

ANNUAL REPORT 2016



GL

First, Fast & Forward

รายงานประจำปี
2559

บริษัท กรุ๊ปลีซ จำกัด (มหาชน)
GROUP LEASE PUBLIC COMPANY LIMITED

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Investors may view additional information from the Annual Information Disclosure Form (Form 56-1) of the Company shown in www.sec.or.th or the Company's website at www.grouplease.co.th



Message from the Chairman

The year 2016 marks many positive historical high records of our group of companies such as highest annual profit ever, about 1062 million baht, highest quarterly profit ever 4 times in a year, largest portfolio ever, more than 10 billion baht, highest annual revenue, about 2.9 billion, and so on.

These are the results of our creative business model, 'Digital Finance Platform,' which proved its potential of fast and certain growth as shown by our company's performance in Cambodia. Also, because of the business model, our company can keep OPEX and investments costs low, so that profitability of the business will be remarkably higher and expansion of the business can be extremely fast, especially because the new business model is planned and integrated to fit to the rural areas of ASEAN where the emerging volume zone population is located.

The Digital Finance Platform is a unique business model that makes the group of companies different from others. The first difference is "Digital", the second difference is "Global" and the third difference is "Rural". The group's operations are based on Points Of Sales (POS) which only require an investment of USD 400 each and only 2-3 staff members without the need for branches, which could require an investment up to 40,000 USD each not including the required staff of 20-30 employees.

- Normally, consumer finance companies and micro finance companies are highly labor intensive with many physical documents, but the "Digital Finance Platform" allows the group of companies to have less staff and require less physical documents.

- Normally, consumer finance companies and micro finance companies are homeland oriented companies. But since the “Digital Finance Platform “ is a proper screening system for any country; a system that is easy to adjust locally to specific cultures and requires significantly lower investments, the company’s expansion is of lower risk and it is easy to expand ‘Globally’ compared to traditional finance companies.

- Normally, consumer finance companies and micro finance companies are city oriented companies. Our POS are easily economical in rural towns that are close to the customers in the villages and the staff can go to see the customers to get ‘valuable information that would not appear on a traditional credit score. This uniqueness makes the group of companies able to get into the ‘Rural’ area market, where the competition is less developed.

All over the world economic expansion is going on, especially in emerging countries. In emerging countries, the most significant growth going forward is in the grass roots economy which spreads in rural areas, specifically including people who do not have traditional documents and bank accounts. The Digital Finance Platform is the one and only platform, which allows us to provide service in these grass roots economy everywhere globally!

In my message in last year’s annual report, I had committed to all shareholders 3 results:

“First, we will start our business to Indonesia;

Second, we will keep strong growth in Cambodia and Laos;

Third, we keep our Thailand operation and increase profitability with proper control of the portfolio quality”.

All these came true. The Indonesian business was launched and is rapidly expanding, Cambodia and Laos realized 2.5 times profit and the Thailand NPL ratio went down significantly, decreasing group credit cost by more than 30%.

Additionally, we have recently expanded our operations to Myanmar and Sri Lanka. Now, we have a presence in 6 countries with full operations in multi-financing, including microfinancing, and hire purchase financing fields. The result of 2016 was more than expected.

Finally, I’d like to take this opportunity to thank all our stake-holders, our business partners, our clients, our management and staffs – for their supports all along, which have been crucial for our success so far. I trust all of you will continue to provide your full supports and cooperation so that we can achieve much bigger things together in the years ahead.

Mitsuji Konoshita
Chairman of the Board

Report of the Audit Committee

The Audit Committee of Group Lease Public Company Limited comprises of 4 Independent Directors, namely, General Suebsan Dardarananda as Chairman of Audit Committee, Mr. Sonit Pichyangkul, Mr. Pholdej Therdphithakvanij and Mr. Krit Phanratanamala as Audit Committee members. In 2016, the present Audit Committee has conducted 13 meetings with management and internal auditor in which the quorum was constituted for every meeting. Self-assessment of Audit Committee as a group will be conducted every year end and the result for this year was excellent. The significant opinions for the year 2016 were as follows:

- **Financial Statement** The Audit Committee had considered and reviewed significant information in the Company's separate quarterly and yearly 2016 and consolidated financial statement of the Company and its subsidiaries with the management and the external auditor and it appeared that the quarterly and yearly financial statements have been done correctly in accordance to the generally accepted accounting principles, hence, the statements are complete and reliable. In addition, the Audit Committee also reviewed on the significant notes from the external auditor (E Y Office Co.,Ltd.) which appeared on the Company's financial statement as of 31 December, 2016 under 2 material issues as follows:

- 1) The loan and interest receivables amounted to 3,477 million Baht as of 31 December, 2016 (represented 40% of the consolidated net assets as of 31 December, 2016) in which the external auditor had drawn attention to Note 11 of the consolidated financial statements relating to the loans and interest receivables. The Company provided loans to the Company's subsidiary in Singapore who in turn loaned out of two groups of borrowers in Cyprus and in Singapore. These borrowers are also shareholders of the Company and have pledged their shares in the Company against those loans with the Company's subsidiary in Singapore. The loans was subject to pledging of securities of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company as owned by the borrowers.

