financial statements as at 31 December 2018, 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 a 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 Group's operating results. As a result, the Company has restated its 2017 and 2016 financial statements to reverse interest income and to establish a full provision against these and other loans and interest receivable, and will record any future recoveries in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but is not aware of any further consequences to the Company which may arise.

- 2) I draw attention to Note 11 of the financial statements relating to the investment in PT Bank JTrust Indonesia Tbk. The major shareholder in PT Bank JTrust Indonesia Tbk (holding approximately 97% of the shares) is under the same group as the plaintiff in various legal cases against the Company as described in note 18. The management of the Company has evaluated the value of PT Bank JTrust Indonesia Tbk. based on the latest available information and considered that there is no impairment on this investment. The financial statements of PT Bank JTrust Indonesia Tbk. as at 31 March 2019 have not yet been received.
- 3) I draw attention to Note 18 of the financial statements relating to litigation cases. The Group is the defendant in several legal cases actioned by the substantial convertible debenture holder of the Company and its related companies alleging – misrepresentation of the financial status of the Company and defamation; misrepresentation of the financial position of the Company's subsidiary in Singapore; and breach of a joint finance agreement by the Company's subsidiary in Indonesia; – and claiming rehabilitation of the Company, monetary compensation and interest. The Group has filed counter actions, and preliminary hearings and discovery proceedings on these actions are in progress. The ultimate outcome of the above matters cannot presently be determined. The management consider that no provision for any liability or reclassification of convertible debenture is required in the financial statements.

My conclusion is not modified in respect of these matters.

#### *Material Uncertainty Related to Going Concern*

I draw attention to the legal cases as discussed in previous paragraph as actioned by the substantial convertible debenture holder and related matters which may affect the Group's ability to comply with debt service coverage, raise funding or maintain adequate liquidity in the future. Presently, the management believes 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 conclusion is not modified in respect of this matter.

#### *Other Matter*

The consolidated and separate statements of financial position of Group Lease Public Company Limited and its subsidiaries, and of Group Lease Public Company Limited as at 31 December 2018, which are included as comparative information, were audited by another auditor who expressed a qualified opinion on those statements on 27 February 2019 due to limitations by circumstances, pending investigation of the Department of Special Investigation and legal process and subject to the outcome on the degree of recovery of the Group's assets alleged by the SEC, resulting in her 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. Furthermore, the consolidated and separate statements of comprehensive income, changes in equity and cash flows of Group Lease Public Company Limited and its subsidiaries, and of Group Lease Public Company Limited, for the three-month period ended 31 March 2018, which are included as comparative information, were reviewed by another auditor who expressed a qualified conclusion thereon in his report dated 14 May 2018, for the same reasons mentioned above.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

(Chokechai Ngamwutikul)  
Certified Public Accountant  
Registration No. 9728

KPMG Phoomchai Audit Ltd.  
Bangkok  
15 May 2019

**Group Lease Public Company Limited and its subsidiaries**  
**Statement of financial position**

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
Current assets					
Cash and cash equivalents		4,078,898	3,745,003	195,938	409,893
Current investments		18,056	18,049	-	-
Current portion of hire purchase receivables	4	3,122,666	3,324,919	2,077,682	2,123,035
Current portion of loan receivables	5	219,735	230,733	-	-
Current portion of microfinance receivables	6	552,800	554,319	-	-
Current portion of consumer finance receivables					
under joint financing arrangements	7	16,246	5,355	-	-
Current portion of disputed corporate loans	8	-	-	-	-
Current portion of corporate loans and interest receivables	8	41,742	42,123	-	-
Inventories		282	281	-	-
Assets foreclosed		66,388	61,284	12,443	8,667
Short-term loan to and interest receivables from subsidiaries	3	-	-	286,290	209,983
Other receivables		138,096	89,327	46,433	42,181
Other current assets		169,949	141,576	48,751	37,143
Total current assets		8,424,858	8,212,969	2,667,537	2,830,902
Non-current assets					
Pledged fixed deposit at financial institution		5,708	5,850	343	340
Investment in associate	9	2,027,761	1,976,903	-	-
Investments in subsidiaries	10	-	-	3,590,302	3,590,302
Other long-term investments	11	670,996	670,996	-	-
Long-term portion of hire purchase receivables	4	2,749,023	2,886,840	1,982,981	2,096,962
Long-term portion of loan receivables	5	59,696	64,554	-	-
Long-term portion of microfinance receivables	6	11,180	6,718	-	-
Long-term portion of consumer finance receivables					
under joint financing arrangements	7	-	19,311	-	-
Long-term portion of loans to subsidiaries	3	-	-	5,653,418	5,307,792
Property, plant and equipment		111,229	118,880	58,238	60,849
Intangible assets		119,976	116,810	76,727	79,031
Goodwill		331,529	336,772	-	-
Deferred tax assets		131,556	122,464	54,006	44,194
Other non-current assets		73,560	75,065	34,308	34,475
Total non-current assets		6,292,214	6,401,163	11,450,323	11,213,945
Total assets		14,717,072	14,614,132	14,117,860	14,044,847

The accompanying notes are an integral part of these interim financial statements.

**Group Lease Public Company Limited and its subsidiaries**  
**Statement of financial position**

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
			(in thousand Baht)		
Current liabilities					
Trade accounts payable		17,402	10,208	13,793	1,498
Deposits from customers		44,398	40,624	-	-
Short-term loans and interest payable	12	19,218	19,603	-	-
Current portion of long-term loans	12	15,506	22,387	-	-
Current portion of debentures	13	1,491,102	1,486,811	1,491,102	1,486,811
Current portion of convertible debentures under court cases	14	1,557,370	-	1,557,370	-
Current portion of convertible debentures - other	14	622,939	-	622,939	-
Income tax payable		109,508	84,401	59,795	27,568
Insurance premium payables		9,727	9,448	6,851	8,274
Other payables		603,479	539,400	494,817	440,337
Other current liabilities		113,168	129,371	65,138	63,127
Total current liabilities		4,603,817	2,342,253	4,311,805	2,027,615
Non-current liabilities					
Convertible debentures under court cases	14	4,123,689	5,794,581	4,123,689	5,794,581
Convertible debentures - other	14	-	635,360	-	635,360
Provisions for long-term employee benefits		20,451	18,394	20,451	18,394
Deferred tax liabilities		42,366	43,215	-	-
Cash guarantee for damage on hire purchase agreements		2,180	2,180	2,063	2,063
Total non-current liabilities		4,188,686	6,493,730	4,146,203	6,450,398
Total liabilities		8,792,503	8,835,983	8,458,008	8,478,013
Equity					
Share capital					
Authorised share capital					
1,845,090,080 common shares of Baht 0.50 each		922,545	922,545	922,545	922,545
Issued and paid-up share capital					
1,525,538,158 common shares of Baht 0.50 each		762,769	762,769	762,769	762,769
Share premium		5,192,673	5,192,673	5,192,673	5,192,673
Retained earnings (Deficit)					
Appropriated					
Legal reserve		92,255	92,255	92,255	92,255
Unappropriated (Deficit)		239,506	131,911	(447,303)	(540,321)
Other components of equity		(490,533)	(525,505)	59,458	59,458
Equity attributable to owners at the parent		5,796,670	5,654,103	5,659,852	5,566,834
Non-controlling interests		127,899	124,046	-	-
Total equity		5,924,569	5,778,149	5,659,852	5,566,834
Total liabilities and equity		14,717,072	14,614,132	14,117,860	14,044,847

The accompanying notes are an integral part of these interim financial statements.

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

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Three-month periods ended		Three-month periods ended	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Revenue</b>					
Hire purchase interest income		479,854	521,478	332,837	324,242
Loan interest income		35,365	41,734	-	-
Microfinance interest income		42,260	35,576	-	-
Consumer finance under joint financing arrangements interest income		4,140	11,867	-	-
Corporate loan interest income		445	458	-	-
Hire purchase service fee income		23,014	17,452	-	-
Revenue from sales of goods		1,479	1,149	-	-
Other interest income	3	18,515	11,840	91,723	88,887
Management fee	3	-	-	21,000	21,000
Other income related to the activities of hire purchase		58,076	54,551	31,828	32,103
Other income related to the activities of microfinance		2,320	2,277	-	-
Gain on exchange rate		11,605	-	27,826	55,420
Other income	3	6,643	4,756	3,099	3,043
<b>Total revenue</b>		<b>683,716</b>	<b>703,138</b>	<b>508,313</b>	<b>524,695</b>
<b>Expenses</b>					
Service and administrative expenses	3	294,656	338,987	155,679	162,306
Bad and doubtful debt expenses		107,495	93,559	74,448	56,874
Cost of sales of goods		1,237	944	-	-
Loss on disposals of assets foreclosed		77,391	71,302	67,810	58,603
<b>Total expenses</b>		<b>480,779</b>	<b>504,792</b>	<b>297,937</b>	<b>277,783</b>
Share of profit from investment in associate	9	39,128	40,072	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>242,065</b>	<b>238,418</b>	<b>210,376</b>	<b>246,912</b>
Finance cost	3	(95,838)	(97,295)	(94,281)	(94,893)
<b>Profit before income tax expenses</b>		<b>146,227</b>	<b>141,123</b>	<b>116,095</b>	<b>152,019</b>
Income tax expenses		(34,419)	(34,591)	(23,077)	(17,201)
<b>Profit for the period</b>		<b>111,808</b>	<b>106,532</b>	<b>93,018</b>	<b>134,818</b>

The accompanying notes are an integral part of these interim financial statements.

