

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

Condensed interim financial statements  
for the three-month and nine-month periods ended  
30 September 2020

and

Independent auditor's review report

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

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

I was engaged to review 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 30 September 2020; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020; the statements of changes in equity and cash flows for the nine-month period ended 30 September 2020; 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*

Except as explained in the basis of disclaimer of conclusion, 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.

**Material uncertainty other than going concern**

- 1 As disclosed in note 8 of the interim financial information, on 19 October 2017, the Company received a request from the Securities and Exchange Commission (“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 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 accounting records by executing concealed transactions through several associated companies abroad to exaggerate the Group’s operating results. As a result, the Company established a full provision against these and other loans and interest receivable and will record any future recoveries (if any) in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but has informed me that it is not aware of any further consequences to the Company which may arise. I do not have access to any reliable evidence as to the current status of any investigation as this is confidential to the DSI, and accordingly am unable to determine the likelihood or amounts of any further adjustments that could be required.
- 2 As disclosed in note 17 of the interim financial information relating to litigation cases, Group companies are defendants in several legal cases actioned by the substantial convertible debenture holder of the Company and its related companies. The Company has filed counter actions. In particular during the period:
  - a. The Company’s subsidiary in Singapore, Group Lease Holdings Pte. Ltd. (“GLH”), was one of the defendants in a legal case brought by the substantial convertible debenture holder of the Company alleging deceit and unlawful conspiracy regarding the financial status of the Company and misrepresentation of the financial position of the Company’s subsidiary in Singapore. The Judgement dated 6 October 2020 by the Court of Appeal of the Republic of Singapore, which overturned the judgement of the High Court of the Republic of Singapore dated 12 February 2020, found the former executive director and GLH liable for the deceit claim and, together with other co-defendants, the unlawful conspiracy claim awarding total damages of USD 70 million to be paid jointly and severally by the co-defendants. A partial payment of approximately USD 37 million was paid from the Company via GLH to the plaintiff on 8 January 2021. The amounts recorded in the interim financial information as explained in note 4 – Related party transactions reflect a further provision of Baht 663.6 million (USD 21.07 million and SGD 0.13 million) in addition to the liability of Baht 1,551 million (USD 50 million) as explained in note 14 - Convertible debentures, recorded in the books of the Company in respect of the convertible debentures 1/2017, totaling a liability of USD 71 million at 30 September 2020; the actual basis of settlement and financial consequences may differ materially from this, including legal costs and any possible recovery from other co-defendants.

- b. On 30 April 2018, the Company filed a case with the Thailand Civil Court against the substantial convertible debenture holder of the Company alleging wrongful acts and claiming compensation for damage. On 5 March 2020, the Civil Court ruled in favour of the Company and awarded compensation of Baht 685.5 million. On 9 March 2021, the Appeal Court reversed this judgment and ruled that the acts by the substantial convertible debenture holder of the Company were not torts. The Company is ordered to pay fees for both courts and lawyer fee of Baht 700,000 to the plaintiff. The fees are not yet recorded in the interim financial information. The Company is currently considering whether to appeal this ruling.

Furthermore, although management has informed me that they do not expect any additional claims or losses to arise in relation to ongoing or potential litigation cases in other jurisdictions with the same plaintiff as a consequence of the findings or material facts made public in the decision of the Singapore Court of Appeal, and accordingly no further provision for any such possible losses or additional costs has been established, the actual outcome of the current or any additional cases represents a material uncertainty which could result in financial consequences that are significantly different to those recorded in the interim financial information at 30 September 2020.

### **Limitation of review scope**

- 3 Following the Singapore Court of Appeal's judgement discussed in paragraph 2 above, and in particular the findings of conspiracy and deceit, I have expanded my review procedures and I note that the Singapore Court of Appeal concluded in its judgement dated 6 October 2020 that APF Group (including certain companies identified as related parties by management and disclosed in the annual financial statements at 31 December 2019) is controlled by the former executive director noted in paragraphs 1 and 2. Furthermore, the Group has entered into a number of transactions and has outstanding balances due from another related party identified by management, APF Trading Plc. ("APFT").
  - a. Included in the interim financial information is an advance balance, presented as other receivables and other current assets with other related parties in note 4 – related party transactions, paid by the Company's subsidiary in Cambodia to APFT, for procurement and placement of motorcycles at the dealers and sub-dealers for provision of financing. The gross outstanding balance of the advance at 30 September 2020 was Baht 381 million (USD 12.0 million) against which management has made a full provision. The corresponding amounts of the gross balance and provision at 31 December 2019 were Baht 320 million (USD 10.6 million) and Baht 149 million (USD 4.9 million) respectively. Subsequent to 30 September 2020 up to 28 February 2021, further transactions recorded in this account with APFT have resulted in the gross balance increasing by Baht 7 million (USD 0.2 million).

- b. In addition to the transactions and balances referred to in paragraphs 3a above,
  - i. The subsidiary in Cambodia made a number of payments during September and October 2020 to APFT including an amount of USD 1.4 million on 9 October 2020. Management retrospectively reported to the Board of GLF that this transaction was a mistake, and that the funds had been returned on 19 November 2020. This has not been disclosed in the interim financial information as at 30 September 2020.
  - ii. On 1 December 2020 the subsidiary in Cambodia entered into a consultancy agreement with APFT under which USD 150,000 per month (excluding VAT) is due to be paid to APFT by the subsidiary. This has not been disclosed in the interim financial information as at 30 September 2020.

I have not received satisfactory explanation and evidence to enable me to conclude as to whether there are other related party transactions which may not have been identified or disclosed to me. As a consequence of this limitation of scope any resulting consideration and treatment of required provisions or other adjustments may not be fully or properly reflected in the interim financial information.

- 4 Included in the interim financial information is a pledged fixed deposit of approximately USD 73 million held in an account of GLH with an overseas Bank. There is a charge over this asset noted by the bank on the bank statements. Management has classified this as a non-current asset in the interim financial information. Management has not provided me with a satisfactory explanation of the nature or status of this charge, or whether there is any current or likely loss arising which would require adjustment or disclosure in the interim financial information.
- 5 Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” involves making enquiries of and obtaining explanations from management. I note that certain other information that I have requested to be provided by management as part of my review procedures has not been received at the date of this report. Such unprovided information includes (in addition to the matters referred to in the preceding paragraphs) management’s assessment of potential impairment of investments in and loans to subsidiaries and goodwill, the status and recoverability of corporate loans and interest receivable and recoverability of deferred tax assets. As a consequence of this limitation of scope, I was unable to determine whether any adjustments or disclosures were necessary to the interim financial information.

- 6 Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” requires that the auditor should obtain written representation from management that: (a) It acknowledges its responsibility for the design and implementation of internal control to prevent and detect fraud and error; (b) The interim financial information is prepared and presented in accordance with the applicable financial reporting framework; (c) It believes the effect of those uncorrected misstatements aggregated by the auditor during the review are immaterial, both individually and in the aggregate, to the interim financial information taken as a whole. A summary of such items is included in or attached to the written representations; (d) It has disclosed to the auditor all significant facts relating to any frauds or suspected frauds known to management that may have affected the entity; (e) It has disclosed to the auditor the results of its assessment of the risks that the interim financial information may be materially misstated as a result of fraud; (f) It has disclosed to the auditor all known actual or possible noncompliance with laws and regulations whose effects are to be considered when preparing the interim financial information; and (g) It has disclosed to the auditor all significant events that have occurred subsequent to the balance sheet date and through to the date of the review report that may require adjustment to or disclosure in the interim financial information. Due, in particular, to the limitation of scope as noted in paragraphs 2, 3, 4 and 5, certain other matters as described in the preceding paragraphs above and recent change of senior management and independent directors, I have been unable to conclude on the reliability of written representations on all material matters.

#### **Material uncertainty related to going concern**

The circumstances outlined in the preceding paragraphs, together with the liabilities for Convertible Debentures amounting to Baht 4,106 million which have a due date of 1 August 2021, indicate the existence of material uncertainties which cast significant doubt about the Group’s and the Company’s ability to continue as going concerns. If the Group and the Company were unable to continue as going concerns, the realisable value of assets may be significantly less than their carrying value and certain assets and liabilities may require to be reclassified. No adjustments to the classification or carrying value of assets and liabilities have been made in the interim financial information should the Group and the Company be unable to generate sufficient cash flows or raise additional finance from other sources.

#### *Disclaimer of conclusion*

Because of the significance of the matters described in the basis for disclaimer of conclusion paragraph, I do not express a conclusion on the aforementioned interim financial information.

*Other Matter*

The rulings of the Singapore Court of Appeal on 6 October 2020 against GLH and of the Thai Court of Appeal on 9 March 2021 against GL overturned the respective lower court decisions in those jurisdictions and, in the case of the Singapore judgment, presented additional facts not previously in evidence and concluded that GLH and the former Executive Director were guilty of the tort of deceit. The reversal of the lower court decisions presents a material change of circumstances to those assumed at the time of the preparation of the Financial Statements for the year ended 31 December 2019 and accordingly material adjustments have been reflected in the interim financial information; the new circumstances or the outcome of the further procedures to be performed by me as a consequence, which are still being determined, may also have a material effect on the financial statements for the year ended 31 December 2019 presented as comparatives in the interim financial information for the three-month and nine-month periods ended 30 September 2020, and the interim financial information for the periods ended 31 March and 30 June 2020 and 31 March, 30 June and 30 September 2019 and my respective opinion and conclusions thereon.