- 2) Investment in associate company in Sri Lanka approximately 2,545 million Baht as of 31 December, 2016. The subsidiary of the Company acquired 29.99% of the ordinary shares at a purchase price of 2,462 million Baht (this acquisition price excluded associated acquisition-related costs of 26 million Baht). The acquisition was approved at the Extraordinary General Meeting of the shareholders of the Company No.2/2016 on 6 December 2016 and some of the shares (22.27% of the ordinary shares of that company) were purchased from the selling company with one of its directors being also one of the Company's directors. The subsidiary company's outside professional valuer valued such investment at approximately Baht 1,900 - 2,500 million, while the

appointed independent financial advisor valued such investment at approximately Baht 1,600 - 1,700 million. On the acquisition date, based on the then market price at the Stock Exchange of Sri Lanka, the value was at approximately Baht 1,391 million. The Company's management assessed that the purchase price represented approximately 8 times of the earnings of the acquired associated company. As at 31 December 2016, such investment was presented as an investment in associate in the consolidated financial statements, at the equity method of Baht 2,545 million (Based on the market price at the Stock Exchange of Sri Lanka on 30 December 2016, the value was at approximately Baht 1,285 million).

The Audit Committee was clarified by the management that regarding the notes mentioned above, the management had carefully considered that it will contribute to the utmost interest to the shareholders and the Company's financial statement had received an unqualified opinion from the external auditor.

• **Internal Control System** The Company has set up an Internal Audit unit to undertake the functions of risk evaluation and internal auditing covering the whole operation processes and reported directly to the Audit Committee. The Audit Committee had considered the sufficiency of the internal control system of the Company based on the "Assessment form on the sufficiency of the Internal Control" from the Securities & Exchange Commission (SEC) which concept was based on the COSO1 (The Committee of Sponsoring Organizations of the Tread way Commission). It was found that the Company's internal control system was sufficient, transparent and can be inspected. This was efficiently done with the cooperation of all relevant departments.

• **Compliance to the Laws** The Company strictly complied not only with the SEC's and SET's laws and regulations, but also with the laws and regulations from other regulatory in relevant to the Company's business. However, Audit Committee recommended that the management should communicate more on the Company's business to the investors to develop their understanding.

• **The External Auditor** E Y Office Company Limited was appointed as the Company's external auditor for the year 2016 which was their tenth consecutive year. The auditor has been changed to Mr. Sophon Permsiriwallop CPA3182. The auditing was done under the generally accepted accounting standard while the remunerations were reasonable.

• **Transactions that may cause conflicts of interest** The Audit Committee considered that the Company's related party transactions were reasonable, justified and was done in good faith for the Company and complied with the rules and regulations of the Stock Exchange of Thailand. For example, the investment in the association in Sri Lanka in which there are one director in common, such related transaction was considered accurately and had been approved by the shareholders' meeting.

• The Meeting Attendance of each Audit Committee

Name	Audit Committee Meeting	Board of Director Meeting
General Suebsan Dardarananda	13/13	15/19
Mr. Sonit Pichyangkul	13/13	18/19
Mr. Pholdej Therdphithakvanij	13/13	17/19
Mr. Krit Phanratanamala	13/13	19/19

From the overall auditing of the Company's management operating systems, the Audit Committee has the opinion that the Company has efficient and transparent systems which can be inspected in every process. The record keeping system is accurate and compatible in each department, hence, the data can be used as reference among different departments. Moreover, the Audit Committee also encourages the application of good corporate governance of the SET for the Company. Eventually, comments, advices and improvement guidelines that were given were beneficial to the Company as a whole.

Audit Committee
Group Lease Public Company Limited

Policy and Business Overview

Group Lease Public Company Limited or GL was established on May 6, 1986, to serve the automobile hire purchase business in Bangkok and provincial areas. In 1990, a new group of shareholders acquired the business and focused on the hire purchase business of motorcycles while slowing down the hire purchase of automobiles. Later, the Company expanded into hire purchase of other products such as trucks, machineries, and printing presses as well as expanded into financial leasing, factoring contracts, asset financing and personal loans. Since the year 2004, the core business of the Company has been concentrated on the hire purchase of motorcycles.