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month periods ended		Three-month periods ended	
		31 March	31 March	31 March	31 March
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Other comprehensive income (expense)</b>					
<i>Components of other comprehensive income that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		22,882	41,400	-	-
Share of other comprehensive income (expense) of associate	9	11,730	(46,030)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>34,612</b>	<b>(4,630)</b>	<b>-</b>	<b>-</b>
<i>Components of other comprehensive income that will not be reclassified subsequently to profit or loss</i>					
Share of other comprehensive income (expense) of associate	9	-	(1,661)	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>(1,661)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period</b>		<b>34,612</b>	<b>(6,291)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>146,420</b>	<b>100,241</b>	<b>93,018</b>	<b>134,818</b>
<b>Profit attributable to:</b>					
Owners of the parent		107,595	104,820	93,018	134,818
Non-controlling interests		4,213	1,712	-	-
<b>Profit for the period</b>		<b>111,808</b>	<b>106,532</b>	<b>93,018</b>	<b>134,818</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		142,567	109,125	93,018	134,818
Non-controlling interests		3,853	(8,884)	-	-
<b>Total comprehensive income for the period</b>		<b>146,420</b>	<b>100,241</b>	<b>93,018</b>	<b>134,818</b>
<b>Basic earnings per share (in Baht)</b>		<b>0.0705</b>	<b>0.0687</b>	<b>0.0610</b>	<b>0.0884</b>

The accompanying notes are an integral part of these interim financial statements.



**Group Lease Public Company Limited and its subsidiaries**

**Statement of changes in equity (Unaudited)**

Consolidated financial statements												
</												

The accompanying notes are an integral part of these interim financial statements.

**Group Lease Public Company Limited and its subsidiaries**  
**Statement of changes in equity (Unaudited)**

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Retained earnings (Deficit)		Other components of equity	
			Legal reserve	Unappropriated (Deficit)	Convertible debentures	
					- equity component	
<i>(in thousand Baht)</i>						
<b>Three-month period ended 31 March 2018</b>						
Balance as at 1 January 2018	762,769	5,192,673	92,255	(774,897)	59,458	5,332,258
Profit and other comprehensive income for the period	-	-	-	134,818	-	134,818
Balance as at 31 March 2018	762,769	5,192,673	92,255	(640,079)	59,458	5,467,076
<b>Three-month period ended 31 March 2019</b>						
Balance as at 1 January 2019	762,769	5,192,673	92,255	(540,321)	59,458	5,566,834
Profit and other comprehensive income for the period	-	-	-	93,018	-	93,018
Balance as at 31 March 2019	762,769	5,192,673	92,255	(447,303)	59,458	5,659,852

The accompanying notes are an integral part of these interim financial statements.

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month periods ended		Three-month periods ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit before income tax expenses	146,227	141,123	116,095	152,019
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation and amortisation	13,762	13,512	5,773	5,189
Bad and doubtful debts expenses	107,495	93,559	74,448	56,874
Loss on disposals of assets foreclosed	77,391	71,302	67,810	58,603
Loss on diminution in value of assets foreclosed	1,332	3,555	1,800	2,074
Reversal of allowance on other receivables	(2,042)	-	-	-
(Gain) loss on disposal and write-off of assets	5	(51)	2	(51)
Unrealised (gain) loss on exchange	(10,952)	4,952	(27,755)	(56,144)
Provision for long-term employee benefits	2,057	998	2,057	998
Share of profit from investment in associate	(39,128)	(40,072)	-	-
Interest income	(18,515)	(11,840)	(91,723)	(88,887)
Interest expenses	90,962	92,450	89,405	90,071
Amortised front end fees of loans	-	23	-	-
Amortised transaction cost of debentures	4,292	4,250	4,292	4,250
Amortised transaction cost of convertible debentures	584	572	584	572
	<u>373,470</u>	<u>374,333</u>	<u>242,788</u>	<u>225,568</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Hire purchase receivables	237,529	(109,876)	84,885	(151,156)
Loan receivables	14,083	17,379	-	-
Microfinance receivables	(4,368)	(64,443)	-	-
Consumer finance receivables under joint financing arrangements	8,440	17,732	-	-
Corporate loans and interest receivables	(36,975)	86,177	-	-
Inventories	(1)	(353)	-	-
Assets foreclosed	(83,995)	(69,049)	(73,387)	(65,939)
Other receivables	(12,093)	8,227	(4,254)	(15,367)
Other current assets	(28,372)	39,400	1,795	7,805
Other non-current assets	1,471	2,009	127	350
Trade accounts payables	7,192	7,527	12,295	6,664
Deposit from customers	3,774	10,269	-	-
Insurance premium payables	279	148	(1,423)	59
Other payables	19,704	15,396	9,860	27,587
Other current liabilities	(15,448)	(26,111)	2,011	(8,073)
Derivatives liabilities	-	(364)	-	-
Net cash generated from operating activities	<u>484,690</u>	<u>308,401</u>	<u>274,697</u>	<u>27,498</u>
Interest paid	(38,717)	(40,198)	(37,157)	(37,177)
Income tax paid	(47,703)	(40,220)	(662)	(290)
<b>Net cash from (used in) operating activities</b>	<u><b>398,270</b></u>	<u><b>227,983</b></u>	<u><b>236,878</b></u>	<u><b>(9,969)</b></u>

The accompanying notes are an integral part of these interim financial statements.

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month periods ended		Three-month periods ended	
	31 March		31 March	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
(Increase) decrease in current investment	(8)	47,800	-	-
(Increase) decrease in pledged fixed deposits at financial institution	142	287	(3)	(3)
Decrease in accounts receivable and loans to employees	26	122	26	122
Long-term loans to subsidiaries	-	-	(450,000)	-
Acquisitions of equipments	(1,666)	(6,726)	(109)	(2,256)
Aquisitions of intangible assets	(8,924)	(6,393)	(750)	(4,928)
Proceeds from sales of equipment	51	632	-	51
Interest received	16,045	8,787	3	3
<b>Net cash from (used in) from investing activities</b>	<b>5,666</b>	<b>44,509</b>	<b>(450,833)</b>	<b>(7,011)</b>
<b><i>Cash flows from financing activities</i></b>				
Decrease in short-term loans from financial institutions	-	(65,239)	-	-
Proceeds from short-term loans	-	18,739	-	-
Repayment of long-term loans	12 (6,291)	(36,300)	-	-
<b>Net cash used in financing activities</b>	<b>(6,291)</b>	<b>(82,800)</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	397,645	189,692	(213,955)	(16,980)
Effect of exchange rate changes on cash and cash equivalents	(63,750)	(334,677)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>333,895</b>	<b>(144,985)</b>	<b>(213,955)</b>	<b>(16,980)</b>
Cash and cash equivalents at 1 January	3,745,003	3,079,901	409,893	119,941
<b>Cash and cash equivalents at 31 March</b>	<b>4,078,898</b>	<b>2,934,916</b>	<b>195,938</b>	<b>102,961</b>

The accompanying notes are an integral part of these interim financial statements.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

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# **Group Lease Public Company Limited and its subsidiaries**

## **Notes to the interim financial statements**

### **For the three-month period ended 31 March 2019 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 15 May 2019.

#### **1 General information**

Group Lease Public Company Limited, (the “Company”), is incorporated in Thailand and has its registered office at 63 Soi 1, Thetsabannimitai Road, Ladyao, Chatuchak, Bangkok.

The Company was listed on the Stock Exchange of Thailand on October 2004.

The Company’s major shareholders during the financial period were 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).

The Company and its subsidiaries (the “Group”) are principally engaged in the activity of hire purchase and lending. Overseas subsidiaries principally provide services relating to 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.

#### **2 Basis of preparation of the interim financial statements**

##### *(a) Statement of compliance*

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No.34 (revised 2018) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019.

The primary change is that the Group has initially adopted TFRS 15 Revenue from Contracts with Customers (“TFRS 15”), which replaced TAS 18 Revenue (“TAS 18”) and related interpretations.

# **Group Lease Public Company Limited and its subsidiaries**

## **Notes to the interim financial statements**

### **For the three-month period ended 31 March 2019 (Unaudited)**

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impact on the financial statements.