(Chokechai Ngamwutikul)  
Certified Public Accountant  
Registration No. 9728

KPMG Phoomchai Audit Ltd  
Bangkok  
19 March 2021

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

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
<b>Current assets</b>					
Cash and cash equivalents		1,142,012	3,091,515	553,325	365,980
Current investments		317,501	105,646	2,500	-
Current portion of hire purchase receivables	5	2,497,062	2,942,550	1,651,416	1,979,097
Current portion of loan receivables	6	240,869	232,754	-	-
Current portion of microfinance receivables	7	546,213	626,833	-	-
Current portion of consumer finance receivables					
under joint financing arrangements		502	6,086	-	-
Current portion of disputed corporate loans	8	-	-	-	-
Current portion of corporate loans and interest receivables	8	44,663	41,055	-	-
Inventories		20	305	-	-
Assets foreclosed		52,941	59,555	7,738	16,201
Short-term loan to and interest receivables from subsidiaries	4	-	-	858,571	144,127
Other receivables	4	99,886	120,361	10,611	71,707
Other current assets	4	65,635	219,580	70,283	35,381
<b>Total current assets</b>		<b>5,007,304</b>	<b>7,446,240</b>	<b>3,154,444</b>	<b>2,612,493</b>
<b>Non-current assets</b>					
Pledged fixed deposit at financial institution		2,429,961	343	846	343
Investment in associate	9	1,806,554	1,766,759	-	-
Investments in subsidiaries	10	-	-	3,590,302	3,590,302
Other long-term investments	4, 11	556,934	535,509	-	-
Long-term portion of hire purchase receivables	5	1,660,586	2,162,135	1,235,316	1,544,400
Long-term portion of loan receivables	6	92,084	64,200	-	-
Long-term portion of microfinance receivables	7	16,103	21,707	-	-
Long-term portion of consumer finance receivables					
under joint financing arrangements		64	322	-	-
Long-term portion of loans to subsidiaries	4	-	-	4,212,639	4,646,075
Property, plant and equipment		123,355	91,344	54,312	52,622
Intangible assets		91,042	103,991	84,933	67,865
Goodwill		330,261	317,868	-	-
Deferred tax assets		154,066	134,623	63,172	57,578
Other non-current assets		59,343	79,451	26,462	34,399
<b>Total non-current assets</b>		<b>7,320,353</b>	<b>5,278,252</b>	<b>9,267,982</b>	<b>9,993,584</b>
<b>Total assets</b>		<b>12,327,657</b>	<b>12,724,492</b>	<b>12,422,426</b>	<b>12,606,077</b>

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



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

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
<b>Liabilities and equity</b>	<i>Note</i>	(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	13	48,400	-	-	-
Trade accounts payable		3,408	6,936	5,511	1,176
Deposits from customers		71,718	57,362	-	-
Current portion of lease liabilities		23,877	-	3,116	-
Short-term loans and interest payable	13	19,120	18,216	-	-
Current portion of convertible debentures under court cases	4, 14	5,656,142	1,476,772	5,656,142	1,476,772
Current portion of convertible debentures - other	14	-	590,700	-	590,700
Income tax payable		-	27,191	-	-
Insurance premium payables		4,507	10,664	2,705	5,189
Other payables	4	1,679,590	834,858	892,000	710,644
Other current liabilities	4	109,595	114,192	66,928	59,811
<b>Total current liabilities</b>		<b>7,616,357</b>	<b>3,136,891</b>	<b>6,626,402</b>	<b>2,844,292</b>
<b>Non-current liabilities</b>					
Long term portion of lease liabilities		19,797	-	3,555	-
Convertible debentures under court cases	4, 14	-	3,909,559	-	3,909,559
Provisions for long-term employee benefits		25,515	21,213	25,515	21,213
Deferred tax liabilities		50,312	47,923	-	-
Cash guarantee for damage on hire purchase agreements		2,064	2,064	2,064	2,064
<b>Total non-current liabilities</b>		<b>97,688</b>	<b>3,980,759</b>	<b>31,134</b>	<b>3,932,836</b>
<b>Total liabilities</b>		<b>7,714,045</b>	<b>7,117,650</b>	<b>6,657,536</b>	<b>6,777,128</b>
<b>Equity</b>					
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)		(894,491)	99,683	(328,146)	(278,206)
Other components of equity		(673,388)	(666,134)	45,339	59,458
<b>Equity attributable to owners at the parent</b>		<b>4,479,818</b>	<b>5,481,246</b>	<b>5,764,890</b>	<b>5,828,949</b>
Non-controlling interests		133,794	125,596	-	-
<b>Total equity</b>		<b>4,613,612</b>	<b>5,606,842</b>	<b>5,764,890</b>	<b>5,828,949</b>
<b>Total liabilities and equity</b>		<b>12,327,657</b>	<b>12,724,492</b>	<b>12,422,426</b>	<b>12,606,077</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)**

	<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	
		30 September		30 September	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<b>Revenue</b>					
Hire purchase interest income		329,704	422,853	233,689	292,886
Loan interest income		23,198	26,211	-	-
Microfinance interest income		33,999	45,560	-	-
Consumer finance under joint financing arrangements interest income		777	632	-	-
Corporate loan interest income		518	570	-	-
Hire purchase service fee income		10,019	22,165	-	-
Revenue from sales of goods		679	1,583	-	-
Other interest income	4	10,341	19,480	67,613	91,694
Management fee	4	-	-	15,000	21,000
Other income related to the activities of hire purchase		62,283	62,813	31,705	34,457
Other income related to the activities of microfinance		2,622	3,339	-	-
Gain (Loss) on exchange rate		21,193	(15,667)	(37,614)	7,819
Other income	4	4,320	7,297	1,408	2,560
<b>Total revenue</b>		<b>499,653</b>	<b>596,836</b>	<b>311,801</b>	<b>450,416</b>
<b>Expenses</b>					
Service and administrative expenses	4	1,158,463	308,620	154,077	168,878
Expected credit loss and loss arising from derecognition		32,339	-	9,339	-
Bad and doubtful debt expenses		-	115,482	-	88,339
Cost of sales of goods		575	1,364	-	-
Loss on disposals of assets foreclosed		45,355	72,219	37,491	62,610
<b>Total expenses</b>		<b>1,236,732</b>	<b>497,685</b>	<b>200,907</b>	<b>319,827</b>
Share of profit from investment in associate	9	21,711	27,218	-	-
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>(715,368)</b>	<b>126,369</b>	<b>110,894</b>	<b>130,589</b>
Finance cost	4	(54,169)	(90,636)	(51,570)	(88,698)
<b>Profit (loss) before income tax expenses</b>		<b>(769,537)</b>	<b>35,733</b>	<b>59,324</b>	<b>41,891</b>
Income tax expenses		(48,463)	(22,979)	(11,627)	(8,027)
<b>Profit (loss) for the period</b>		<b>(818,000)</b>	<b>12,754</b>	<b>47,697</b>	<b>33,864</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	
		30 September		30 September	
		2020	2019	2020	2019
<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		(40,235)	15,236	-	-
Share of other comprehensive income (expense) of associate	9	22,744	(20,056)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(17,491)</b>	<b>(4,820)</b>	<b>-</b>	<b>-</b>
<i>Components of other comprehensive income that will not be reclassified subsequently to profit or loss</i>					
Gain on investments in equity instruments designated at fair value through other comprehensive income		(10,310)	-	-	-
Share of other comprehensive income (expense) of associate	9	(50)	-	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(10,360)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period</b>		<b>(27,851)</b>	<b>(4,820)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (expense) for the period</b>		<b>(845,851)</b>	<b>7,934</b>	<b>47,697</b>	<b>33,864</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(815,229)	9,514	47,697	33,864
Non-controlling interests		(2,771)	3,240	-	-
<b>Profit (loss) for the period</b>		<b>(818,000)</b>	<b>12,754</b>	<b>47,697</b>	<b>33,864</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		(847,117)	5,547	47,697	33,864
Non-controlling interests		1,266	2,387	-	-
<b>Total comprehensive income (expense) for the period</b>		<b>(845,851)</b>	<b>7,934</b>	<b>47,697</b>	<b>33,864</b>
<b>Basic earnings (loss) per share (in Baht)</b>		<b>(0.5344)</b>	<b>0.0062</b>	<b>0.0313</b>	<b>0.0222</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)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Nine-month periods ended		Nine-month periods ended	
		30 September		30 September	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<b>Revenue</b>					
Hire purchase interest income		1,080,720	1,355,200	758,857	939,580
Loan interest income		72,430	90,978	-	-
Microfinance interest income		130,899	131,287	-	-
Consumer finance under joint financing arrangements interest income		1,922	5,642	-	-
Corporate loan interest income		1,553	1,465	-	-
Hire purchase service fee income		54,982	67,814	-	-
Revenue from sales of goods		1,800	4,526	-	-
Other interest income	4	34,933	59,629	225,801	280,606
Management fee	4	-	-	66,000	63,000
Other income related to the activities of hire purchase		177,744	181,907	89,933	99,386
Other income related to the activities of microfinance		8,374	8,087	-	-
Gain on exchange rate		24,550	11,261	(102,269)	81,465
Other income	4	16,855	18,032	8,098	8,865
<b>Total revenue</b>		<b>1,606,762</b>	<b>1,935,828</b>	<b>1,046,420</b>	<b>1,472,902</b>
<b>Expenses</b>					
Service and administrative expenses	4	1,705,420	903,619	437,015	485,749
Expected credit loss and loss arising from derecognition		387,731	-	235,821	-
Bad and doubtful debt expenses		-	340,257	-	247,257
Cost of sales of goods		1,540	3,852	-	-
Loss on disposals of assets foreclosed		174,840	221,340	153,235	192,436
<b>Total expenses</b>		<b>2,269,531</b>	<b>1,469,068</b>	<b>826,071</b>	<b>925,442</b>
Share of profit from investment in associate	9	54,296	35,553	-	-
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>(608,473)</b>	<b>502,313</b>	<b>220,349</b>	<b>547,460</b>
Finance cost	4	(197,660)	(283,272)	(189,780)	(277,822)
<b>Profit (loss) before income tax expenses</b>		<b>(806,133)</b>	<b>219,041</b>	<b>30,569</b>	<b>269,638</b>
Income tax expenses		(72,240)	(96,279)	(11,627)	(52,966)
<b>Profit (loss) for the period</b>		<b>(878,373)</b>	<b>122,762</b>	<b>18,942</b>	<b>216,672</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	
		Nine-month periods ended		Nine-month periods ended	
		30 September		30 September	
		2020	2019	2020	2019
<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		6,726	53,403	-	-
Share of other comprehensive income (expense) of associate	9	(13,543)	(36,685)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(6,817)</b>	<b>16,718</b>	<b>-</b>	<b>-</b>
<i>Components of other comprehensive income that will not be reclassified subsequently to profit or loss</i>					
Gain on investments in equity instruments designated at fair value through other comprehensive income	11	21,425	-	-	-
Share of other comprehensive income (expense) of associate	9	(958)	726	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>20,467</b>	<b>726</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period</b>		<b>13,650</b>	<b>17,444</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(864,723)</b>	<b>140,206</b>	<b>18,942</b>	<b>216,672</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(876,981)	113,264	18,942	216,672
Non-controlling interests		(1,392)	9,498	-	-
<b>Profit (loss) for the period</b>		<b>(878,373)</b>	<b>122,762</b>	<b>18,942</b>	<b>216,672</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		(872,921)	134,248	18,942	216,672
Non-controlling interests		8,198	5,958	-	-
<b>Total comprehensive income (expense) for the period</b>		<b>(864,723)</b>	<b>140,206</b>	<b>18,942</b>	<b>216,672</b>
<b>Basic earnings (loss) per share (in Baht)</b>		<b>(0.5749)</b>	<b>0.0742</b>	<b>0.0124</b>	<b>0.1420</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																									
		Retained earnings (Deficit)				Other components of equity																					
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Gain on remeasuring financial assets from associate	Revaluation deficit on land and building from associate	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	Translating foreign operation	Convertible debentures - equity component	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity													
Note																											
(in thousand Baht)																											
Nine-month period ended 30 September 2019																											
Balance as at 1 January 2019		762,769	5,192,673	92,255	131,911	2,027	352	-	(587,342)	59,458	(525,505)	5,654,103	124,046	5,778,149													
Profit for the period		-	-	-	113,264	-	-	-	-	-	-	113,264	9,498	122,762													
Other comprehensive income (expense) for the period		-	-	-	652	426	(352)	-	20,258	-	20,332	20,984	(3,540)	17,444													
Total comprehensive income for the period		-	-	-	113,916	426	(352)	-	20,258	-	20,332	134,248	5,958	140,206													
Balance as at 30 September 2019		762,769	5,192,673	92,255	245,827	2,453	-	-	(567,084)	59,458	(505,173)	5,788,351	130,004	5,918,355													
Nine-month period ended 30 September 2020																											
Balance as at 31 December 2019 - as reported		762,769	5,192,673	92,255	99,683	2,477	-	-	(728,069)	59,458	(666,134)	5,481,246	125,596	5,606,842													
Impact of changes in accounting policies	3	-	-	-	(114,388)	-	-	-	-	-	-	(114,388)	-	(114,388)													
Balance as at 1 January 2020 - restated		762,769	5,192,673	92,255	(14,705)	2,477	-	-	(728,069)	59,458	(666,134)	5,366,858	125,596	5,492,454													
Loss for the period		-	-	-	(876,981)	-	-	-	-	-	-	(876,981)	(1,392)	(878,373)													
Other comprehensive income (expense) for the period		-	-	-	(2,805)	1,847	-	21,425	(16,407)	-	6,865	4,060	9,590	13,650													
Total comprehensive income (expense) for the period		-	-	-	(879,786)	1,847	-	21,425	(16,407)	-	6,865	(872,921)	8,198	(864,723)													
Reclassify convertible debentures - equity component	14	-	-	-	-	-	-	-	-	(14,119)	(14,119)	(14,119)	-	(14,119)													
Balance as at 30 September 2020		762,769	5,192,673	92,255	(894,491)	4,324	-	21,425	(744,476)	45,339	(673,388)	4,479,818	133,794	4,613,612													