In 2007, a new shareholder, APF Group, completed a takeover bid and became the major shareholder, which it still maintains today. During the first four years after APF's takeover, the Company focused on improving the business in Thailand as that was the Company's only market at the time. In 2011, the Company decided that expanding outside of Thailand and focusing on the ASEAN market was the best avenue for increasing shareholder value and profitability for the firm, so the Company reorganized management and began a rapid expansion into the ASEAN market using their recently created new business model, which they first deployed in Cambodia. In 2015, the Company followed up its successfully entry in Cambodia by entering fellow ASEAN country Laos. The business model was continually improved upon and transformed GL to be a 'Digital Finance Platform Provider.' This creates a new market for us, especially for the consumer durables suppliers and consumers, through GL's own distinctive Platform which is a unique combination of a POS network and E-Finance system network.

In 2016, due to multiple successful new market entrances, the Company decided it should not restrict itself by focusing only on the ASEAN market, but should be open to opportunities globally. Thus, while we continue to expand in our local ASEAN market, including Myanmar and Indonesia in the past year, we have also expanded into non-ASEAN Sri Lanka. Moving forward, we look to bring our 'Digital Finance Platform' to many new markets across the globe and become a truly global company.

Vision, Objectives or Strategies in Business Operation

Currently, the Company's vision is to be a "Digital Finance Platform Provider for Billions" in ASEAN and beyond.

In 2012, the Company expanded into Cambodia with the first Finance Leasing License from the National Bank of Cambodia, received exclusive rights of HONDA motorcycle leasing in Cambodia, and signed a MOU to form a business partnership with Siam Kubota Corporation Co., Ltd., the leading manufacturer of agricultural equipment in Cambodia. The business model in Cambodia is the 'Digital Finance Platform Provider', a combination of a Technology Oriented model coupled with an internally developed software 'E-Finance' and Site-Job Oriented model using our widespread and high density Point of Sales (POS) network. From GL's point of view, the increasing new middle class population in rural areas is the key to success and our target for further business expansion. The Technology

Oriented software network and POS network has a low operating cost, is capital light, and quickly expandable to meet demand.

In Laos, the Company began operating in May 2015 using the same successful, proven business model in Cambodia. Due to this strategy, operations in Laos began contributing to consolidated net profits within four months and GL achieved top market share during this time as well. In 2016, following the same strategy, we began operating in Indonesia, which the most populated country in ASEAN, and reached profitability in the first quarter of operations. We also entered Sri Lanka and Myanmar through acquisitions.

Changes and Important Development

In 2012, the Company achieved a new record of profitability due to the rapid expansion of the business. The larger portfolio resulted in significant growth of hire purchase interest income and we were able to maintain a low amount of provision for doubtful debts as collection of accounts receivable improved. Overall, the Company's ability to generate profit improved greatly during this year. In addition, the Company invested in a subsidiary, Group Lease Holdings Pte.Ltd. or GLH, which is a holding company located in Singapore, to use as an investment expansion base in other countries.

In 2013, GL Finance Plc. or GLF began to implement its newly created 'Digital Finance Platform' in the motorcycle hire purchase business in Cambodia. GLF also acquired exclusive financing rights from Honda in Cambodia and currently operates Point of Sales in Honda Dealer shops and Kubota agricultural machinery dealer shops all over Cambodia.