For a number of new and revised TFRS which are not yet effective for current period, the Group has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Group's operations are disclosed in Note 19.

#### *(b) Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency.

#### *(c) Use of judgements and estimates*

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

#### *(d) Measurement of fair values*

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

# **Group Lease Public Company Limited and its subsidiaries**

## **Notes to the interim financial statements**

### **For the three-month period ended 31 March 2019 (Unaudited)**

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 16 financial instruments.

#### *(e) Use of going concern basis of accounting*

As disclosed in Note 18, as actioned by the substantial convertible debenture holder and related matters which may affect the Group's ability to comply with debt service coverage, raise funding or maintain adequate liquidity in the future. Presently, the management believes 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.

### **3 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with associate and subsidiaries are described in Notes 9 and 10. Relationship with key management and other related parties were as follows:



# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Asia Partnership Fund Pte. Ltd.	Singapore	The Company's director is major shareholder of that company / Common director
A.P.F. Group Co., Ltd.	British Virgin Islands	The Company's director is major shareholder of that company / Common director
Engine Holdings Asia Pte. Ltd.	Singapore	The Company's director is major shareholder of that company / Common director
Cambodian People Micro Insurance Plc.	Cambodia	Common director with the Company and a subsidiary
JTrust Asia Pte. Ltd.	Singapore	Shareholder of a subsidiary
APF Trading Plc.	Thailand	Common director with a subsidiary
PT Bank JTrust Indonesia Tbk.	Indonesia	Common shareholder with a subsidiary
JTrust Co., Ltd.	Japan	Ultimate parent company of shareholder of a subsidiary
Creation Investment Sri Lanka LLC.	Sri Lanka	Common director (the director resigned from the company during the first quarter of 2018)
Wedge Holdings Co., Ltd.	Japan	The Company's director is major shareholder of that company / Common director
Showa Holdings Co., Ltd.	Japan	The Company's director is major shareholder of that company / Common director
Century Finance Co., Ltd.	Myanmar	Common director with a subsidiary

Significant transactions for the three-month periods ended 31 March with related parties were as follows:

<i>Three-month periods ended 31 March</i>	<b>Pricing policy</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>					
Interest income	5.50% - 7.00% per annum	-	-	91,723	88,887
Management fee	Contract rate	-	-	21,000	21,000
Other income	Contract rate	-	-	969	1,011
Interest expenses	7.00% per annum	-	-	-	690
Service and administrative expenses	Contract rate	-	-	160	159

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

<i>Three-month periods ended 31 March</i>	<b>Pricing policy</b>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Other related parties</b>					
Interest income	6.50% per annum	2,889	2,882	-	-
Other income	Contract rate	1,423	1,419	-	-
Interest expenses	5.00% per annum	71,275	73,566	71,275	73,566
<b>Key management personnel compensation</b>					
Short-term employee benefits		16,056	13,526	5,321	5,611
Post-employment benefits		-	9	-	9
<b>Total key management personnel compensation</b>		<b>16,056</b>	<b>13,535</b>	<b>5,321</b>	<b>5,620</b>

Balances as at 31 March 2019 and 31 December 2018 with related parties were as follows:

<i>Loans to related parties</i>	<b>Interest rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<i>(% per annum)</i>						
<i>(in thousand Baht)</i>						
<b>Short-term loans</b>						
Subsidiaries	7.00	7.00	-	-	49,300	49,300
<b>Interest receivables from related parties</b>						
Subsidiaries	7.00	7.00	-	-	236,990	160,683
<b>Total short-term loans to related parties</b>			<b>-</b>	<b>-</b>	<b>286,290</b>	<b>209,983</b>
<b>Long-term loans</b>						
Subsidiaries	5.50-7.00	7.00	-	-	5,653,418	5,307,792
<b>Total long-term loans to related parties</b>			<b>-</b>	<b>-</b>	<b>5,653,418</b>	<b>5,307,792</b>
<b>Total loans and interest receivables to related parties</b>			<b>-</b>	<b>-</b>	<b>5,939,708</b>	<b>5,517,775</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

Movements during the three-month periods ended 31 March of loans and interest receivables to related parties were as follows:

<i>Three-month periods ended 31 March</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
At 1 January	-	-	5,517,775	5,511,143
Increase	-	-	528,320	75,554
Loss from exchange rate	-	-	(106,387)	(241,624)
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>5,939,708</b>	<b>5,345,073</b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<b>Other receivables</b>				
Subsidiaries	-	-	41,230	37,431
Key management personnel	1,303	1,863	-	-
Other related parties	189,292	189,635	-	-
	190,595	191,498	41,230	37,431
<i>Less: allowance for doubtful accounts</i>	<i>(171,515)</i>	<i>(176,951)</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b>19,080</b>	<b>14,547</b>	<b>41,230</b>	<b>37,431</b>
<b>Other current assets</b>				
Other related parties	90,408	76,470	-	-
<b>Other long-term investments</b>				
Other related parties	607,220	607,220	-	-
<b>Other payables</b>				
Subsidiaries	-	-	872	561
Other related parties	466,903	403,247	466,903	403,247
<b>Total</b>	<b>466,903</b>	<b>403,247</b>	<b>467,775</b>	<b>403,808</b>
<b>Other current liabilities</b>				
Subsidiaries	-	-	488	562
Key management personnel	85	82	-	-
Other related parties	4,163	3,453	-	-
<b>Total</b>	<b>4,248</b>	<b>3,535</b>	<b>488</b>	<b>562</b>
<b>Convertible debenture - before transaction cost</b>				
Other related parties	5,730,025	5,844,051	5,730,025	5,844,051

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

### 4 Hire purchase receivables

4.1 As at 31 March 2019 and 31 December 2018, the balances of hire purchase receivables are as follows:

	Consolidated financial statements					
	Current portion		Non-current portion		Total	
	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables		
	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018
	(in thousand Baht)					
<b>Normal receivables</b>						
Hire purchase receivables	4,331,677	4,657,577	3,619,443	3,710,979	7,951,120	8,368,556
Accrued hire purchase income	178,465	172,899	-	-	178,465	172,899
Less: Unearned hire purchase income, net	(1,362,081)	(1,473,049)	(842,660)	(792,063)	(2,204,741)	(2,265,112)
<b>Total normal receivables</b>	<b>3,148,061</b>	<b>3,357,427</b>	<b>2,776,783</b>	<b>2,918,916</b>	<b>5,924,844</b>	<b>6,276,343</b>
<b>Terminated agreements receivables</b>						
Hire purchase receivables	270,131	260,112	251,958	234,439	522,089	494,551
Accrued hire purchase income	34,092	34,302	-	-	34,092	34,302
Less: Unearned hire purchase income, net	(107,215)	(101,245)	(62,377)	(58,408)	(169,592)	(159,653)
<b>Total terminated agreements receivables</b>	<b>197,008</b>	<b>193,169</b>	<b>189,581</b>	<b>176,031</b>	<b>386,589</b>	<b>369,200</b>
<b>Total receivables</b>	<b>3,345,069</b>	<b>3,550,596</b>	<b>2,966,364</b>	<b>3,094,947</b>	<b>6,311,433</b>	<b>6,645,543</b>
Less: Allowance for doubtful accounts	(222,403)	(225,677)	(217,341)	(208,107)	(439,744)	(433,784)
<b>Hire purchase receivables, net</b>	<b>3,122,666</b>	<b>3,324,919</b>	<b>2,749,023</b>	<b>2,886,840</b>	<b>5,871,689</b>	<b>6,211,759</b>
	Separate financial statements					
	Current portion		Non-current portion		Total	
	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables		
	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018
	(in thousand Baht)					
<b>Normal receivables</b>						
Hire purchase receivables	2,983,139	3,083,790	2,478,623	2,655,567	5,461,762	5,739,357
Accrued hire purchase income	120,378	106,465	-	-	120,378	106,465
Less: Unearned hire purchase income, net	(1,026,068)	(1,064,723)	(503,181)	(556,682)	(1,529,249)	(1,621,405)
<b>Total normal receivables</b>	<b>2,077,449</b>	<b>2,125,532</b>	<b>1,975,442</b>	<b>2,098,885</b>	<b>4,052,891</b>	<b>4,224,417</b>
<b>Terminated agreements receivables</b>						
Hire purchase receivables	240,366	231,375	242,881	223,998	483,247	455,373
Accrued hire purchase income	30,807	30,999	-	-	30,807	30,999
Less: Unearned hire purchase income, net	(94,817)	(88,576)	(61,009)	(56,758)	(155,826)	(145,334)
<b>Total terminated agreements receivables</b>	<b>176,356</b>	<b>173,798</b>	<b>181,872</b>	<b>167,240</b>	<b>358,228</b>	<b>341,038</b>
<b>Total receivables</b>	<b>2,253,805</b>	<b>2,299,330</b>	<b>2,157,314</b>	<b>2,266,125</b>	<b>4,411,119</b>	<b>4,565,455</b>
Less: Allowance for doubtful accounts	(176,123)	(176,295)	(174,333)	(169,163)	(350,456)	(345,458)
<b>Hire purchase receivables, net</b>	<b>2,077,682</b>	<b>2,123,035</b>	<b>1,982,981</b>	<b>2,096,962</b>	<b>4,060,663</b>	<b>4,219,997</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 4.2 As at 31 March 2019 and 31 December 2018, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