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)**

	Note	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	
(in thousand Baht)							
Nine-month period ended 30 September 2019							
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		-	-	-	216,672	-	216,672
Balance as at 30 September 2019		762,769	5,192,673	92,255	(323,649)	59,458	5,783,506
Nine-month period ended 30 September 2020							
Balance as at 31 December 2019 - as reported		762,769	5,192,673	92,255	(278,206)	59,458	5,828,949
Impact of changes in accounting policies	3	-	-	-	(68,882)	-	(68,882)
Balance as at 1 January 2020 - restated		762,769	5,192,673	92,255	(347,088)	59,458	5,760,067
Loss and other comprehensive expense for the year		-	-	-	18,942	-	18,942
Reclassify convertible debentures - equity component	14	-	-	-	-	(14,119)	(14,119)
Balance as at 30 September 2020		762,769	5,192,673	92,255	(328,146)	45,339	5,764,890

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>	
	Nine-month periods ended		Nine-month periods ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit before income tax expenses	(806,133)	219,041	30,569	269,638
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation and amortisation	53,720	39,184	18,803	16,408
Expected credit loss and loss arising from derecognition	387,731	-	235,821	-
Bad and doubtful debts expenses	-	340,257	-	247,257
Loss on disposals of assets foreclosed	174,840	221,340	153,235	192,436
Loss (reversal) on diminution in value of assets foreclosed	5,741	(1,741)	(976)	(606)
Reversal of allowance on other receivables	(4,908)	(3,465)	-	-
Expense allowance on other current assets	222,278	-	-	-
(Gain) Loss on disposal and write-off assets	384	(180)	-	3
Loss on disposal and write-off intangible assets	607	-	-	-
Exchange (gain) loss from repayment loans and interest receivables from subsidiary	-	-	(15,965)	23,719
Unrealised (gain) loss on exchange	(11,767)	(56,528)	84,655	(105,130)
Provision for long-term employee benefits	5,074	6,171	5,074	6,171
Share of profit from investment in associate	(54,296)	(35,553)	-	-
Other interest income	(34,933)	(59,629)	(225,801)	(280,611)
Interest expenses	194,729	268,367	188,450	262,917
Interest expenses on lease liabilities	1,783	-	182	-
Amortised transaction cost of debentures	-	13,189	-	13,189
Amortised transaction cost of convertible debentures	1,148	1,716	1,148	1,716
Realised (gain) loss on exchange from repayment convertible debentures	(382)	-	37,343	-
	135,616	952,169	512,538	647,107
<b><i>Changes in operating assets and liabilities</i></b>				
Hire purchase receivables	543,581	637,264	314,841	325,842
Loan receivables	(42,564)	3,494	-	-
Microfinance receivables	35,652	(50,750)	-	-
Consumer finance receivables under joint financing arrangements	5,957	18,969	-	-
Corporate loans and interest receivables	(3,608)	928	-	-
Inventories	285	(127)	-	-
Assets foreclosed	(174,295)	(216,174)	(143,797)	(191,947)
Other receivables	37,105	(33,811)	60,462	(20,997)
Other current assets	(86,718)	(60,461)	(892)	(134)
Other non-current assets	20,899	3,035	8,783	802
Trade accounts payables	(3,528)	(2,569)	4,335	3,783
Deposit from customers	14,356	9,512	-	-
Insurance premium payables	(6,157)	(5,052)	(2,484)	(5,787)
Other payables	646,098	56,374	(17,435)	36,861
Other current liabilities	(10,889)	(6,226)	3,859	2,028
Cash guarantee for damage on hire purchase agreements	-	(116)	-	-
Net cash generated from operating activities	1,111,790	1,306,459	740,210	797,558
Cash paid for long-term employee benefits	(772)	-	(772)	-
Interest paid	(24,046)	(75,750)	(17,809)	(70,287)
Income tax paid	(82,749)	(122,658)	(943)	(55,319)
<b>Net cash from operating activities</b>	<b>1,004,223</b>	<b>1,108,051</b>	<b>720,686</b>	<b>671,952</b>

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>	
	Nine-month periods ended		Nine-month periods ended	
	30 September		30 September	
<i>Note</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
(Increase) decrease in current investment	(184,370)	(98,777)	(2,500)	-
(Increase) decrease in pledged fixed deposits at financial institution	(2,429,619)	432	(503)	(3)
(Increase ) decrease in accounts receivable and loans to employees	(597)	31	(597)	31
Short-term loans to subsidiaries	-	-	(220,000)	(450,000)
Aquisitions of equipments	(5,311)	(5,640)	(404)	(327)
Aquisitions of intangible assets	(701)	(8,964)	(159)	(791)
Proceeds from sales of equipment	638	304	-	-
Cash received from short-term loan to subsidiaries	-	-	331,175	692,625
Dividend received	-	21,491	-	-
Interest received	32,865	59,889	6,304	321,845
<b>Net cash from (used in) from investing activities</b>	<b>(2,587,095)</b>	<b>(31,234)</b>	<b>113,316</b>	<b>563,380</b>
<b><i>Cash flows from financing activities</i></b>				
Increase in short-term borrowings from financial institutions	48,400	-	-	-
Cash paid for lease liabilities	(13,753)	-	(4,418)	-
Cash paid for convertible debentures	(642,239)	-	(642,239)	-
Repayment of long-term loans	-	(17,278)	-	-
Repayment of debentures	-	(1,500,000)	-	(1,500,000)
<b>Net cash used in financing activities</b>	<b>(607,592)</b>	<b>(1,517,278)</b>	<b>(646,657)</b>	<b>(1,500,000)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(2,190,464)	(440,461)	187,345	(264,668)
Effect of exchange rate changes on cash and cash equivalents	240,961	(298,845)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,949,503)</b>	<b>(739,306)</b>	<b>187,345</b>	<b>(264,668)</b>
Cash and cash equivalents at 1 January	3,091,515	3,745,003	365,980	409,893
<b>Cash and cash equivalents at 30 September</b>	<b>1,142,012</b>	<b>3,005,697</b>	<b>553,325</b>	<b>145,225</b>
<b>Non-cash items</b>				
Transferred equipment to assets foreclosed	-	12	-	-
Transferred intangible asset from subsidaies	-	-	26,091	-
Reclassify other components of equity to short-term loans and interest payable	14,119	-	14,119	-
Reclassify current portion of convertible debentures - other to short-term loans and interest payable	640,095	-	640,095	-
Reclassify other payables to short-term loans and interest payable	16,336	-	16,336	-
Settlement of short-term loan to and interest receivables from subsidiary between GL and the group	-	-	(903,469)	-

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

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

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**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (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 19 March 2021.

**1 General information**

Group Lease Public Company Limited, (the “Company”) was listed on the Stock Exchange of Thailand on October 2004 and has its registered head office at 63 Soi 1 Thetsabannimitai Road, Ladyao, Chatuchak, Bangkok.

The Company and its subsidiaries (the “Group”) are principally engaged in the activities 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 condensed interim financial statements are presented in the same format as the annual financial statements and the notes to the interim financial statements are prepared on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *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 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 2019.

The Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases* and has disclosed the impact from changes to significant accounting policies in Note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period, in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

*(b) Use of judgements, estimates and accounting policies*

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that were described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS as described in Note 3.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

(c) *Use of going concern basis of accounting*

As disclosed in Note 17, actions by the substantial convertible debenture holder and related matters 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 Changes in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of the changes in accounting policies on shareholders' equity are as follows:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	Retained earnings	Other components of equity (in thousand Baht)	Retained earnings	Other components of equity
At 31 December 2019 - as reported		191,938	(666,134)	(185,951)	59,458
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Impairment losses on financial assets	A(2)				
- The Company and Subsidiaries		(100,896)	-	(86,103)	-
- Associate		(34,616)	-	-	-
Related tax		21,124	-	17,221	-
<b>At 1 January 2020 - restated</b>		<b>77,550</b>	<b>(666,134)</b>	<b>(254,833)</b>	<b>59,458</b>

**A. TFRS - Financial instruments standards**

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Comparative information has not been restated in accordance with the transitional provisions of the standard.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

### Consolidated financial statements

Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net
<i>(in million Baht)</i>				
Cash and cash equivalents	3,092	-	-	3,092
Current investments	106	-	-	106
Current portion of loan receivables	233	-	-	233
Current portion of microfinance receivables	627	-	-	627
Current portion of corporate loans and interest receivables	41	-	-	41
Other long-term investments	536	-	343	193
Long-term portion of loan receivables	64	-	-	64
Long-term portion of microfinance receivables	22	-	-	22
<b>Total</b>	<b>4,721</b>	<b>-</b>	<b>343</b>	<b>4,378</b>
Deposits from customers	57	-	-	57
Short-term loans and interest payable	18	-	-	18
Current portion of convertible debentures under court cases	1,477	-	-	1,477
Current portion of convertible debentures - other	591	-	-	591
<b>Total</b>	<b>2,143</b>	<b>-</b>	<b>-</b>	<b>2,143</b>

### Separate financial statements

Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net
<i>(in million Baht)</i>				
Cash and cash equivalents	366	-	-	366
Short-term loan to and interest receivables from subsidiaries	144	-	-	144
Long-term portion of loans to subsidiaries	4,646	-	-	4,646
<b>Total</b>	<b>5,156</b>	<b>-</b>	<b>-</b>	<b>5,156</b>
Current portion of convertible debentures under court cases	1,477	-	-	1,477
Current portion of convertible debentures - other	591	-	-	591
<b>Total</b>	<b>2,068</b>	<b>-</b>	<b>-</b>	<b>2,068</b>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

Loan receivables, microfinance receivables, corporate loans and loan to subsidiaries are measured at amortised cost as it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(2) Impairment**

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimated allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost and lease receivable, except for investments in equity instruments.