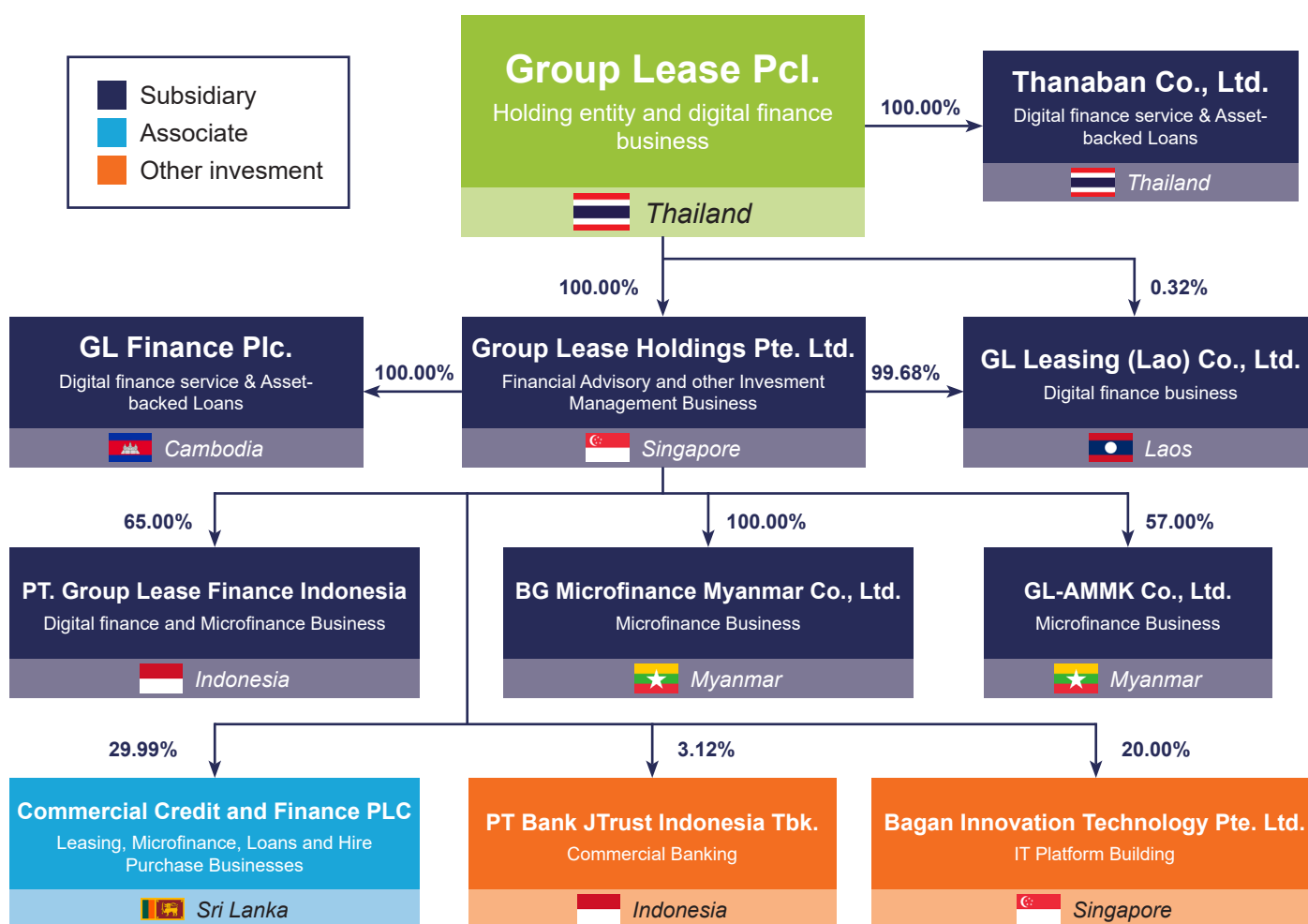
In 2014, the Company acquired 100% of Thanaban Co., Ltd. a Thai competitor in our industry. This acquisition allowed the Company to accelerate our business expansion immediately by about 30%.

In 2015 Thanaban had developed new product called 'Motor for Cash' to enhance the potential for competition and also improved our credit approval process for new contract so that it can reduce cost and operating time. We also expanded financial service for second-hand motorcycle called 'Smartbike'. Moreover, new service called 'Car for Cash' had also been developed and started in December, 2015. In 2016, Thanaban had expanded continuously new branches as well as the second-hand motorcycle partnership and towards the end of the year, Thanaban had altogether 53 branches and total 212 second-hand motorcycle partnerships.

In 2015, through continuous growth and expansion of business in Cambodia and Laos under our 'Digital Finance Platform', the Company expanded its product line to include agricultural machines, energy equipment and other products. The new business model brought new income from product suppliers and dealers in the form of consulting and interest income generated by allowing them to distribute their products through our Digital Finance platform. In May, we began operations in Laos with the same business model in Cambodia. The result was Laos began operations to generate profits by the fourth month. In total, we concluded 2015 with the highest amount of revenue, highest amount of net profit, and our largest portfolio ever.