<b>Consolidated financial statements</b>						
	Hire purchase receivables		Allowance for doubtful accounts		Hire purchase receivables, net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Aging</b>						
Within due	5,170,013	5,436,103	41,521	42,689	5,128,492	5,393,414
Overdue:						
1 month	384,266	416,296	29,957	29,866	354,309	386,430
2 - 3 months	298,906	328,840	74,963	77,389	223,943	251,451
4 - 6 months	182,354	204,656	88,853	98,317	93,501	106,339
7 - 9 months	152,362	146,871	107,355	99,489	45,007	47,382
10 - 12 months	114,625	106,097	89,061	79,679	25,564	26,418
Over 12 months	8,907	6,680	8,034	6,355	873	325
<b>Total</b>	<b><u>6,311,433</u></b>	<b><u>6,645,543</u></b>	<b><u>439,744</u></b>	<b><u>433,784</u></b>	<b><u>5,871,689</u></b>	<b><u>6,211,759</u></b>

<b>Separate financial statements</b>						
	Hire purchase receivables		Allowance for doubtful accounts		Hire purchase receivables, net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Aging</b>						
Within due	3,643,574	3,795,185	35,364	37,045	3,608,210	3,758,140
Overdue:						
1 month	260,723	256,617	25,679	25,225	235,044	231,392
2 - 3 months	194,265	208,980	57,425	61,644	136,840	147,336
4 - 6 months	121,485	136,459	71,898	80,604	49,587	55,855
7 - 9 months	105,007	93,075	82,982	73,613	22,025	19,462
10 - 12 months	83,685	72,868	74,732	65,059	8,953	7,809
Over 12 months	2,380	2,271	2,376	2,268	4	3
<b>Total</b>	<b><u>4,411,119</u></b>	<b><u>4,565,455</u></b>	<b><u>350,456</u></b>	<b><u>345,458</u></b>	<b><u>4,060,663</u></b>	<b><u>4,219,997</u></b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 4.3 As at 31 March 2019 and 31 December 2018, 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:

	Consolidated financial statements			
	31 March 2019		31 December 2018	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	4,814,365	3,345,069	5,124,890	3,550,596
Portion due after one year but within five years	3,871,401	2,966,364	3,945,418	3,094,947
	<u>8,685,766</u>	<u>6,311,433</u>	<u>9,070,308</u>	<u>6,645,543</u>
Less: unearned interest income	(2,374,333)		(2,424,765)	
<b>Present value of minimum lease payments</b>	<b><u>6,311,433</u></b>		<b><u>6,645,543</u></b>	

	Separate financial statements			
	31 March 2019		31 December 2018	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	3,374,690	2,253,805	3,452,629	2,299,330
Portion due after one year but within five years	2,721,504	2,157,314	2,879,565	2,266,125
	<u>6,096,194</u>	<u>4,411,119</u>	<u>6,332,194</u>	<u>4,565,455</u>
Less: unearned interest income	(1,685,075)		(1,766,739)	
<b>Present value of minimum lease payments</b>	<b><u>4,411,119</u></b>		<b><u>4,565,455</u></b>	

- 4.4 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 Group has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 March 2019 and 31 December 2018, the Group had outstanding hire purchase receivables amounting to approximately Baht 351 million and Baht 375 million, respectively (*the Company: Baht 338 million and Baht 339 million, respectively*) for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Group had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2019 and 2018 would be reduced by Baht 12.0 million and Baht 3.2 million, respectively (*the Company: Baht 11.7 million and Baht 2.9 million, respectively*).

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 4.5 Hire purchase agreements of the Group has terms of 8 months to 5 years and require settlement in equal installments.

As at 31 March 2019, the Company had 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 (*31 December 2018: Baht 1,300 million*) as the business security for short term credit facility, debentures and letter of guarantee facility granted by commercial banks.

## 5 Loan receivables

- 5.1 As at 31 March 2019 and 31 December 2018, the balances of loan receivables are as follows:

	Consolidated financial statements					
	Current portion loan receivables		Non-current portion loan receivables		Total	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Normal receivables</b>						
Loan receivables	289,796	314,213	77,727	85,831	367,523	400,044
Interest receivables	11,516	13,381	-	-	11,516	13,381
Less: Unearned interest income, net	(74,475)	(89,163)	(15,912)	(19,067)	(90,387)	(108,230)
<b>Total normal receivables</b>	<b>226,837</b>	<b>238,431</b>	<b>61,815</b>	<b>66,764</b>	<b>288,652</b>	<b>305,195</b>
<b>Terminated agreements receivables</b>						
Loan receivables	19,712	20,485	1,894	2,506	21,606	22,991
Interest receivables	2,433	2,547	-	-	2,433	2,547
Less: Unearned interest income, net	(5,725)	(5,971)	(319)	(491)	(6,044)	(6,462)
<b>Total terminated agreements receivables</b>	<b>16,420</b>	<b>17,061</b>	<b>1,575</b>	<b>2,015</b>	<b>17,995</b>	<b>19,076</b>
<b>Total receivables</b>	<b>243,257</b>	<b>255,492</b>	<b>63,390</b>	<b>68,779</b>	<b>306,647</b>	<b>324,271</b>
Less: Allowance for doubtful accounts	(23,522)	(24,759)	(3,694)	(4,225)	(27,216)	(28,984)
<b>Loan receivables, net</b>	<b>219,735</b>	<b>230,733</b>	<b>59,696</b>	<b>64,554</b>	<b>279,431</b>	<b>295,287</b>

- 5.2 As at 31 March 2019 and 31 December 2018, the balances of loan receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

	Consolidated financial statements					
	Loan receivables		Allowance for doubtful accounts		Loan receivables, net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Aging</b>						
Within due	225,958	234,081	2,251	2,325	223,707	231,756
Overdue:						
1 month	35,478	41,462	3,491	4,072	31,987	37,390
2 - 3 months	25,125	26,773	7,462	7,895	17,663	18,878
4 - 6 months	8,099	9,405	4,586	5,224	3,513	4,181
7 - 9 months	5,534	6,641	4,087	4,748	1,447	1,893
10 - 12 months	5,889	5,551	4,809	4,406	1,080	1,145
Over 12 months	564	358	530	314	34	44
<b>Total</b>	<b>306,647</b>	<b>324,271</b>	<b>27,216</b>	<b>28,984</b>	<b>279,431</b>	<b>295,287</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 5.3 As at 31 March 2019 and 31 December 2018, the future minimum loan payment receivables under loan agreements together with the present value of the net minimum loan payments receivables are as follows:

	Consolidated financial statements			
	31 March 2019		31 December 2018	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	323,457	243,257	350,626	255,492
Portion due after one year but within five years	79,621	63,390	88,337	68,779
	403,078	306,647	438,963	324,271
Less: unearned interest income	(96,431)		(114,692)	
<b>Present value of minimum lease payments</b>	<b>306,647</b>		<b>324,271</b>	

- 5.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange 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 Group has a policy to cease recognising revenue from loan receivables which are overdue by more than 4 installments. As at 31 March 2019 and 31 December 2018, the Group had outstanding loan receivables amounting to approximately Baht 8.7 million and Baht 22 million, respectively, for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Group had followed this accounting guideline, the amount of revenue recognised for the three-month periods ended 31 March 2019 and 2018 would be reduced by Baht 0.2 million and Baht 0.2 million, respectively.

- 5.5 The subsidiaries' loan agreements have terms of 1 - 5 years and require settlement in fixed equal installments.