*Significant accounting estimates and judgements*

The Group expected credit loss calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables.

*Measurement*

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant.

Cash shortfalls are discounted using the effective interest rate on the financial instrument.

*Expected Loss Recognition - Staging*

*Stage 1*

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

*Stage 2*

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

*Stage 3*

Financial assets that are credit impaired represent those that are at least/over 91 days past due in respect of principal and/or interest.

Impairment provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in a change in the allowance for expected credit loss as follows:

<b>Consolidated financial statement</b>			
	Allowance for doubtful accounts as at 31 December 2019	Re-measurement (in thousand Baht)	Allowance for expected credit loss as at 1 January 2020
Hire purchase receivables	429,840	110,415	540,255
Loan receivables	26,930	(10,294)	16,636
Microfinance receivables	12,491	775	13,266
Corporate loans	1,409,558	-	1,409,558
<b>Total</b>	<b>1,878,819</b>	<b>100,896</b>	<b>1,979,715</b>

  

<b>Separate financial statement</b>			
	Allowance for doubtful accounts as at 31 December 2019	Re-measurement (in thousand Baht)	Allowance for expected credit loss as at 1 January 2020
Hire purchase receivables	367,068	86,103	453,171
<b>Total</b>	<b>367,068</b>	<b>86,103</b>	<b>453,171</b>

Prior to 1 January 2020, the Group provided allowance for doubtful accounts for hire purchase receivables, loan receivables and microfinance receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering the current status receivables, their ability to make payment, past experience and historical data on actual losses on collection.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

(3) Interest

From 1 January 2020, interest income and expense are recognised in profit or loss using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

*Calculation of interest income and expense*

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For financial assets and liabilities that exist on the date of transition, the effective interest rate will be applied prospectively.



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***B. TFRS 16 Leases***

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

<b><i>Impact from the adoption of TFRS 16</i></b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	32,098	3,489
Increase in lease liabilities – current portion	20,617	3,342
Increase in lease liabilities – non-current portion	11,481	147
<b><i>Measurement of lease liability</i></b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
Operating lease commitment as disclosed at 31 December 2019	38,511	4,326
Recognition exemption for leases less than one year	(4,334)	(756)
Finance lease liabilities recognised as at 31 December 2019	34,177	3,570
Discounted using the incremental borrowing rate at 1 January 2020	(2,079)	(81)
<b>Lease liabilities recognised at 1 January 2020</b>	<b>32,098</b>	<b>3,489</b>
Weighted-average incremental borrowing rate (% per annum)	6.99	5.00

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**4 Related parties**

Relationships with associate and subsidiaries are described in Notes 9 and 10.

Significant transactions for the three-month and nine-month period ended 30 September with related parties were as follows:

<i>Three-month periods ended 30 September</i>	<b>Pricing policy</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b><i>Subsidiaries</i></b>					
Other interest income	5.50% - 10.00% per annum	-	-	67,609	91,188
Management fee	Contract rate	-	-	15,000	21,000
Other income	Contract rate	-	-	786	890
Service and administrative expenses	Contract rate	-	-	-	156
<b><i>Other related parties</i></b>					
Interest income	6.50% per annum	2,925	2,868	-	-
Other income	Contract rate	-	276	-	-
Interest expenses	5.00% per annum	51,193	69,412	51,193	69,412
Service and administrative expenses	Contract rate	663,552	337	-	-
<b><i>Key management personnel compensation</i></b>					
Short-term employee benefits		9,723	15,893	4,681	4,923
<b>Total key management personnel compensation</b>		<b>9,723</b>	<b>15,893</b>	<b>4,681</b>	<b>4,923</b>
<b><i>Nine-month periods ended 30 September</i></b>					
	<b>Pricing policy</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b><i>Subsidiaries</i></b>					
Other interest income	5.50% - 7.00% per annum	-	-	226,219	279,329
Management fee	Contract rate	-	-	66,000	63,000
Other income	Contract rate	-	-	2,331	2,741
Service and administrative expenses	Contract rate	-	-	216	473
<b><i>Other related parties</i></b>					
Interest income	6.50% per annum	8,766	8,675	-	-
Other income	Contract rate	251	879	-	-
Interest expenses	5.00% per annum	174,922	211,889	174,922	211,889
Service and administrative expenses	Contract rate	663,552	1,078	-	-

# Group Lease Public Company Limited and its subsidiaries

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<i>Nine-month periods ended 30 September</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Key management personnel compensation</b>				
Short-term employee benefits	42,412	48,435	14,454	15,455
<b>Total key management personnel compensation</b>	<b>42,412</b>	<b>48,435</b>	<b>14,454</b>	<b>15,455</b>

Balances as at 30 September 2020 and 31 December 2019 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>	
	2020	2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Short-term loans</b>						
Subsidiaries			-	-	677,089	-
<b>Interest receivables from related parties</b>						
Subsidiaries	5.50-7.00	7.00	-	-	181,482	144,127
<b>Total short-term loans to related parties</b>			<b>-</b>	<b>-</b>	<b>858,571</b>	<b>144,127</b>
<b>Long-term loans</b>						
Subsidiaries	5.50-7.00	7.00	-	-	4,212,639	4,646,075
<b>Total long-term loans to related parties</b>			<b>-</b>	<b>-</b>	<b>4,212,639</b>	<b>4,646,075</b>
<b>Total loans and interest receivables to related parties</b>			<b>-</b>	<b>-</b>	<b>5,071,210</b>	<b>4,790,202</b>

Movements during the nine-month period ended 30 September of loans and interest receivables to related parties were as follows:

<i>Nine-month periods ended 30 September</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
At 1 January	-	-	4,790,202	5,517,775
Increase	-	-	1,306,495	689,236
Decrease	-	-	(1,240,732)	(1,013,836)
Gain (Loss) from exchange rate	-	-	215,245	(315,217)
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>5,071,210</b>	<b>4,877,958</b>

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For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in thousand Baht)</i>			
<b><i>Other receivables</i></b>				
Subsidiaries	-	-	6,155	65,169
Key management personnel	503	558	-	-
Other related parties	169,041	173,262	-	-
	<u>169,544</u>	<u>173,820</u>	<u>6,155</u>	<u>65,169</u>
<i>Less: allowance for expected credit loss / allowance for doubtful accounts</i>	<i>(160,647)</i>	<i>(157,718)</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b><u>8,897</u></b>	<b><u>16,102</u></b>	<b><u>6,155</u></b>	<b><u>65,169</u></b>
<b><i>Other current assets</i></b>				
Other related parties	224,628	171,520	-	-
<i>Less: allowance for expected credit loss / allowance for doubtful accounts</i>	<i>(224,628)</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b><u>-</u></b>	<b><u>171,520</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><i>Other long-term investments</i></b>				
Other related parties	459,051	471,733	-	-
<b><i>Other payables</i></b>				
Subsidiaries	-	-	615	401
Other related parties	1,552,497	646,136	852,457	646,136
<b>Total</b>	<b><u>1,552,497</u></b>	<b><u>646,136</u></b>	<b><u>853,072</u></b>	<b><u>646,537</u></b>
<b><i>Other current liabilities</i></b>				
Subsidiaries	-	-	727	289
Key management personnel	88	84	-	-
Other related parties	8,392	6,310	-	-
<b>Total</b>	<b><u>8,480</u></b>	<b><u>6,394</u></b>	<b><u>727</u></b>	<b><u>289</u></b>
<b><i>Convertible debenture - before transaction cost</i></b>				
Other related parties	5,702,542	5,433,801	5,702,542	5,433,801

On 6 October 2020, the Court of Appeal of the Republic of Singapore revised the judgment of the High Court and rendered a decision that allowed partly JTA's claims, holding that GLH and the other defendants are jointly liable to JTA in damages. Therefore, GLH recognised the loss from the judgement in the amount of USD 21.07 million and SGD 0.13 million (equivalent to Baht 663.55 million) in the Statement of comprehensive income for the three-month and nine-month periods ended 30 September 2020.

During the third quarter of 2020, the management of the Company has considered and decided to provide an allowance for the Other current assets related to prepaid stock with the related party.

On 1 July 2020, GLH entered into a Payment Agreement with the Company and its subsidiaries to make a payment for the Company's loans by the way of transferring its right to receive the payment under the loans with GLH subsidiaries in the total amount of Baht 212.38 million and USD 21.94 million.

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On 20 June 2020, GLH entered into a Memorandum of Understanding with the Company to make a payment for the Company's loans by the way of transferring its software ownership in the total amount of USD 1.53 million.