In 2016, the Company broke our 2015 records and again continued to reach new highs. On a consolidated basis, GL improved net profit by 82% compared to 2015 and broke the net profit 1-billion-baht mark. In every country, GL increased profit by at least 54% and continued to enjoy exponential growth in Laos, where profit increased by more than 750%. We now have more than 150 POS in Laos and more than 250 POS in Cambodia. We also expanded into three new markets: Indonesia, Sri Lanka, and Myanmar. In Indonesia, we expanded organically and achieved profitability during the very first quarter there. In Sri Lanka and Myanmar, we entered those markets via acquisition with Commercial Credit and Finance PLC and BG Microfinance Myanmar Co respectively. Additionally, we acquired part of a Singaporean company, Bagan Innovation Technology Pte. Ltd., to position us with additional knowledge and skills to further expand into the Myanmar market. We will continue to focus on growing in our current markets and expand operations globally to further diversify and reduce risk.

The Shareholding Structure of the Group Companies



Nature of Business

The core business of the group Company is to provide financing and a Digital Finance Platform between consumers and suppliers/dealers for a variety of products such as motorcycles, agricultural machinery, energy sector equipment, and other consumer durables. Consumers benefit as we make it very easy and convenient for them as we facilitate the entire process from application to monthly e-payment installments. Suppliers/dealers benefit as our platform allows them to be more effective and facilitates selling of their full package of products by incorporating marketing, scoring customers (a skill they often lack), and money collection through POS networks and our integrated e-Finance system. The result is that we add value to consumers and suppliers/dealers and we generate revenue from both in the form of Hire Purchase interest, service and consulting fees, and loan interest.

We developed our business in Thailand, but starting in 2011 we began to expand it throughout ASEAN as opportunities arose. After successfully entering six out countries, bringing our total to seven, we now are looking for opportunities globally to expand and strengthen our business.

Revenue Structure of the Group Company

	2016		2015		2014	
	('000)	%	('000)	%	('000)	%
Revenues						
Hire purchase interest income	1,949.69	66.72	1,898.44	76.28	1,676.42	90.02
Asset - backed loan interest income	116.93	4.00	25.48	1.03	-	-
Interest on loan receivables	484.86	16.59	173.37	6.97	4.24	0.23
Other income						
Other interest income	25.03	0.86	2.20	0.09	0.70	0.03
Consulting service fee Income	63.06	2.16	72.68	2.92	35.91	1.93
Other income related to the activities of hire purchase	218.79	7.49	259.95	10.44	131.95	7.08
Others	63.78	2.18	56.58	2.27	13.13	0.71
Total revenues	2,922.14	100.00	2,488.70	100.00	1,862.35	100.00

Competition Situation

Country	2016	2017
Cambodia	7.0	7.1
Indonesia	5.0	5.1
Lao PDR	6.8	7.0
Myanmar	8.4	8.3
Thailand	3.2	3.5
Sri Lanka	5.0	5.5

Source: The Asian Development Bank

The total sales of motorcycles has a direct impact on the motorcycle hire purchase business. Overall in our markets, the number of motorcycle sales is rising. It is difficult to accurately measure the number of units financed by our competitors, however, our revenue and profitability increases are well above the growth of the market. We continue to expand internationally, which very few of our competitors have done. This allows us to participate in the growth of ASEAN and other markets as a whole, rather than being dependent on one local economy. As individual countries do not meet growth expectations, which happens, we can use the strength of our other markets to take advantage of those local slowdowns while our competitors struggle.

In our three longest active markets, Thailand, Cambodia, and Laos, GDP growth in 2016 was 3.2%, 7.0%, and 6.8% respectively per the Asian Development Bank. They forecast for those countries that all three will experience higher GDP growth in 2017 which should translate into higher motorcycle sales and a larger overall market for us. Myanmar, Sri Lanka, and Indonesia were three new markets for us in 2016. For 2017, Myanmar is expected again to have GDP growth above 8%, Sri Lanka is expected have GDP growth increase to 5.5%, while Indonesia is forecasted to have a slight improvement in GDP growth to 5.1%. Overall, our markets are expected to increase in GDP. We will continue to focus on using our Digital Finance Platform to meet the needs of individual customers and dealers which will allow us to outperform our competitors and achieve above average growth and profit returns.

Procurement of Fund

Sources of fund of the Company group as of 31 December, 2016, 2015 and 2014 comprised of:

Separated Financial Statement						
	2016		2015		2014	
	Million ฿	%	Million ฿	%	Million ฿	%
Bank overdraft and short-term loans from financial institutions	448.77	2.89	349.05	3.55	250.00	3.51
Loans from Financial institutions *	577.13	3.72	1,882.67	19.13	3,859.86	54.19
Debenture	1,952.22	12.58	493.61	5.02	488.30	6.85
Convertible debentures	4,506.28	29.06	-	-	-	-
Advance received for issuance of convertible debentures	465.80	3.00	-	-	-	-
Loans from subsidiary	183.30	1.18	-	-	-	-
Trade accounts payable	3.94	0.03	5.10	0.05	6.35	0.09
Total	8,137.44	52.46	2,730.43	27.75	4,604.51	64.64
Shareholders' equity	7,375.44	47.54	7,109.06	72.25	2,518.94	35.36
Total sources	15,512.88	100.00	9,839.49	100.00	7,123.45	100.00

Remark:

- * Loans from financial institutions are long-term loans payable within 30 installments specified in the loan agreement. The first repayment starts on the first payment of interest after the withdrawing date of the loan according to the credit line.
- * Convertible debentures with interest at the rate of 5% per annum. Conversion rights can be exercised on the last business day of each quarter.