## 6 Microfinance receivables

- 6.1 As at 31 March 2019 and 31 December 2018, the balances of microfinance receivables are as follows:

	Consolidated financial statements					
	Current portion microfinance receivables		Non-current portion microfinance receivables		Total	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Normal receivables</b>						
Microfinance receivables	619,502	622,262	15,141	8,778	634,643	631,040
Accrued microfinance receivables	2,944	2,604	-	-	2,944	2,604
Less: Unearned interest income, net	(64,032)	(65,142)	(3,843)	(2,013)	(67,875)	(67,155)
<b>Total normal receivable</b>	<b>558,414</b>	<b>559,724</b>	<b>11,298</b>	<b>6,765</b>	<b>569,712</b>	<b>566,489</b>
Less: Allowance for doubtful accounts	(5,614)	(5,405)	(118)	(47)	(5,732)	(5,452)
<b>Microfinance receivables, net</b>	<b>552,800</b>	<b>554,319</b>	<b>11,180</b>	<b>6,718</b>	<b>563,980</b>	<b>561,037</b>



# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 6.2 As at 31 March 2019 and 31 December 2018, the balances of microfinance receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due date, are summarised below;

<b>Consolidated financial statements</b>						
	Microfinance receivables		Allowance for doubtful accounts		Microfinance receivables, net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<b>Aging</b>	<i>(in thousand Baht)</i>					
Within due	548,901	544,275	5,515	4,990	543,386	539,285
Overdue:						
1 month	9,515	14,434	99	70	9,416	14,364
2 - 3 months	9,577	6,055	100	136	9,477	5,919
4 - 6 months	1,446	1,257	15	256	1,431	1,001
7 - 9 months	146	468	2	-	144	468
10 - 12 months	127	-	1	-	126	-
<b>Total</b>	<b>569,712</b>	<b>566,489</b>	<b>5,732</b>	<b>5,452</b>	<b>563,980</b>	<b>561,037</b>

- 6.3 As at 31 March 2019 and 31 December 2018, the future minimum loan payment receivables under microfinance loan agreements together with the present value of the net minimum loan payments receivable are as follows:

<b>Consolidated financial statements</b>				
	31 March 2019		31 December 2018	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	622,446	558,414	624,866	559,724
Portion due after one year but within five years	15,141	11,298	8,778	6,765
	637,587	569,712	633,644	566,489
<i>Less: unearned interest income</i>	<i>(67,875)</i>		<i>(67,155)</i>	
<b>Present value of minimum lease payments</b>	<b>569,712</b>		<b>566,489</b>	

- 6.4 The subsidiaries' microfinance loan agreements have terms of 1 to 5 years and require settlement in fixed equal installments.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

### 7 Consumer finance receivables under joint financing arrangements

7.1 As at 31 March 2019 and 31 December 2018, the balances of consumer financing receivables under joint financing arrangements are as follows:

	Current Portion consumer finance receivables under joint arrangements		Consolidated financial statements Non-current portion consumer finance receivables under joint arrangements		Total	
	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
<b>Hire purchase receivables</b>						
Hire purchase receivables under joint financing arrangements	38,926	85,748	7,555	44,373	46,481	130,121
Accrued interest receivables	2,660	4,037	-	-	2,660	4,037
Less: Unearned financing income, net	(882)	(15,965)	(1,030)	(7,519)	(1,912)	(23,484)
Less: Portions financed by bank under joint financing arrangement	(24,426)	(68,382)	(6,525)	(17,599)	(30,951)	(85,981)
<b>Total Hire purchase receivables</b>	<b>16,278</b>	<b>5,438</b>	<b>-</b>	<b>19,255</b>	<b>16,278</b>	<b>24,693</b>
Less: Allowance for doubtful accounts	(170)	(41)	-	(145)	(170)	(186)
<b>Hire purchase receivables under joint financing arrangements, net</b>	<b>16,108</b>	<b>5,397</b>	<b>-</b>	<b>19,110</b>	<b>16,108</b>	<b>24,507</b>
<b>Microfinance receivables</b>						
Microfinance receivables under joint financing arrangements	759	906	148	431	907	1,337
Less: Unearned financing income, net	(164)	(297)	(50)	(75)	(214)	(372)
Less: Portions financed by bank under joint financing arrangement	(456)	(653)	(98)	(147)	(554)	(800)
<b>Total Microfinance receivables</b>	<b>139</b>	<b>(44)</b>	<b>-</b>	<b>209</b>	<b>139</b>	<b>165</b>
Less: Allowance for doubtful accounts	(1)	2	-	(8)	(1)	(6)
<b>Microfinance receivables under joint financing arrangements, net</b>	<b>138</b>	<b>(42)</b>	<b>-</b>	<b>201</b>	<b>138</b>	<b>159</b>
<b>Consumer finance receivable under joint financing arrangements, net</b>	<b>16,246</b>	<b>5,355</b>	<b>-</b>	<b>19,311</b>	<b>16,246</b>	<b>24,666</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 7.2 As at 31 March 2019 and 31 December 2018, 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:

	Consolidated financial statements					
	Consumer finance receivables under joint arrangements		Allowance for doubtful accounts		Consumer finance receivables under joint arrangements, net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Aging</b>						
<b>Hire purchase receivables</b>						
Within due	12,063	12,541	127	8	11,936	12,533
Overdue:						
1 month	1,927	5,404	20	26	1,907	5,378
2 - 3 months	1,939	6,748	20	152	1,919	6,596
4 - 6 months	293	-	3	-	290	-
7 - 9 months	30	-	-	-	30	-
10 - 12 months	26	-	-	-	26	-
<b>Total</b>	<b>16,278</b>	<b>24,693</b>	<b>170</b>	<b>186</b>	<b>16,108</b>	<b>24,507</b>
<b>Microfinance receivables</b>						
Within due	103	93	1	-	102	93
Overdue:						
1 month	16	23	-	-	16	23
2 - 3 months	17	23	-	1	17	22
4 - 6 months	3	26	-	5	3	21
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
<b>Total</b>	<b>139</b>	<b>165</b>	<b>1</b>	<b>6</b>	<b>138</b>	<b>159</b>
<b>Total consumer finance receivables under joint arrangements</b>	<b>16,417</b>	<b>24,858</b>	<b>171</b>	<b>192</b>	<b>16,246</b>	<b>24,666</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

- 7.3 As at 31 March 2019 and 31 December 2018, 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:

	Consolidated financial statements			
	31 March 2019		31 December 2018	
	Minimum payments receivable	Present value of minimum payments receivable (in thousand Baht)	Minimum payments receivable	Present value of minimum payments receivable
<b>Hire purchase receivables</b>				
Portion due within one year	41,586	40,704	89,785	73,820
Portion due after one year but within five years	7,555	6,525	44,373	36,854
	<u>49,141</u>	<u>47,229</u>	<u>134,158</u>	<u>110,674</u>
Less: Unearned interest income	(1,912)	-	(23,484)	-
Less: Portions financed by bank under joint financing arrangements	<u>(30,951)</u>	<u>(30,951)</u>	<u>(85,981)</u>	<u>(85,981)</u>
<b>Present value of minimum lease payments</b>	<b><u>16,278</u></b>	<b><u>16,278</u></b>	<b><u>24,693</u></b>	<b><u>24,693</u></b>
<b>Microfinance receivables</b>				
Portion due within one year	759	595	906	609
Portion due after one year but within five years	148	98	431	356
	<u>907</u>	<u>693</u>	<u>1,337</u>	<u>965</u>
Less: Unearned interest income	(214)	-	(372)	-
Less: Portions financed by bank under joint financing arrangements	<u>(554)</u>	<u>(554)</u>	<u>(800)</u>	<u>(800)</u>
<b>Present value of minimum loan payments</b>	<b><u>139</u></b>	<b><u>139</u></b>	<b><u>165</u></b>	<b><u>165</u></b>
<b>Total present value of minimum loan payments</b>	<b><u>16,417</u></b>	<b><u>16,417</u></b>	<b><u>24,858</u></b>	<b><u>24,858</u></b>

- 7.4 The subsidiary's loan agreements have terms of 2 to 4 years for consumer finance receivables under joint financing arrangement and require settlement in fixed equal instalments.

- 7.5 As at 31 March 2019 and 31 December 2018, the Company's subsidiary had transferred rights of claim relating to the assets of debtor for the portions financed by bank under hire purchase agreements which is under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 13,756 million and IDR 38,214 million, respectively, in order to secure joint financing facilities granted by related - commercial bank.

As at 31 March 2019 and 31 December 2018, the Company's subsidiary had transferred rights of claim under microfinance agreements which is under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 246 million and IDR 356 million, respectively, in order to secure credit facilities granted by commercial bank.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

- 7.6 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 drawdown, 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 March 2019 and 31 December 2018, the credit facilities under the joint financing agreements which have not yet been drawdown 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 concluded. Furthermore, the Joint Financing Agreement is in the progress of the legal proceedings initiated by JTrust Group as described in Note 18.

## 8 Corporate loans and interest receivables

- 8.1 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:

Location of borrowers	Interest rate  (% per annum)	Consolidated financial statements			
		31 March 2019		31 December 2018	
		USD	THB	USD	THB
Cyprus	14.5 - 17.0	9,243	294,028	9,243	299,926
Singapore	14.5 - 25.0	36,106	1,148,589	36,106	1,171,628
Others	5.0 - 10.0	1,166	37,092	1,166	37,837
Total loans		<u>46,515</u>	<u>1,479,709</u>	<u>46,515</u>	<u>1,509,391</u>
Interest receivables			<u>49,917</u>		<u>50,461</u>
<b>Total corporate loans and interest receivables</b>			<b>1,529,626</b>		<b>1,559,852</b>
Less: Allowance for loan and interest receivables			(1,487,884)		(1,517,729)
Less: Current portion			<u>(41,742)</u>		<u>(42,123)</u>
<b>Long-term portion of corporate loans and interest receivables</b>			-		-

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. Up to 31 March 2019, neither repayment of principal or interest has been received on these loans.