## 5 Hire purchase receivables

5.1 As at 30 September 2020 and 31 December 2019, the balances of hire purchase receivables were as follows:

	Consolidated financial statements					
	Current portion		Non-current portion		Total	
	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables	Total	Total
	30	31	30	31	30	31
	September	December	September	December	September	December
	2020	2019	2020	2019	2020	2019
	(in thousand Baht)					
<b>Normal receivables</b>						
Hire purchase receivables	3,327,644	3,889,734	2,189,215	2,762,698	5,516,859	6,652,432
Accrued hire purchase income	136,315	154,433	-	-	136,315	154,433
Less: Unearned hire purchase income, net	(957,594)	(1,150,574)	(412,603)	(542,102)	(1,370,197)	(1,692,676)
<b>Total normal receivables</b>	<b>2,506,365</b>	<b>2,893,593</b>	<b>1,776,612</b>	<b>2,220,596</b>	<b>4,282,977</b>	<b>5,114,189</b>
<b>Terminated agreements receivables</b>						
Hire purchase receivables	457,042	561,916	-	-	457,042	561,916
Accrued hire purchase income	57,344	36,054	-	-	57,344	36,054
Less: Unearned hire purchase income, net	(139,209)	(177,634)	-	-	(139,209)	(177,634)
<b>Total terminated agreements receivables</b>	<b>375,177</b>	<b>420,336</b>	<b>-</b>	<b>-</b>	<b>375,177</b>	<b>420,336</b>
<b>Total receivables</b>	<b>2,881,542</b>	<b>3,313,929</b>	<b>1,776,612</b>	<b>2,220,596</b>	<b>4,658,154</b>	<b>5,534,525</b>
Less: Allowance for expected credit loss / allowance for doubtful accounts	(384,480)	(371,379)	(116,026)	(58,461)	(500,506)	(429,840)
<b>Hire purchase receivables, net</b>	<b>2,497,062</b>	<b>2,942,550</b>	<b>1,660,586</b>	<b>2,162,135</b>	<b>4,157,648</b>	<b>5,104,685</b>
	Separate financial statements					
	Current portion		Non-current portion		Total	
	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables	Hire purchase receivables	Total	Total
	30	31	30	31	30	31
	September	December	September	December	September	December
	2020	2019	2020	2019	2020	2019
	(in thousand Baht)					
<b>Normal receivables</b>						
Hire purchase receivables	2,214,316	2,666,874	1,637,567	1,974,139	3,851,883	4,641,013
Accrued hire purchase income	94,714	110,215	-	-	94,714	110,215
Less: Unearned hire purchase income, net	(700,201)	(864,486)	(314,383)	(390,965)	(1,014,584)	(1,255,451)
<b>Total normal receivables</b>	<b>1,608,829</b>	<b>1,912,603</b>	<b>1,323,184</b>	<b>1,583,174</b>	<b>2,932,013</b>	<b>3,495,777</b>
<b>Terminated agreements receivables</b>						
Hire purchase receivables	430,787	527,873	-	-	430,787	527,873
Accrued hire purchase income	55,236	33,213	-	-	55,236	33,213
Less: Unearned hire purchase income, net	(131,053)	(166,298)	-	-	(131,053)	(166,298)
<b>Total terminated agreements receivables</b>	<b>354,970</b>	<b>394,788</b>	<b>-</b>	<b>-</b>	<b>354,970</b>	<b>394,788</b>
<b>Total receivables</b>	<b>1,963,799</b>	<b>2,307,391</b>	<b>1,323,184</b>	<b>1,583,174</b>	<b>3,286,983</b>	<b>3,890,565</b>

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	Separate financial statements					
	Current portion		Non-current portion		Total	
	Hire purchase receivables		Hire purchase receivables			
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in thousand Baht)</i>					
Less: Allowance for expected credit loss / allowance for doubtful accounts	(312,383)	(328,294)	(87,868)	(38,774)	(400,251)	(367,068)
<b>Hire purchase receivables, net</b>	<b><u>1,651,416</u></b>	<b><u>1,979,097</u></b>	<b><u>1,235,316</u></b>	<b><u>1,544,400</u></b>	<b><u>2,886,732</u></b>	<b><u>3,523,497</u></b>

- 5.2 As at 30 September 2020, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for expected credit loss classified by status, are summarise below:

Status	Consolidated financial statements		
	Hire purchase receivables	Allowance for expected credit loss	Hire purchase receivables - net
		30 September 2020	
	<i>(in thousand Baht)</i>		
Stage 1	3,679,046	167,920	3,511,126
Stage 2	396,309	60,262	336,047
Stage 3	582,799	272,324	310,475
<b>Total</b>	<b><u>4,658,154</u></b>	<b><u>500,506</u></b>	<b><u>4,157,648</u></b>

Status	Separate financial statements		
	Hire purchase receivables	Allowance for expected credit loss	Hire purchase receivables - net
		30 September 2020	
	<i>(in thousand Baht)</i>		
Stage 1	2,495,720	115,635	2,380,085
Stage 2	322,214	54,355	267,859
Stage 3	469,049	230,261	238,788
<b>Total</b>	<b><u>3,286,983</u></b>	<b><u>400,251</u></b>	<b><u>2,886,732</u></b>

As at 31 December 2019, 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:

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<b>Consolidated financial statements</b>			
	Hire purchase receivables	Allowance for doubtful accounts 31 December 2019 (in thousand Baht)	Hire purchase receivables - net
<b>Aging</b>			
Within due	4,417,742	35,413	4,382,329
Overdue:			
1 month	410,002	33,361	376,641
2 - 3 months	296,966	81,017	215,949
4 - 6 months	158,963	80,069	78,894
7 - 9 months	105,917	76,226	29,691
10 - 12 months	104,529	84,805	19,724
Over 12 months	40,406	38,949	1,457
<b>Total</b>	<b>5,534,525</b>	<b>429,840</b>	<b>5,104,685</b>

<b>Separate financial statements</b>			
	Hire purchase receivables	Allowance for doubtful accounts 31 December 2019 (in thousand Baht)	Hire purchase receivables - net
<b>Aging</b>			
Within due	3,059,061	29,751	3,029,310
Overdue:			
1 month	289,525	28,308	261,217
2 - 3 months	225,398	66,187	159,211
4 - 6 months	112,175	65,938	46,237
7 - 9 months	81,940	64,405	17,535
10 - 12 months	84,123	74,583	9,540
Over 12 months	38,343	37,896	447
<b>Total</b>	<b>3,890,565</b>	<b>367,068</b>	<b>3,523,497</b>

- 5.3 As at 30 September 2020 and 31 December 2019, 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:

<b>Consolidated financial statements</b>		
	Minimum payments receivable	Present value of Minimum payments receivable
	30 September 2020	
	(in thousand Baht)	
Portion due within one year	3,978,346	2,882,044
Portion due over one year but within two years	1,701,362	1,348,980
Portion due over two years but within three years	476,339	417,810
Portion due over three years but within four years	11,091	9,482
Portion due over four years but within five years	247	194
Portion due over five years	175	146
	6,167,560	4,658,154
Less: unearned interest income	(1,509,406)	
<b>Present value of minimum lease payments</b>	<b>4,658,154</b>	

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	<b>Separate financial statements</b>	
	Minimum payments receivable	Present value of Minimum payments receivable
	30 September 2020 (in thousand Baht)	
Portion due within one year	2,795,053	1,963,799
Portion due over one year but within two years	1,219,301	957,432
Portion due over two years but within three years	408,128	357,055
Portion due over three years but within four years	10,138	8,697
	<u>4,432,620</u>	<u>3,286,983</u>
Less: unearned interest income	(1,145,637)	
<b>Present value of minimum lease payments</b>	<b><u>3,286,983</u></b>	

	<b>Consolidated financial statements</b>	
	Minimum payments receivable	Present value of Minimum payments receivable
	31 December 2019 (in thousand Baht)	
Portion due within one year	4,642,137	3,313,929
Portion due after one year but within five years	2,762,698	2,220,596
	<u>7,404,835</u>	<u>5,534,525</u>
Less: unearned interest income	(1,870,310)	
<b>Present value of minimum lease payments</b>	<b><u>5,534,525</u></b>	

	<b>Separate financial statements</b>	
	Minimum payments receivable	Present value of Minimum payments receivable
	31 December 2019 (in thousand Baht)	
Portion due within one year	3,338,175	2,307,391
Portion due after one year but within five years	1,974,139	1,583,174
	<u>5,312,314</u>	<u>3,890,565</u>
Less: unearned interest income	(1,421,749)	
<b>Present value of minimum lease payments</b>	<b><u>3,890,565</u></b>	

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

As at 30 September 2020, the Company has no agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) as the business security for short term credit facility, debentures and letter of guarantee facility granted by commercial banks. (31 December 2019: Baht 50 million).

- 5.5 In light of the ongoing COVID-19 crisis and the pandemic consequences, the management has started a relief program for the customers, which include granting a three-month grace period to the applicants in Thailand and a two-month grace period or splitting of an installment in to two for up to 3 installments, in Cambodia. As of 30 September 2020, hire purchase contracts for the Group and the company number of 9,946 contracts, comprising of Baht 361.9 million and 8,097 contracts, comprising of Baht 284.5 million in portfolio, have applied for the program. For the nine-month period 30 September 2020, the Group and the Company have



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recorded modification losses of Baht 28.1 million and Baht 23.6 million, respectively, in the profit or loss as disclosed in Note 12

**6 Loan receivables**

6.1 As at 30 September 2020 and 31 December 2019, the balances of loan receivables are as follows:

	<b>Consolidated financial statements</b>					
	Current portion loan receivables		Non-current portion loan receivables		Total	
	30	31	30	31	30	31
	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019
	<i>(in thousand Baht)</i>					
<b>Normal receivables</b>						
Loan receivables	306,136	287,702	110,526	77,930	416,662	365,632
Interest receivables	8,621	8,391	-	-	8,621	8,391
Less: Unearned interest income, net	(64,756)	(54,535)	(13,056)	(11,200)	(77,812)	(65,735)
<b>Total normal receivables</b>	<b>250,001</b>	<b>241,558</b>	<b>97,470</b>	<b>66,730</b>	<b>347,471</b>	<b>308,288</b>
<b>Terminated agreements receivables</b>						
Loan receivables	11,224	18,301	-	-	11,224	18,301
Interest receivables	392	1,770	-	-	392	1,770
Less: Unearned interest income, net	(2,099)	(4,475)	-	-	(2,099)	(4,475)
<b>Total terminated agreements receivables</b>	<b>9,517</b>	<b>15,596</b>	<b>-</b>	<b>-</b>	<b>9,517</b>	<b>15,596</b>
<b>Total receivables</b>	<b>259,518</b>	<b>257,154</b>	<b>97,470</b>	<b>66,730</b>	<b>356,988</b>	<b>323,884</b>
Less: Allowance for expected credit loss / allowance for doubtful accounts	(18,649)	(24,400)	(5,386)	(2,530)	(24,035)	(26,930)
<b>Loan receivables, net</b>	<b>240,869</b>	<b>232,754</b>	<b>92,084</b>	<b>64,200</b>	<b>332,953</b>	<b>296,954</b>

6.2 As at 30 September 2020, the balances of loan receivables (net of unearned interest income) and allowance for expected credit loss classified by status, are summarised below:

<b>Status</b>	<b>Consolidated financial statements</b>		
	Loans receivables	Allowance for expected credit loss	Loans receivables - net
		30 September 2020 <i>(in thousand Baht)</i>	
Stage 1	308,188	12,368	295,820
Stage 2	25,202	1,866	23,336
Stage 3	23,598	9,801	13,797
<b>Total</b>	<b>356,988</b>	<b>24,035</b>	<b>332,953</b>

**Group Lease Public Company Limited and its subsidiaries**  
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As at 31 December 2019, 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:

	<b>Consolidated financial statements</b>		
	Loans receivables	Allowance for doubtful accounts	Loans receivables - net
		31 December 2019 (in thousand Baht)	
<b>Aging</b>			
Within due	239,738	2,348	237,390
Overdue:			
1 month	40,066	4,002	36,064
2 - 3 months	27,019	8,095	18,924
4 - 6 months	7,387	4,403	2,984
7 - 9 months	3,985	3,016	969
10 - 12 months	4,579	3,956	623
Over 12 months	1,110	1,110	-
<b>Total</b>	<b>323,884</b>	<b>26,930</b>	<b>296,954</b>