Consolidated Financial Statement						
	2016		2015		2014	
	Million ฿	%	Million ฿	%	Million ฿	%
Bank overdraft and short-term loans from financial institutions	556.26	3.31	349.05	3.31	250.00	3.50
Loans from Financial institutions *	798.13	4.75	2,062.44	19.57	3,859.86	54.07
Debenture	1,952.22	11.62	493.61	4.68	488.30	6.83
Convertible debentures	4,506.28	26.83	-	-	-	-
Advance received for issuance of convertible debentures	465.80	2.78	-	-	-	-
Short-term loans	4.40	0.03	4.11	0.04	19.80	0.28
Trade accounts payable	11.56	0.07	46.45	0.45	9.08	0.13
Total	8,294.65	49.39	2,955.66	28.05	4,627.04	64.81
Shareholders' equity	8,500.91	50.61	7,581.46	71.95	2,513.57	35.19
Total sources	16,795.56	100.00	10,537.12	100.00	7,140.61	100.00

Remark:

- * Loans from financial institutions are long-term loans payable within 30 installments specified in the loan agreement. The first repayment starts on the first payment of interest after the withdrawing date of the loan according to the credit line.
- * Convertible debentures with interest at the rate of 5% per annum. Conversion rights can be exercised on the last business day of each quarter.

Risk Factors

Sources of funding risk

To operate our hire-purchase business, a continuous and stable source of funds is required. At present, the Company's major source of fund comes from two sources: loans from financial institutions and cash flow generated by operations.

As of December 31, 2016, the overdrawn and financial institution loan outstanding balance was Baht 1,354.39 million, mostly long-term loans. The long-term credit facilities of the Company which have not yet drawn down amounted to Baht 2,072.9 million.

Historically, the Company has maintained a very good repayment record and followed the conditions of the facility contracts such as to maintain certain debt to equity ratio thresholds and certain maintain hire – purchase receivable to loan levels.

Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and installment sales receivables, asset-backed loan receivables, and loans receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses.

In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase and installment sales receivables, asset-backed loan receivables and loans receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase and installment sales receivables, asset-backed loan receivables, loans receivables, pledged fixed deposit at financial institution, bank overdraft and short-term loans from financial institutions, short term loan, long term loan, debentures and convertible debentures.

Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. During the current year, the Company entered into an agreement to hedge foreign exchange risk for convertible debentures and related accrued interest expense with related party. The Company operates in seven countries now and thus well diversified in currencies and not dependent on any single currency. This diversification reduces our risk and enables us to match debt current with cash flow from operations currency.

Incompatibility between the term of the sources of fund and hire purchase contract term risk

Normally the hire purchase installment period varies from 12 - 36 months (average is 30 months) so the Company has set a policy to determine the repayment period for long term facility agreements from financial institution to be compatible with the installment period for the liquidity of business operation. Cash flow, which covers future hire purchase receivable growth, has been assessed to analyze and evaluate liquidity in order to plan for the financial support to be compatible with the hire purchase contract conditions for smooth business operation.

Operation which may lead to non-performing loans risk

At present, the hire purchase of motorcycles is not limited by any rules or special laws from the Government. Therefore, companies in the hire purchase of motorcycles business can expand their business, limited only by their own capacity. However, risk of significant non-performing loans from a careless credit approval process if there is a lack of good internal control systems.

The Company will strictly consider every approval, maintain strict credit quality by checking the customers' data from the Company's database system of more than 500,000 persons and by being a member of The National Credit Bureau Company Limited and also a member of Motorcycle Hire-Purchase Association of Thailand. The Company can screen the customers' credit effectively from these 3 data sources. As of December 31, 2016, the group Company had non-performing loans of Baht 298.52 million or 4.36% of total receivables. Compared to non-performing loans as of December 31, 2015, which was 5.45% of total receivables, the rate of NPL decreased by 1.09% while the Company set aside an allowance for doubtful debt on December 31, 2016 and 2015 of Baht 270.90 million and Baht 360.83 million, respectively or the Ratio of Allowance for Doubtful Debt to Total Receivable at 3.96% and 5.56%, respectively. The ratio of allowance for doubtful debt to total receivables and the rate of NPL decreased due to better quality of the portfolio from more strict on credit approval and improvement on the debt follow up process.