As a consequence of the default of the loan and other factors hampering collection, as at 31 March 2019 and 31 December 2018 the management believes that full provision against loans to Cyprus and Singapore group is appropriate in accordance with the Group accounting policy.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

As more fully described in the audited financial statements as at 31 December 2018, 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 a 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 Group's operating results. As a result, the Company has restated its 2017 and 2016 financial statements to reverse interest income and to establish a full provision against these and other loans and interest receivable, and will record any future recoveries in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but is not aware of any further consequences to the Company which may arise.

- 8.2 As at 31 March 2019 and 31 December 2018, both the disputed corporate loans and other corporate loans receivable balances in Singapore and Cyprus are presented as follows:

	<b>Consolidated financial statements</b>	
	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Reflected in the statements of financial position as follows:		
Disputed corporate loans	575,036	586,571
Less: Allowance on disputed corporate loans	(575,036)	(586,571)
Less: Current portion of disputed corporate loans	-	-
<b>Long-term portion of disputed corporate loans</b>	<b>-</b>	<b>-</b>
Corporate loans and interest receivables	954,590	973,281
Less: Allowance on corporate loans and interest receivables	(912,848)	(931,158)
Less: Current portion of corporate loans and interest receivables	(41,742)	(42,123)
<b>Long-term portion of corporate loans and interest receivables</b>	<b>-</b>	<b>-</b>

- 8.3 As at 31 March 2019 and 31 December 2018, both the disputed corporate loans and other corporate loans receivable balances aged on the basis of due dates, are summarised below.

	<b>Consolidated financial statements</b>					
	Corporate loans and interest receivables		Allowance for doubtful accounts		Corporate loans and interest receivables, net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>					
<b>Aging</b>						
Within due	41,742	42,123	-	-	41,742	42,123
Overdue:						
1 - 6 months	-	-	-	-	-	-
7 - 12 months	1,442,617	1,472,210	(1,442,617)	(1,472,210)	-	-
Over 12 months	45,267	45,519	(45,267)	(45,519)	-	-
<b>Total</b>	<b>1,529,626</b>	<b>1,559,852</b>	<b>(1,487,884)</b>	<b>(1,517,729)</b>	<b>41,742</b>	<b>42,123</b>

Both the disputed corporate loans and other corporate loans receivable balances of subsidiary company were subject to pledging of securities of properties in Japan, Cyprus and Brazil, Cypriot government bonds and stocks of other overseas companies.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**9 Investment in associate**

<i>Three-month periods ended 31 March</i>	<b>Consolidated financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
<b>Associate</b>		
At 1 January	1,976,903	2,022,555
Share of profits of associate	39,128	40,072
Share of other comprehensive income (expense) of associate	11,730	(47,691)
<b>At 31 March</b>	<b><u>2,027,761</u></b>	<b><u>2,014,936</u></b>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

Investment in associate as at 31 March 2019 and 31 December 2018 were as follows:

Consolidated financial statements														
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Allowance for investment loss in associate		At equity - net		
		31	31	31	31	31	31	31	31	31	31	31	31	
		March	December	March	December	March	December	March	December	March	December	March	December	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
		(%)		(in thousand Baht)										
Associate														
Commercial Credit and Finance PLC	Microfinance, loans and hire purchase	Sri Lanka	29.99	29.99	318,074	318,074	2,492,602	2,492,602	2,609,846	2,558,988	(582,085)	(582,085)	2,027,761	1,976,913
					Thousand LKR	Thousand LKR								

Commercial Credit and Finance PLC (“CCF”) is listed on the Colombo Stock Exchange (the “CSE”) in Sri Lanka. Based on the market price at the CSE Exchange as at 31 March 2019, the total value was approximately Baht 470 million (*31 December 2018: Baht 484 million*). However, management and other outside financial advisors have concluded that due to the very low activity of the market for CCF on the CSE, the market value of CCF is not considered representative of the fair value.

During 2018, the Group has tested investment in CCF for impairment, relying on a valuation conducted by Gajma & Co, a financial advisor and appraisal firm in Sri Lanka, dated 22 February 2019. Upon completion of the valuation, Gajma & Co reached a conclusion that the estimated value of CCF is higher than its carrying value. The management continuously monitors financial performance of CCF.

There was no dividend income from CCF for the three-month periods ended 31 March 2019 and 2018.



**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**10 Investments in subsidiaries**

<i>Three-month periods ended 31 March</i>	<b>Separate financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	3,590,302	3,590,302
<b>At 31 March</b>	<b><u>3,590,302</u></b>	<b><u>3,590,302</u></b>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

Investments in subsidiaries as at 31 March 2019 and 31 December 2018, and dividend income from those investments for the three-month periods ended 31 March were as follows:

Name of subsidiaries	Separate financial statements										Dividend income for the three- month periods ended	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net			
	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	March
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)						(in thousand Baht)					
<b>Direct subsidiaries</b>												
Thanaban Company Limited	100.00	100.00	565,000 Thousand Baht	565,000 Thousand Baht	629,696	629,696	-	-	629,696	629,696	-	-
Group Lease Holdings Pte. Ltd.	100.00	100.00	214,448 Thousand SGD	214,448 Thousand SGD	5,387,211	5,387,211	(2,426,818)	(2,426,818)	2,960,393	2,960,393	-	-
GL Leasing (Lao) Company Limited	0.12	0.12	41,840,720 Thousand LAK	41,840,720 Thousand LAK	213	213	-	-	213	213	-	-
<b>Total</b>					<b>6,017,120</b>	<b>6,017,120</b>	<b>(2,426,818)</b>	<b>(2,426,818)</b>	<b>3,590,302</b>	<b>3,590,302</b>	<b>-</b>	<b>-</b>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

Investments in subsidiaries which are held by the Company's subsidiary are as follows:

Name of subsidiaries	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the three-month periods ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December	March	March
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)						(in thousand Baht)					
<b><i>Held by Group Lease Holdings Pte. Ltd.</i></b>												
GL Finance Plc.	100.00	100.00	10,300	10,300	359,470	359,470	-	-	359,470	359,470	-	-
			Thousand	Thousand								
			USD	USD								
GL Leasing (Lao) Company Limited	99.88	99.88	41,840,720	41,840,720	176,195	176,195	-	-	176,195	176,195	-	-
			Thousand	Thousand								
			LAK	LAK								
PT Group Lease Finance Indonesia	65.00	65.00	100,000,000	100,000,000	172,133	172,133	-	-	172,133	172,133	-	-
			Thousand	Thousand								
			IDR	IDR								
BG Microfinance Myanmar Co., Ltd.	100.00	100.00	18,849,080	18,849,080	717,922	717,922	-	-	717,922	717,922	-	-
			Thousand	Thousand								
			MMK	MMK								
GL-AMMK Co., Ltd.	57.00	57.00	4,080,000	4,080,000	59,350	59,350	-	-	59,350	59,350	-	-
			Thousand	Thousand								
			MMK	MMK								
<b><i>Held by Thanaban Company Limited</i></b>												
Comfort Services Development Company Limited	100.00	100.00	4,000	4,000	4,000	4,000	-	-	4,000	4,000	-	-
			Thousand	Thousand								
			Baht	Baht								
<b>Total</b>					<b>1,489,070</b>	<b>1,489,070</b>	<b>-</b>	<b>-</b>	<b>1,489,070</b>	<b>1,489,070</b>	<b>-</b>	<b>-</b>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**11 Other long-term investments**

		Consolidated financial statements	
	Note	31 March 2019	31 December 2018
		(in thousand Baht)	
<i>Investments in held-to-maturity debt securities</i>			
Convertible loan	3	192,718	192,718
<i>Investments in other companies</i>			
Bagan Innovation Technology (Singapore) Pte. Ltd.		63,776	63,776
PT Bank JTrust Indonesia Tbk.	3	414,502	414,502
Total investments in other companies		<u>478,278</u>	<u>478,278</u>
<b>Total</b>		<b><u>670,996</u></b>	<b><u>670,996</u></b>

*Investment in PT Bank JTrust Indonesia Tbk*

The major shareholder in PT Bank JTrust Indonesia Tbk (holding approximately 97% of the shares) is under the same group as the plaintiff in various legal cases against the Company as described in Note 18. The management of the Company has evaluated the value of PT Bank JTrust Indonesia Tbk. based on the latest available information and considered that there is no impairment on this investment. The financial statements of PT Bank JTrust Indonesia Tbk. as at 31 March 2019 have not yet been received.