- 6.3 As at 30 September 2020 and 31 December 2019, the future minimum loan payment receivables under loan agreements together with the present value of the net minimum loan payments receivables are as follows:

	<b>Consolidated financial statements</b>			
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	30 September 2020	30 September 2020	31 December 2019	31 December 2019
		(in thousand Baht)		
Portion due within one year	326,373	259,518	316,164	257,154
Portion due after one year but within five years	110,526	97,470	77,930	66,730
	436,899	356,988	394,094	323,884
Less: unearned interest income	(79,911)		(70,210)	
<b>Present value of minimum lease payments</b>	<b>356,988</b>		<b>323,884</b>	

- 6.4 The subsidiaries' loan agreements have terms of 1 - 5 years and require settlement in fixed equal installments.
- 6.5 In light of the ongoing COVID-19 crisis and the pandemic consequences, the management has started a relief program for the customers, which include granting a three-month grace period to the applicants. As of 30 September 2020, loan contracts for the Group number of 927, comprising of Baht 22.4 million in portfolio, has applied for the program. For the nine-month period ended 30 September 2020, the Group has recorded modification loss of Baht 1.2 million in the profit or loss as disclosed in Note 12.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
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**7 Microfinance receivables**

7.1 As at 30 September 2020 and 31 December 2019, the balances of microfinance receivables are as follows:

	<b>Consolidated financial statements</b>					
	Current portion microfinance receivables		Non-current portion microfinance receivables		Total	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in thousand Baht)</i>					
<b>Normal receivables</b>						
Microfinance receivables	656,239	722,314	19,702	23,530	675,941	745,844
Accrued microfinance receivables	4,614	3,349	-	-	4,614	3,349
Less: Unearned interest income, net	(62,908)	(86,560)	(2,600)	(1,602)	(65,508)	(88,162)
<b>Total normal receivable</b>	<b>597,945</b>	<b>639,103</b>	<b>17,102</b>	<b>21,928</b>	<b>615,047</b>	<b>661,031</b>
Less: Allowance for expected credit loss / allowance for doubtful accounts	(51,732)	(12,270)	(999)	(221)	(52,731)	(12,491)
<b>Microfinance receivables, net</b>	<b>546,213</b>	<b>626,833</b>	<b>16,103</b>	<b>21,707</b>	<b>562,316</b>	<b>648,540</b>

7.2 As at 30 September 2020, the balances of microfinance receivables (net of unearned interest income) and allowance for expected credit loss classified by status, are summarised below:

	<b>Consolidated financial statements</b>		
	Microfinance receivables	Allowance for expected credit loss 30 September 2020 <i>(in thousand Baht)</i>	Microfinance Receivables - net
<b>Status</b>			
Stage 1	507,299	41,256	466,043
Stage 2	66,964	6,653	60,311
Stage 3	40,784	4,822	35,962
<b>Total</b>	<b>615,047</b>	<b>52,731</b>	<b>562,316</b>

As at 31 December 2019, 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 31 December 2019 <i>(in thousand Baht)</i>	Microfinance Receivables - net
<b>Aging</b>			
Within due	636,676	5,389	631,287
Overdue:			
1 month	2,760	166	2,594
2 - 3 months	4,711	1,077	3,634
4 - 6 months	13,235	3,031	10,204
7 - 9 months	1,748	1,227	521
10 - 12 months	1,020	820	200
Over 12 months	881	781	100
<b>Total</b>	<b>661,031</b>	<b>12,491</b>	<b>648,540</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

- 7.3 As at 30 September 2020 and 31 December 2019, 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:

	Consolidated financial statements			
	30 September 2020		31 December 2019	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
		(in thousand Baht)		
Portion due within one year	660,853	597,945	725,663	639,103
Portion due after one year but within five years	19,702	17,102	23,530	21,928
	680,555	615,047	749,193	661,031
Less: unearned interest income	(65,508)		(88,162)	
<b>Present value of minimum lease payments</b>	<b>615,047</b>		<b>661,031</b>	

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

## 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			
		30 September 2020		31 December 2019	
		USD	THB	USD	THB
Cyprus	14.5 - 17.0	9,243	292,607	9,243	278,706
Singapore	14.5 - 25.0	36,106	1,143,036	36,106	1,088,736
Others	5.0 - 10.0	1,313	41,560	1,313	39,586
Total loans		46,662	1,477,203	46,662	1,407,028
Interest receivables			47,318		43,585
<b>Total corporate loans and interest receivables</b>			<b>1,524,521</b>		<b>1,450,613</b>
Less: Allowance for expected credit loss / allowance for corporate loans and interest receivables			(1,479,858)		(1,409,558)
Less: Current portion			(44,663)		(41,055)
<b>Long-term portion of corporate loans and interest receivables</b>			<b>-</b>		<b>-</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 on 31 May 2018. Up to 30 September 2020, neither repayment of principal nor interest has been received on these loans.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

### For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

As a consequence of the default of the loans and other factors hampering collection, as at 30 September 2020 and 31 December 2019, the management believes that full provision against loans to Cyprus and Singapore group is appropriate in accordance with the Group accounting policy.

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 accounting records by executing concealed transactions through several associated companies abroad to exaggerate the Group's operating results. As a result, the Company established 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 30 September 2020 and 31 December 2019, both the disputed corporate loans and other corporate loans receivable balances in Singapore and Cyprus are presented as follows:

	<b>Consolidated financial statements</b>	
	30 September 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Reflected in the statements of financial position as follows:		
Disputed corporate loans	572,256	545,071
Less: Allowance for expected credit loss / allowance on disputed corporate loans	(572,256)	(545,071)
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	952,265	905,542
Less: Allowance for expected credit loss / allowance on disputed corporate loans and interest receivables	(907,602)	(864,487)
Less: Current portion of corporate loans and interest receivables	(44,663)	(41,055)
<b>Long-term portion of corporate loans and interest receivables</b>	<b>-</b>	<b>-</b>

- 8.3 As at 30 September 2020, both the disputed corporate loans and other corporate loans receivable balances and allowance for expected credit loss classified by status, are summarised below:

	<b>Consolidated financial statements</b>		
	Corporate loans and interest receivables	Allowance for expected credit loss 30 September 2020 <i>(in thousand Baht)</i>	Corporate loans and interest receivables, net
<b>Status</b>			
Stage 1	-	-	-
Stage 2	-	-	-
Stage 3	1,524,521	1,479,858	44,663
<b>Total</b>	<b>1,524,521</b>	<b>1,479,858</b>	<b>44,663</b>

## Group Lease Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

#### For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

As at 31 December 2019, both the disputed corporate loans and other corporate loans receivable balances and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

	<b>Consolidated financial statements</b>		
	Corporate loans and interest receivables	Allowance for doubtful accounts 31 December 2019 <i>(in thousand Baht)</i>	Corporate loans and interest receivables, net
<b>Aging</b>			
Within due	-	-	-
Overdue:			
1 - 6 months	-	-	-
7 - 12 months	41,055	-	41,055
Over 12 months	1,409,558	1,409,558	-
<b>Total</b>	<b>1,450,613</b>	<b>1,409,558</b>	<b>41,055</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 condensed interim financial statements**  
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**9 Investment in associate**

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	
			30	31	30	31	30	31	30	31	30	31	30	31
			September	December	September	December	September	December	September	December	September	December	September	December
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)				(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	2,388,639	2,348,844	(582,085)	(582,085)	1,806,554	1,766,759
					Thousand LKR	Thousand LKR								

There was no dividend income from Commercial Credit and Finance PLC (“CCF”) for the nine-month periods ended 30 September 2020 and 2019.

**Group Lease Public Company Limited and its subsidiaries**  
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**10 Investment in subsidiaries**

Name of subsidiaries	Separate financial statements										Dividend income for the nine-month periods ended	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net			
	30	31	30	31	30	31	30	31	30	31	30	30
	September	December	September	December	September	December	September	December	September	December	September	September
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)		(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 condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

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

Name of subsidiaries	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September	December	September	December	September	December	September	December	September	December	September	September
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)						(in thousand Baht)					
<b>Held by Group Lease Holdings Pte. Ltd.</b>												
GL Finance Plc.	100.00	100.00	10,300	10,300	359,470	359,470	-	-	359,470	359,470	-	-
			Thousand USD	Thousand 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 LAK	Thousand 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 IDR	Thousand 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 MMK	Thousand MMK								
GL-AMMK Co., Ltd.	57.00	57.00	4,080,000	4,080,000	59,350	59,350	-	-	59,350	59,350	-	-
			Thousand MMK	Thousand MMK								
<b>Held by Thanaban Company Limited</b>												
Comfort Services Development Company Limited	100.00	100.00	4,000	4,000	4,000	4,000	-	-	4,000	4,000	-	-
			Thousand Baht	Thousand 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**  
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**11 Other long-term investments**

	<i>Note</i>	<b>Consolidated financial statements 30 September 2020 (in thousand Baht)</b>
<b><i>Investment measured at amortised cost</i></b>		
Convertible loan	4	192,718
<b><i>Investment designated at fair value through other comprehensive income</i></b>		
Bagan Innovation Technology (Singapore) Pte. Ltd.		63,776
PT Bank JTrust Indonesia Tbk.	4	279,015
Add: Gain on remeasurement of investments OCI		21,425
Total investment designated at fair value to other comprehensive income		364,216
<b>Total</b>		<b>556,934</b>
	<i>Note</i>	<b>Consolidated financial statements 31 December 2019 (in thousand Baht)</b>
<b><i>Investments in held-to-maturity debt securities</i></b>		
Convertible loan	4	192,718
<b><i>Investments in other companies</i></b>		
Bagan Innovation Technology (Singapore) Pte. Ltd.		63,776
PT Bank JTrust Indonesia Tbk.	4	414,502
Less: Allowance for investment loss - PT Bank JTrust Indonesia Tbk.		(135,487)
Total investments in other companies		342,791
<b>Total</b>		<b>535,509</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 17.