Loss on sales of repossessed motorcycles risk

The Company will repossess motorcycles if the customer did not pay the installment specified in the hire purchase agreement. The motorcycles will be sold at auction to used motorcycle dealers in the Bangkok Metropolitan Area and provincials. The net receivable of each motorcycle is normally higher than the price of repossessed motorcycle so if the Company cannot claim that loss from the debtor or guarantor, the sale of repossessed motorcycles will be recorded a loss.

The table presents loss on sales of repossessed motorcycles;

(Unit: Million Baht)			
	2016	2015	2014
Loss on sales of repossessed motorcycles;	(232.25)	(355.03)	(431.82)

However, to reduce such risk, in the first place, the Company has set up strict guidelines and systems in approving the credit by checking the information from the Company's database, National Credit Bureau (NCB) and Motorcycle Hire-Purchase Association in determining the quality of the

borrowers before granting the loan. The Company also develops well defined collection service to quickly and efficiently repossess motorcycles to prevent any build up of repossessed assets.

Influence of the major shareholder to business management risk

A.P.F Holdings Co., Ltd., the Company's major shareholder and Engine Holdings Asia Pte., Ltd. which is in the same group of company ("APF group shareholder") holds a total of 561,476,744 shares or 36.81% of registered and fully paid-up capital of 1,525,509,970 shares of the Company as of 30 December, 2016 and it impossible for the APF Group to control any resolutions which legally require more than half of voting from the shareholders' meeting and that the other minor shareholders are not able to do the check and balance effectively.

Competition and new competitors in the hire purchase finance of motorcycles risk

To operate a motorcycle hire purchase business, a large investment in materials or tools is not required but a significant source of funds for financing is needed. However, the key of success is not only having the lowest cost of funds but having expertise in credit quality evaluation and collection follow-up. Many competitors have failed in this business because they lack in these capacities.

Motorcycle dealers are important individuals who introduce clients to use our hire purchase services. Therefore, there is a risk if dealers do not recommend our services to the customers. To encourage dealers to recommend us, we provide them with a fast process on credit analysis and approval using our efficient information technology system and experienced staff who have expertise in the business. Also with our own information technology system, which specially developed to suit the business and personal expertise, the Company can also provide the customers and dealers with fast service in checking the outstanding balance for the closing of accounts.

General Information

General Information



Company Name

Group Lease Public Company Limited. (GL)

Location	: 63 Soi 1 Thetsabannimitrai Road, Ladyao, Chatuchak, Bangkok 10900.
Core Business	: Holding entity and Hire purchase Business
Registration Number	: 0107537000327 (old number Bor Mor Jor. 279)
Telephone	: +662 (0) 2580-7555
FAX	: +662 (0) 2954-2902-3
Home Page	: www.grouplease.co.th
E-mail	: glpcl@grouplease.co.th and ir@grouplease.co.th
Registered Capital	: 922,545,040.00 Baht divided into 1,845,090,080 ordinary shares at 0.50 Baht par value
Paid-up Capital	: 762,769,069.50 Baht divided into 1,525,538,139 ordinary shares (as of 2 March 2017)

Corporations in which Group Lease PCL holds more than 10% of shares

- 1. Company name** : Group Lease Holdings Pte. Ltd. (GLH)

Address : 80 Raffles Place #32-01, UOB Plaza, Singapore (048624)

Core Business : Financial Advisory and other Investment Management business

Amount and type of share : Ordinary shares of 214,437,694 shares or equal to SGD214,447,594
- 2. Company name** : GL Finance Plc.(GLF) (held 100% by Group Lease Holdings Pte. Ltd.)

Address : 270-274 Kampuchea Krom Blvd, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, the Kingdom of Cambodia

Core Business : Digital Finance

Home Page : www.gl-f.com

Telephone : +855 (0) 23 990 325

FAX : +855 (0) 23 990 327

Amount and type of share : Ordinary shares of 51,500 shares or equal to US\$10,300,000
- 3. Company name** : Thanaban Company Limited (held 100% by Group Lease Holdings Pte. Ltd.)

Address : 63 Soi 1 Thetsabannimitrai Road, Ladyao, Chatuchak, Bangkok 10900.