**12 Changes in liabilities arising from financing activities**

	<b>Consolidated financial statements</b>
	Loan and interest payable
	<i>(in thousand Baht)</i>
Balance at 1 January 2019	41,990
Changes from financing cash flows	(6,291)
The effect of changes in foreign exchange rates	(975)
<b>Balance at 31 March 2019</b>	<b><u>34,724</u></b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

### 13 Debentures

	<b>Consolidated and separate financial statements</b>	
	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Debentures 1/2016	1,500,000	1,500,000
Less: Unamortised portion of deferred transaction costs	(8,898)	(13,189)
<b>Debentures, net</b>	<b><u>1,491,102</u></b>	<b><u>1,486,811</u></b>

Debentures as at 31 March 2019 and 31 December 2018 were as follow:

	<b>1/2016</b>
Amount	Baht 1,500 million
Issue date	29 September 2016
Maturity date	29 September 2019
Term	3 years
Interest rate	2.84% per annum
Interest payment term	Semi-annually
Interest payment schedule	29 March and 29 September
Principal repayment	On the redemption date of 29 September 2019
Guarantee	Disclosed in Note 17.

### 14 Convertible debentures

	<b>Consolidated and separate financial statements</b>	
	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Convertible debentures 1/2016	4,136,540	4,219,312
Convertible debentures 1/2017	1,593,485	1,624,739
Convertible debentures 2/2017	637,395	649,896
<b>Total</b>	<b><u>6,367,420</u></b>	<b><u>6,493,947</u></b>
Less: Unamortised portion of deferred transaction costs	(3,964)	(4,548)
<b>Convertible debentures, net</b>	<b><u>6,363,456</u></b>	<b><u>6,489,399</u></b>
Less: Amount classified as equity	(59,458)	(59,458)
<b>Amount classified as liability</b>	<b><u>6,303,998</u></b>	<b><u>6,429,941</u></b>

#### Reflected in the statements of financial position as follows:

Convertible debentures under court cases

- Current	1,557,370	-
- Non-current	4,123,689	5,794,581
Convertible debentures - other		
- Current	622,939	-
- Non-current	-	635,360
	<b><u>6,303,998</u></b>	<b><u>6,429,941</u></b>

**Group Lease Public Company Limited and its subsidiaries****Notes to the interim financial statements****For the three-month period ended 31 March 2019 (Unaudited)**

Convertible debentures as at 31 March 2019 and 31 December 2018 were as follow:

	1/2016	1/2017	2/2017
Type of debentures	Unsubordinated, unsecured convertible debenture without debenture holders' representative	Unsubordinated, unsecured convertible debenture without debenture holders' representative	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Amount of unit	1,300 units	500 units	200 units
Face value	USD 100,000	USD 100,000	USD 100,000
Issue date	1 August 2016	20 March 2017	30 March 2017
Maturity date	1 August 2021	20 March 2020	30 March 2020
Term	5 years	3 years	3 years
Interest rate	5% per annum	5% per annum	5% per annum
Interest payment term	Semi-annually	Semi-annually	Semi-annually
Interest payment schedule	1 August and 1 February	20 March and 20 September	30 March and 30 September
Redemption at maturity date	1. Redeem in full in cash 2. Convert into common stock	1. Redeem in full in cash 2. Convert into common stock	1. Redeem in full in cash 2. Convert into common stock
Conversion to common stock	1 convertible debenture per 88,550 shares	1 convertible debenture per 49,507 shares	1 convertible debenture per 49,507 shares
Conversion price	Baht 40 per share	Baht 70 per share	Baht 70 per share
Date of conversion	Last business day of each quarter	Last business day of each month	Last business day of each month

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**15 Segment information**

The Group are organised into business units based on its products and services. During the current period, the Group have not changed the organisation of their reportable segments. The following tables present revenue information regarding the Group' operating segments.

Consolidated financial statements														
Three-month periods ended 31 March	Hire Purchase and loans		Financing to corporates and investment		Business management and consulting		Microfinance		Consumer finance under joint financing arrangements		Item not allocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(in thousand Baht)													
External revenues	574,162	618,424	446	458	23,114	17,452	44,579	37,853	4,652	12,355	-	-	646,953	686,542
Inter-segment revenue	135,853	111,596	32,306	38,760	6,086	6,380	-	-	-	-	-	-	174,245	156,736
Other income	11,675	2,535	18,537	9,572	1,865	2,808	1,969	919	2,717	762	-	-	36,763	16,596
<b>Total segment revenue</b>	<b>721,690</b>	<b>732,555</b>	<b>51,289</b>	<b>48,790</b>	<b>31,065</b>	<b>26,640</b>	<b>46,548</b>	<b>38,772</b>	<b>7,369</b>	<b>13,117</b>	<b>-</b>	<b>-</b>	<b>857,961</b>	<b>859,874</b>
Adjustment and eliminations	(135,853)	(111,596)	(32,306)	(38,760)	(6,086)	(6,380)	-	-	-	-	-	-	(174,245)	(156,736)
<b>Total segment revenue, net</b>	<b>585,837</b>	<b>620,959</b>	<b>18,983</b>	<b>10,030</b>	<b>24,979</b>	<b>20,260</b>	<b>46,548</b>	<b>38,772</b>	<b>7,369</b>	<b>13,117</b>	<b>-</b>	<b>-</b>	<b>683,716</b>	<b>703,138</b>
Segment profit (loss) before income tax	185,997	203,563	(15,093)	(24,886)	13,464	9,057	30,387	26,020	(11,818)	(23,408)	(56,710)	(57,223)	146,227	141,123
Segment assets as at 31 March/ 31 December	6,777,768	7,160,199	403,875	101,668	17,507	13,917	580,653	797,349	119,322	105,809	6,817,947	6,435,190	14,717,072	14,614,132
Segment liabilities as at 31 March/ 31 December	8,614,530	8,661,850	60,012	75,689	9,497	7,471	81,331	76,708	27,133	14,265	-	-	8,792,503	8,835,983

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**Geographic information**

Revenue from external customers is based on locations of the customers

<i>Three-month periods ended 31 March</i>	2019	2018
	<i>(in thousand Baht)</i>	
<b>Revenue from external customers and other income</b>		
Thailand	449,625	437,635
Cambodia	107,474	145,039
Singapore	15,648	6,690
Laos	25,521	31,717
Indonesia	20,829	31,849
Myanmar	64,619	50,208
<b>Total</b>	<b>683,716</b>	<b>703,138</b>

**16 Financial instruments**

*Determining fair value of assets and liabilities*

The fair value of short-term financial assets and liabilities are taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term financial assets and liabilities are taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

**17 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Software licenses	-	-	400	400
Building improvement and lease area	-	-	636	649
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,036</b>	<b>1,049</b>
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within one year	30,349	36,027	6,153	7,606
After one year but within five years	23,667	40,271	1,994	2,877
<b>Total</b>	<b>54,016</b>	<b>76,298</b>	<b>8,147</b>	<b>10,483</b>



# **Group Lease Public Company Limited and its subsidiaries**

## **Notes to the interim financial statements**

### **For the three-month period ended 31 March 2019 (Unaudited)**

#### ***Guarantees***

As at 31 March 2019 and 31 December 2018, there were outstanding bank guarantees of approximately Baht 975.3 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 975.0 million to guarantee debentures and Baht 0.3 million to guarantee electricity use and use of post services.

As at 31 March 2019 and 31 December 2018, letters of guarantee to guarantee debentures amounting Baht 975.0 million is secured by the agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) as disclosed in Notes 4 and assets foreclosed.

#### ***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 the sole distributor of Honda motorcycles in Cambodia. The agreement grants GLF the right to act as the exclusive finance agent to arrange hire purchase finance for Honda brand motorcycles. GLF is required to pay a fee at a rate of 3.6% of the finance amount provided to each customer who purchases a motorcycle.