**Group Lease Public Company Limited and its subsidiaries**  
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**12 Allowance for expected credit loss**

The movements in the allowance for expected credit loss during the period were as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
At 1 January 2020 - restated ( <i>see Note 3</i> )	1,979,715	453,171
Net remeasurement of loss allowance	87,685	15,432
Financial assets repaid and derecognition	(412,161)	(365,733)
New financial assets acquired	330,510	297,381
Modification losses ( <i>see Notes 5 and 6</i> )	29,336	23,594
The effect of changes in foreign exchange rate	71,379	-
<b>At 30 September 2020</b>	<b>2,086,464</b>	<b>423,845</b>

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

		<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>Note</i>	<i>Loan and interest payable (in thousand Baht)</i>	
Balance at 1 January 2020		18,216	-
Addition		48,400	-
Repayment		(661,396)	(660,048)
<i>Non-cash items</i>			
Addition		14,872	13,528
Reclassified from convertible debentures	14	670,549	670,549
The effect of changes in foreign exchange rates		(23,121)	(24,029)
<b>Balance at 30 September 2020</b>		<b>67,520</b>	<b>-</b>

# Group Lease Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

### 14 Convertible debentures

	<b>Consolidated and separate financial statements</b>	
	30 September 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Convertible debentures 1/2016	4,116,590	3,921,510
Convertible debentures 1/2017	1,585,952	1,512,291
Convertible debentures 2/2017	-	604,916
<b>Total</b>	<b>5,702,542</b>	<b>6,038,717</b>
<i>Less: Unamortised portion of deferred transaction costs</i>	<i>(1,061)</i>	<i>(2,228)</i>
<b>Convertible debentures, net</b>	<b>5,701,481</b>	<b>6,036,489</b>
<i>Less: Amount classified as equity</i>	<i>(45,339)</i>	<i>(59,458)</i>
<b>Amount classified as liability</b>	<b>5,656,142</b>	<b>5,977,031</b>

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

Convertible debentures under court cases		
- Current	5,656,142	1,476,772
- Non-current	-	3,909,559
Convertible debentures - other		
- Current	-	590,700
	<b>5,656,142</b>	<b>5,977,031</b>

Convertible debentures as at 30 September 2020 and 31 December 2019 were as follow:

	<b>1/2016</b>	<b>1/2017 <sup>(1)</sup></b>	<b>2/2017 <sup>(2)</sup></b>
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
Number of units	1,300 units	500 units	200 units
Face value/unit	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 condensed interim financial statements**

#### **For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

- (1) Due to the ongoing litigation with JTrust Asia Pte. Ltd (the holder of convertible debenture 1/2017), the status of this convertible debenture, the rights and obligations of the parties are still unclear. The Group has decided to hold the repayment of this convertible debenture until the case is finalised.
- (2) During the first quarter of 2020, the Group and Creation Investments Sri Lanka LLC (the holder of convertible debenture 2/2017), agreed to reschedule the repayment of the principal and interest due and to change the maturity date of this convertible debenture from 30 March 2020 to the last business day of September 2020 with the interest rate of 7% per annum. As at 31 March 2020 the Group reclassified this convertible debenture to short-term loans and interest payable of Baht 670.5 million. During the second quarter of 2020, this short-term loans and interest payable has been fully paid.

# Group Lease Public Company Limited and its subsidiaries

## Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (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															
		Hire Purchase and loans		Financing to corporates and investment		Business management and consulting		Microfinance		Consumer finance under joint financing arrangements		Item not allocated		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Three-month periods ended 30 September</i>															
<i>(in thousand Baht)</i>															
External revenues	410,887	512,479	518	570	14,983	22,839	36,621	48,899	788	937	-	-	463,797	585,724	
Inter-segment revenue	32,913	130,566	-	35,852	1,118	5,967	-	-	-	-	-	-	34,031	172,385	
Other income	21,386	(10,608)	4,450	15,964	2,020	1,927	8,844	3,160	(844)	669	-	-	35,856	11,112	
<b>Total segment revenue</b>	<b>465,186</b>	<b>632,437</b>	<b>4,968</b>	<b>52,386</b>	<b>18,121</b>	<b>30,733</b>	<b>45,465</b>	<b>52,059</b>	<b>(56)</b>	<b>1,606</b>	<b>-</b>	<b>-</b>	<b>533,684</b>	<b>769,221</b>	
Adjustment and eliminations	(32,913)	(130,566)	-	(35,852)	(1,118)	(5,967)	-	-	-	-	-	-	(34,031)	(172,385)	
<b>Total segment revenue, net</b>	<b>432,273</b>	<b>501,871</b>	<b>4,968</b>	<b>16,534</b>	<b>17,003</b>	<b>24,766</b>	<b>45,465</b>	<b>52,059</b>	<b>(56)</b>	<b>1,606</b>	<b>-</b>	<b>-</b>	<b>499,653</b>	<b>596,836</b>	
Segment profit (loss) before income tax	(65,253)	85,522	(680,301)	(15,318)	2,281	11,646	23,246	30,870	(17,052)	(13,570)	(32,458)	(63,417)	(769,537)	35,733	

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

Consolidated financial statements															
		Hire Purchase and loans		Financing to corporates and investment		Business management and consulting		Microfinance		Consumer finance under joint financing arrangements		Item not allocated		Total	
<i>Nine-month periods ended 30 September</i>		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>															
External revenues		1,325,500	1,630,530	1,552	1,465	61,986	68,782	139,273	139,374	2,112	6,754	-	-	1,530,423	1,846,905
Inter-segment revenue		225,951	421,786	29,231	84,880	11,354	18,098	-	-	-	-	-	-	266,536	524,764
Other income		32,632	16,978	16,999	56,189	5,765	4,766	21,014	6,760	(70)	4,230	-	-	76,340	88,923
<b>Total segment revenue</b>		<b>1,584,083</b>	<b>2,069,294</b>	<b>47,783</b>	<b>142,534</b>	<b>79,105</b>	<b>91,646</b>	<b>160,287</b>	<b>146,134</b>	<b>2,042</b>	<b>10,984</b>	<b>-</b>	<b>-</b>	<b>1,873,299</b>	<b>2,460,592</b>
Adjustment and eliminations		(225,951)	(421,786)	(29,231)	(84,880)	(11,354)	(18,098)	-	-	-	-	-	-	(266,536)	(524,764)
<b>Total segment revenue, net</b>		<b>1,358,132</b>	<b>1,647,508</b>	<b>18,552</b>	<b>57,654</b>	<b>67,751</b>	<b>73,548</b>	<b>160,287</b>	<b>146,134</b>	<b>2,042</b>	<b>10,984</b>	<b>-</b>	<b>-</b>	<b>1,606,763</b>	<b>1,935,828</b>
Segment profit (loss) before income tax		32,860	421,887	(723,125)	(37,089)	19,439	37,061	62,444	92,477	(54,387)	(47,577)	(143,364)	(247,719)	(806,133)	219,041
Segment assets as at 30 September/ 31 December		5,086,598	6,067,000	331,261	325,583	96,735	83,852	783,635	702,753	92,459	121,499	5,936,969	5,423,805	12,327,657	12,724,492
Segment liabilities as at 30 September/ 31 December		6,790,365	6,911,777	759,781	80,711	13,774	9,953	113,824	72,082	36,301	43,127	-	-	7,714,043	7,117,650

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

Revenue from external customers is based on locations of the customers

<i>Three-month periods ended 30 September</i>	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Revenue from external customers and other income</b>		
Thailand	340,286	384,333
Cambodia	75,078	92,583
Singapore	1,538	13,095
Laos	22,501	22,441
Indonesia	6,919	14,815
Myanmar	53,331	69,569
<b>Total</b>	<b>499,653</b>	<b>596,836</b>
<i>Nine-month period ended 30 September</i>	2020 (in thousand Baht)	2019 (in thousand Baht)
<b>Revenue from external customers and other income</b>		
Thailand	1,038,681	1,266,487
Cambodia	252,121	299,893
Singapore	7,643	47,512
Laos	75,365	71,762
Indonesia	29,041	50,431
Myanmar	203,912	199,743
<b>Total</b>	<b>1,606,763</b>	<b>1,935,828</b>

**16 Financial instruments**

**Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements			
	Fair value through other comprehensive income	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
30 September 2020					
Financial assets					
Investments in other companies	364,216	-	97,883	266,333	364,216
		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2019					
Financial assets					
Investments in other companies	342,791	-	93,234	279,015	372,249



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

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

**For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

### **17 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, impairment of assets or reclassification of convertible debentures is required in the financial statements.

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
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**17.1 Litigations in Thailand**

**1) Civil Cases**

**a) Civil black case no. Por. 83/2561**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
JTrust Asia Pte. Ltd. ( <b>"JTA"</b> )	Group Lease Public Company Limited ( <b>"GL"</b> ), directors and former directors of the Company	<ul style="list-style-type: none"> <li>- Tort</li> <li>- Avoidance of Convertible Debenture Transaction</li> <li>- Compensation</li> </ul>	THB 8,020,132,483.88	<ul style="list-style-type: none"> <li>- On 9 January 2018, JTA filed a civil complaint to the Civil Court.</li> <li>- On 13 March 2018, GL submitted the answer to the Civil Court against the JTA's claims.</li> <li>- On 17 April 2018, GL submitted the petition to the Civil Court requesting the Court to first decide on legal issues to set aside the JTA's claim against GL case.</li> <li>- On 2 October 2018, GL filed a petition requesting the Court to grant an injunctive relief requesting the plaintiff to deposit THB 10 million as security for the Court's fee and expense.</li> <li>- On 7 December 2018, the Court rejected the petition of injunctive relief requesting for THB 10 million deposit as security for the Court's fees and expenses from JTA. In addition, the Court continuously scheduled hearing process during 20 August to 9 October 2019.</li> <li>- On 8 October 2019, the court cancelled all previous hearing process schedule and rescheduled new ones during 7 May to 24 June 2020. The judgement date was scheduled on 25 August 2020.</li> <li>- On 24 March 2020, JTA submitted an injunction petition (the "Injunction Petition").</li> <li>- Due to the COVID-19 pandemic, the Court cancelled all of the recent hearing process schedule and the judgement date and set up the date of preliminary hearing for setting up hearing process schedule and examination date for the Injunction Petition on 9 July 2020.</li> <li>- On 9 July 2020, the Court scheduled hearing process dates for JTA during 19 to 26 January 2021 and for GL during 2-19 February 2021.</li> <li>- On 30 July 2020, the Court rejected the Injunction Petition.</li> </ul>

## Group Lease Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> <li>- Due to the COVID-19 pandemic, the Court cancelled all of the recent hearing process schedule and the judgement date. The Court, therefore, will schedule the date of preliminary hearing for setting up the date of witness testimony again.</li> </ul>

#### b) Civil black case number Por. 2313/2561, red case no. Por. 1275/2563

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
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>	THB 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.</li> <li>- On 17 December 2018, the Court rejected the JTA’s petition requesting the Court to temporarily suspend proceeding the case. Meanwhile, the Court also set up dispute issues and burden of proof of the parties and hearing process schedule for the parties during 12 to 29 November 2019.</li> <li>- On 5 March 2020, the Court of First Instance ruled JTA to be liable for damages and lawyer fees in the amount of THB 685,500,000.</li> <li>- On 16 April 2020, JTA submitted an appeal together with a petition for a stay of execution.</li> <li>- On 30 July 2020, GL submitted an appeal answer and an objection of such stay of execution to the Court.</li> <li>- On 9 March 2021, the Appeal Court reversed the judgment of the Court of First Instance and ordered the acts by JTA were not tort. The Company is ordered to pay fees for both courts and lawyer fee of 700,000 baht for JTA.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
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**c) Civil black case number Por. 4613/2563**