## **18 Contingencies**

The Group is the defendant in several legal cases actioned by the substantial convertible debenture holder of the Company and its related companies alleging – misrepresentation of the financial status of the Company and defamation; misrepresentation of the financial position of the Company's subsidiary in Singapore; and breach of a joint finance agreement by the Company's subsidiary in Indonesia; – and claiming rehabilitation of the Company, monetary compensation and interest. The Group has filed counter actions, and preliminary hearings and discovery proceedings on these actions are in progress. The ultimate outcome of the above matters cannot presently be determined. The management consider that no provision for any liability or reclassification of convertible debentures is required in the financial statements.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**18.1 Litigations in Thailand**

**1) Civil Cases**

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

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
JTrust Asia Pte. Ltd. ("JTA")	1. Mr. Mitsuji Konoshita 2. Group Lease Public Company Limited ("GL") 3. Mr. Tatsuya Konoshita 4. Mr. Muneo Tashiro 5. Mr. Regis Martin	- Wrongful acts - Avoidance of Convertible Debenture Transaction - Compensation	Baht 8,020,132,483.88	- 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 of GL's petition requesting the Civil Court to postpone the proceeding. - 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.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
				<ul style="list-style-type: none"> <li>- 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.</li> <li>- On 8 November 2018, the Court scheduled a date of 7 December 2018 for a settlement of disputed issues.</li> <li>- 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.</li> <li>- The Court scheduled a judgment date on 3 December 2019.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**b) Civil black case number Por. 2313/2561**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
Group Lease Public Company Limited (“GL”)	JTrust Asia Pte. Ltd. (“JTA”)	<ul style="list-style-type: none"> <li>- Tort</li> <li>- Claim for damage regarding violation to Bankruptcy Act B.E. 2483</li> </ul>	Baht 880,000,000	<ul style="list-style-type: none"> <li>- 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.</li> <li>- On 20 August 2018, the Court rescheduled the date of settlement of disputed issues to be on 29 October 2018 due to the time extension for JTA to submit the answer by 20 September 2018.</li> <li>- On 29 October 2018, JTA submitted the petition requesting for extension to submit the answer. The Court rescheduled the date for settlement of disputed issues on 17 December 2018.</li> <li>- 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 sameday, 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.</li> <li>- The Court scheduled a judgment date on 29 January 2020.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**c) Civil black case number Por. 2399/2561**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
1. J Trust Co., Ltd. (“JTrust”) 2. JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”)	- Tort - Defamation - Claim for damage	Baht 20,271,232.88	<ul style="list-style-type: none"> <li>- On 3 May 2018, JTrust and JTA filed the civil complaint against GL for defamation.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- On 21 February 2019, the Court informed the schedule for plaintiff’s and defendant’s witness examination between 16 and 28 January 2020.</li> <li>- The Court scheduled a judgement date on 20 March 2020.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**2) Rehabilitation Case**

**Black case number For. 1/2561**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”)	Business rehabilitation	USD 180,000,000	<ul style="list-style-type: none"> <li>- On 10 January 2018, JTA filed a petition for rehabilitation against GL to the Central Bankruptcy Court.</li> <li>- On 12 March 2018, GL submitted the objection statement against the rehabilitation petition to the Court.</li> <li>- On 19 March 2018, the Central Bankruptcy Court dismissed JTA’s rehabilitation petition.</li> <li>- 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.</li> <li>- On 19 September 2018, GL submitted its answer to the Petitioner’s appeal.</li> <li>- 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.</li> <li>- 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.</li> <li>- On 26 April 2019, the Court took testimony of some of JTA’s witnesses. The Court scheduled the next hearing as the continuous trial during 26 June 2019 to 2 July 2019.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**3) Criminal Cases**

**a) Criminal black case No. Aor 6/2561**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
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"> <li>- 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.</li> <li>- On 25 June 2018, the Court rescheduled the preliminary examination hearing to be on 18 September 2018.</li> <li>- 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.</li> <li>- On 16 January 2019, the Court has fixed the new scheduled for the preliminary examination on 11 and 18 March 2019.</li> <li>- On 22 February 2019, GL withdraw the petition against the 4th defendant.</li> <li>- On 5 March 2019, GL submitted the petition requesting temporally postpone the proceeding, waiting for the result of the main case.</li> <li>- On 11 March 2019, the Court grant the order to temporally postpone the case, waiting for the result of the main case.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

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

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
1. J Trust Co., Ltd. ( <b>"JTrust"</b> ) 2. JTrust Asia Pte. Ltd. ( <b>"JTA"</b> )	Group Lease Public Company Limited ( <b>"GL"</b> )	Defamation	-	<ul style="list-style-type: none"> <li>- 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.</li> <li>- On 9 July 2018, the Court adjourned and rescheduled the preliminary examination to 17 September 2018.</li> <li>- On 17 September 2018, the Court adjourned and rescheduled the preliminary examination to 12 and 13 December 2018.</li> <li>- 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.</li> <li>- On 31 January 2019, the Court dismissed the complaint of JTrust and JTA.</li> </ul>



**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**18.2 Litigation in Singapore**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
JTrust Asia Pte. Ltd (“JTA”)	1) Group Lease Holdings Ltd. (“GLH”) 2) Mr. Mitsuji Konoshita 3) Cougar Pacific Pte. Ltd. 4) Aref Holdings Limited. 5) Adalende Limited. 6) Bellaven Limited. 7) Baguera Limited.	Tort of conspiracy by introducing to invest in GL	- Damages for the conspiracy - Interest - Costs - Other reliefs as the Court deems fit	<ul style="list-style-type: none"> <li>- On 26 December 2017 JTA commenced legal proceedings in the Singapore court against GLH and other defendants.</li> <li>- JTA applied for and obtained an ex-partner 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).</li> <li>- GLH denies JTA’s claims, and has duly engaged lawyers in Singapore to defend against these allegations.</li> <li>- 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.</li> <li>- 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</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
				<p>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.</p> <p>- 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.</p>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

**18.3 Litigation in Indonesia**

**a) Case number 542/PDT.G/2018/PN.JKT.PST**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
PT Bank JTrust Indonesia, TBK (“ <b>BJTI</b> ”)	PT Group Lease Finance Indonesia (“ <b>GLFI</b> ”)	Breaching of the Joint Financing agreement	IDR 103,636,408,863 (equivalent to approximately Baht 233.18 million)	<ul style="list-style-type: none"> <li>- On 1 October 2018, BJTI filed a civil complaint against GLFI with District Court of Central Jakarta.</li> <li>- On 13 November 2018, the District Court of Central Jakarta scheduled dates for mediation and the mediation are failed.</li> <li>- On 8 January 2019, the Panel of Judges (“POJ”) scheduled the next hearing for 22 January 2019.</li> <li>- On 22 January 2019, GLFI submitted its reply to the Court.</li> <li>- 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.</li> <li>- On 12 February 2019, BJTI submitted its response of the rejoinder to the Court.</li> <li>- On 19 February 2019, BJTI submitted written evidence.</li> <li>- On 26 February 2019, GLFI submitted its written evidence.</li> <li>- On 5 March 2019, GLFI submitted additional written evidence, no additional evidence has been submitted from BJTI.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2019 (Unaudited)**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
				<ul style="list-style-type: none"> <li>- On 12 March 2019, BJTI invited 2 witnesses to the court.</li> <li>- On 26 March 2019, GLFI invited 2 witnesses to the court.</li> <li>- On 9 April 2019, GLFI conveyed that it would not present the expert and would submit additional written evidence.</li> <li>- On 16 April 2019, the parties submitted their Conclusion.</li> </ul>

**b) Case number 542/PDT.G/2018/PN.JKT.PST**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
PT Group Lease Finance Indonesia (“GLFI”)	PT Bank JTrust Indonesia, TBK (“BJTI”)	Compensation of damages	IDR 21,690,420,090 (equivalent to approximately Baht 48 million)	<ul style="list-style-type: none"> <li>- On 29 April 2019, GLFI filed a civil complaint against BJTI with District Court of Central Jakarta.</li> <li>- On 9 May 2019, the District Court of Central Jakarta examined documents of the representatives of the parties, BJTI representatives failed to submit AOA. The next hearing has been scheduled on 16 May 2019.</li> </ul>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

### For the three-month period ended 31 March 2019 (Unaudited)

As discussed in the Notes 18.1 18.2 and 18.3, the Group is aware of the importance of the above situation and together with 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.

## 19 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* *TFRS - Financial instruments standards*

### (a) *TFRS - Financial instruments standards*

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

### (b) *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and separate financial statements.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the interim financial statements

For the three-month period ended 31 March 2019 (Unaudited)

### 20 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2018 and the statement of comprehensive income for the three-month period ended 31 March 2018, which are included in the 2019 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 interim financial statements.

	<b>Consolidated financial statements</b>		
	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>		
<b><i>Statement of financial position as at 31 December 2018</i></b>			
Current portion of assets-backed loan receivables	230,733	(230,733)	-
Current portion of loan receivables	-	230,733	230,733
Current portion of loans and interest receivables	42,123	(42,123)	-
Current portion of corporate loans and interest receivables	-	42,123	42,123
Long-term portion of assets-backed loan receivables	64,554	(64,554)	-
Long-term portion of loan receivables	-	64,554	64,554
		<u>-</u>	
<b><i>Statement of comprehensive income</i></b>			
<b><i>- Three-month period ended 31 March 2018</i></b>			
Asset-backed loan interest income	41,734	(41,734)	-
Loan interest income	-	41,734	41,734
Interest on loan receivables	458	(458)	-
Corporate loan interest income	-	458	458
Hire purchase interest income	513,477	8,001	521,478
Microfinance interest income	36,599	(1,023)	35,576
Consumer finance under joint financing arrangements interest income	18,845	(6,978)	11,867
Other income related to the activities of hire purchase	72,003	(17,452)	54,551
Hire purchase service fee income	-	17,452	17,452
		<u>-</u>	

In addition, the Group has reclassified current portion of disputed loans to current portion of disputed corporate loans. The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.