<b>Plaintiff</b>	<b>Defendant</b>	<b>Allegation</b>	<b>Amount in Controversy</b>	<b>Progress</b>
Group Lease Public Company Limited (“GL”)	JTrust Co., Ltd. (“JTrust”), JTrust Asia Pte. Ltd. (“JTA”) and 2 directors.	<ul style="list-style-type: none"> <li>- Tort</li> <li>- Claim for damage</li> </ul>	THB 9,130,000,000	<ul style="list-style-type: none"> <li>- On 11 September 2020, GL filed a civil complaint to the Civil Court.</li> <li>- The Court scheduled the date of case management hearing to be on 24 February 2021.</li> <li>- Due to the COVID-19 pandemic, the Civil Court has just issued a notification to cancel all scheduled hearings in February 2021.</li> </ul>

**2) Rehabilitation Case**

**Black case number For. 1/2561, Red case no. For. 11/2561**

<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 an 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 an appeal against the Court’s order of dismissal of the Rehabilitation Petition. The appeal has been accepted by the Court on 18 April 2018.</li> <li>- On 19 September 2018, GL submitted an appeal answer against the appeal.</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> </ul>

## Group Lease Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"><li>- On 26 April 2019, the Court took testimony of some of JTA's witnesses and continued hearing process during 26 June 2019 to 2 July 2019.</li><li>- On 28 June 2019, the Court had completed hearing process from both parties.</li><li>- On 15 August 2019, the Court dismissed the rehabilitation petition.</li><li>- On 26 November 2019, JTA submitted an appeal to the Central Bankruptcy Court.</li><li>- On 20 May 2020, GL submitted an appeal answer.</li><li>- On 29 September 2020, the Appeal Court for Specialised Cases upheld the Central Bankruptcy Court's judgment to dismiss JTA's rehabilitation petition.</li><li>- The court allows JTA to file Deka Appeal within 1 April 2021</li></ul>

## Group Lease Public Company Limited and its subsidiaries

### Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

#### 3) Criminal Cases

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

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	1. JTrust Asia Pte. Ltd. (“JTA”) 2. Mr. Nobuyoshi Fujisawa 3. Shigeyoshi Asano 4. Legal advisor	Submission of false business rehabilitation petition	-	<ul style="list-style-type: none"><li>- On 11 April 2018, GL filed a criminal complaint to the Central Bankruptcy Court.</li><li>- On 18 September 2018, the Court scheduled cross examination date for the plaintiff’s witnesses and set up a preliminary examination (non-stop) during 16 to 17 January 2019.</li><li>- On 16 January 2019, there was the plaintiff’s witness cross examination.</li><li>- On 11 and 18 March 2019, there was a preliminary examination (non-stop).</li><li>- On 22 February 2019, GL withdrew the complaint against the 4th defendant.</li><li>- On 11 March 2019, the Court ordered the case to be temporarily struck out until the final judgment of the rehabilitation case.</li></ul>

**Group Lease Public Company Limited and its subsidiaries**  
**Notes to the condensed interim financial statements**  
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**17.2 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”)	Group Lease Holdings Pte. Ltd. (“GLH”), former director of GLH and other defendants	Tort of conspiracy by introducing to invest in GL	<ul style="list-style-type: none"> <li>- Damages for the conspiracy</li> <li>- Interest</li> <li>- Costs</li> <li>- Other reliefs as the Court deems fit</li> </ul>	<ul style="list-style-type: none"> <li>- On 26 December 2017, JTA commenced legal proceedings in Singapore court against GLH and other defendants.</li> <li>- JTA applied for and obtained an ex-parte interim injunction order restraining GLH from dealing with or disposing of its assets in Singapore up to the value of USD 180,000,000 (exclude from ordinary business expenses and legal fees).</li> <li>- GLH objected all JTA’s claims and has duly engaged lawyers to defend against these allegations in Singapore.</li> <li>- On 23 February 2018, the High Court granted discharged the ex parte interim injunction order and dismissed JTA’s applications to extend the jurisdiction of the ex parte interim injunction order.</li> <li>- JTA filed an appeal against the Court’s decision, and on 1 June 2018, the Singapore Court accepted the appeal. The Singapore Supreme Court reinstated the Mareva injunction against GLH and extend its jurisdiction over assets both in Singapore and worldwide up to the value of USD 180,000,000 (exclude from ordinary business expenses, and legal fees). The Singapore Supreme Court, however, had excluded “asset sales, investments and/or loans” in respect of ordinary course of business.</li> <li>- The trial was held during 8 October to 31 October 2019.</li> <li>- On 12 February 2020, the High Court dismissed JTA’s claim and ordered JTA to compensate all costs and expenses of all defendants.</li> <li>- On 13 February 2020, JTA submitted an appeal to the Court of Appeal.</li> <li>- On 6 October 2020, the Court of Appeal reversed the Judgment of the High Court and rendered the decision that GLH and other defendants are jointly liable for damages amounting to around 70 M USD.</li> </ul>

**Group Lease Public Company Limited and its subsidiaries**  
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**17.3 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 (“BJTI”)	PT Group Lease Finance Indonesia (“GLFI”)	Breaching of the Joint Financing agreement	IDR 103,636,408,863 (equivalent to approximately Baht 233.18 million)	<ul style="list-style-type: none"> <li>- On 1 October 2018, BJTI filed a civil complaint against GLFI with the District Court of Central Jakarta.</li> <li>- During November to December 2018, the court was procuring proceedings of mediation and all the mediations were failed.</li> <li>- On 22 January 2019, GLFI submitted a correspondence to the Court.</li> <li>- On 12 February 2019, BJTI submitted objection against the correspondence to the Court.</li> <li>- On 16 May 2019, the Court dismissed the case.</li> <li>- On 18 June 2019, GLFI received a notification of appeal from BJTI with a petition and a summons requesting GLFI to appear before the District Court.</li> <li>- On 1 July 2019, GLFI submitted an appeal answer to the High Court.</li> <li>- On 3 December 2019, the High Court dismissed the case due to without ground.</li> <li>- This case is final.</li> </ul>



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**b) Case number 321/PDT.G/2019/ PN.JKT.PST (revised from 254/PDT.G/2019/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	<p>IDR 21,690,420,090 (equivalent to approximately Baht 48 million)</p> <p>Revised to</p> <p>IDR 20,735,749,549 (equivalent to approximately Baht 45 million)</p>	<ul style="list-style-type: none"> <li>- On 29 April 2019, GLFI filed a civil complaint against BJTI to the District Court of Central Jakarta.</li> <li>- On 23 May 2019, The Panel of Judges (“PoJ”) examined the documents and concluded that the legal standing of both parties is complete and clear. PoJ appointed mediator for the case and scheduled the first mediation.</li> <li>- On 10 June 2019, GLFI submitted updated Statement of Claim, the case was registered under the new number of 321/PDT.G/2019/ PN.JKT.PST.</li> <li>- On 4 July 2019, during the mediation, GLFI informed the mediator that GLFI would withdraw the case number 254/PDT.G/2018/ PN. JKT.PST. so, the mediator closed the mediation. PoJ declared the examination of the case to be closed.</li> <li>- On 9 July 2019, the District Court of Central Jakarta examined the documents of the representatives of the parties in the case no. 321/PDT.G/2019/PN. JKT.PST. the BJTI’s representatives failed to submit POA since the notification of hearing had just been received on 8 July 2019.</li> <li>- There were many mediations and several of their postponements.</li> <li>- On 3 March 2020, hearing process from GLFI’s witness.</li> <li>- On 21 April 2020, hearing process from BJTI’s witness.</li> <li>- On 5 May 2020, both parties submitted their case conclusions to the court.</li> <li>- On 9 June 2020, the Court dismissed the case.</li> <li>- On 22 June 2020, GLFI received a copy of court judgement and submitted an appeal to the District Court of Central Jakarta</li> <li>- On 15 September 2020, GLFI has sent a memorandum of Appeal to the Central Jakarta High Court</li> </ul>

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Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				- Currently, this case is in appeal process.

**b) Case number 552/PDT.G/2020/ PN.JKT.PST**

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Bank JTrust Indonesia, TBK (“ <b>BJTI</b> ”)	PT Group Lease Finance Indonesia (“ <b>GLFI</b> ”)	Breaching of the Joint Financing agreement		<ul style="list-style-type: none"> <li>- On 28 September 2020, BJTI filed a civil complaint against GLFI with the District Court of Central Jakarta.</li> <li>- On 3 November 2020, the Court examined the legal standing document of BJTI and GLFI</li> <li>- On January 2021, the District Court of Central Jakarta was lockdown due to the COVID-19 pandemic.</li> <li>- On 16 February 2021, GLFI submitted an answer to the Court.</li> </ul>

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

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

#### **For the three-month and nine-month periods ended 30 September 2020 (Unaudited)**

As discussed in the Notes 17.1 17.2 and 17.3, the Group is aware of the importance of the above situation and together with external legal advisors, it has 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.

## **18 Impact of COVID-19**

The ongoing COVID-19 crisis certainly has had an impact to the Group in all countries and continues to do so. The severity of this impact naturally varies from one country to another. The management had started an analysis of the intensity of the pandemic consequences in each entity and used the results to set up a management overlay to help mitigate the existing and any future impacts. It has been estimated and extrapolated based on current indicators to alleviate any temporary negative revenue impact stemming from COVID-19 and the relief measures implemented for retail customers as described in Notes 5.

## **19 Event after reporting period**

On 6 October 2020, the Court of Appeal of the Republic of Singapore revised the judgment of the High Court and rendered a decision that allowed partly JTA's claims, holding that GLH and the other defendants are jointly liable to JTA in damages of roughly USD 70 million (equivalent to THB 2,195 million). About USD 50 million (equivalent to THB 1,551 million) of the damages awarded to JTA is the remaining reimbursement of the CD JTA had with GL that was originally due in March 2020. The Company has started satisfying the Singapore judgment. On 8 January 2021, the Company has paid USD 37 million (equivalent to THB 1,100 million) of the Singapore judgment using the Company's cash. The remaining portion, roughly USD 9 million (equivalent to THB 270 million), will likely be paid by some of the other defendants.

Additionally, the Company received permission from the Singapore High Court to sell GLH's shares in Bank JTrust Indonesia and transfer those funds to JTA as part of the payment to JTA. The Company currently in the process of exploring a sale of the Bank JTrust Indonesia shares.

On 5 March 2020, the Company won the damages, when the Civil Court in Thailand ruled that JTA acted in bad faith by filing a false rehabilitation petition against the Company in Thailand. Then on 9 March 2021, the Appeal Court reversed the judgment of the Court of First Instance and ordered the acts by JTA were not tort. The Company is ordered to pay fees for both courts and lawyer fee of THB 700,000 for JTA.