Core Business : Asset-back loan services

Registration Number : 0105521022758

Telephone : +662 (0) 2580-4488

Home Page : www.thanabanbike.com

Registered Capital : 565,000,000 Baht divided into 5,650,000 ordinary shares at 100 Baht par value

Paid-up Capital : 565,000,000 Baht divided into 5,650,000 ordinary shares

- 4. Company name** : GL Leasing (Lao) Company Limited. (GLL)
(held 99.68% by GLH and 0.32% by GL)
- Address** : Premier Building 2nd floor, unit No. 10, Phiawat, Sisattanak District,
Vientiane Capital, Lao PDR
- Core Business** : Digital Finance
- Telephone** : +856 (0) 21 226 060
- FAX** : +856 (0) 21 226 064
- Home Page** : www.gl-lao.com
- Amount and type of share** : Ordinary shares of 2,037,500 shares or equal to US\$ 2,037,500
(16,300,000,000 kips)

- 5. Company name** : PT. Group Lease Finance Indonesia (PTGLFI)
(held 65% by Group Lease Holdings Pte. Ltd.)
- Address** : Gedung Sahid Sudirman Center, Jl. Jenderal Sudirman Kav. 86,
Jakarta Pusat, Jakarta 10220
- Core Business** : Digital Finance & Microfinance Business
- Telephone** : +62 80673980
- FAX** : +62 80673980
- Amount and type of share** : Ordinary shares of 100,000 shares or equal to US\$ 7,590,133
(100 billion Rupia Indonesia)

- 6. Company name** : BG Microfinance Myanmar Co. Ltd.
(held 100% by Group Lease Holdings Pte. Ltd.)
- Address** : 15 F Sakura Tower, No. 339 Bogyoke Aung, San Road
Kyauktada Township, Kyauktayar, Yangon 11182, Myanmar
- Core Business** : Microfinance Business
- Amount and type of share** : Ordinary shares of 1,387,689 shares or equal to US\$8,006,914
(1,387,680,000 kyat)

- 7. Company name** : GL-AMMK Co., Ltd (held 57% by Group Lease Holdings Pte. Ltd.)
- Address** : No. 1, Thitsar Street, Yankin Township, Yangon. Myanmar
- Core Business** : Microfinance Business
- Amount and type of share** : Ordinary shares of 3,000,000 shares or equal to US\$ 3,000,000

- 8. Company name** : Commercial Credit and Finance Plc.
(held 29.99% by Group Lease Holdings Pte. Ltd.)
- Address** : No. 106, Yatinuwara Veediya, Kandy, Sri Lanka
- Core Business** : Leasing, Microfinance, Loans and Hire purchase business
- Telephone** : 0112000000
- Home Page** : www.ccll.lk
- Amount and type of share** : Ordinary shares of 95,390,500 shares or equal to US\$72,094,884
(10,653,199,116LKR)

- 8. Company name** : Bagan Innovation Technology Pte.Ltd.
(held 20% by Group Lease Holdings Pte. Ltd.)
- Address** : Singapore
- Core Business** : IT Platform building
- Amount and type of share** : Ordinary shares of 13,889shares or equal to US\$450,006 and SGD 1,000

Other References

Share Registrar	: Thailand Securities Depository Co., Ltd. 93 Rachadapisek Road, Din Daeng, Bangkok 10400. Tel : 0-2009-9000 Fax : 0-2009-9991 Call center : 0-2009-9999 Website : http://www.set.or.th/tsd
Auditor	: Mr. Sophon Permsiriwallop Certified Public Account No. 3182 EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Tel. 0-2264-0777 Fax 0-2661-9192 Email Address : ernstyoung.thailand@th.ey.com
Legal Advisor	: Mr. Kaptan Jeerasete 63 Soi 1 Thetsabannimitrtai Road, Ladyao, Chatuchak, Bangkok 10900. Tel. 0-2580-7555, Fax. 0-2954-2902-3

Shareholders

List of top 10 shareholders as of 30 December, 2016 are as follows:

	Name	Amount (shares)	%
1	A.P.F.Group : -Engine Holdings Asia Pte.Ltd. ¹ -A.P.F.Holdings Co., Ltd. ²	561,476,744 402,565,553 158,911,191	36.81 26.39 10.42
2	Thai NVDR Co., Ltd.	196,695,277	12.89
3	SIX SIS LTD	185,852,842	12.18
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD A/C CLIENTS	98,557,757	6.46
5	Mr. Suthipong Vesvarut	72,614,500	4.76
6	Thailand Securities Depository Co.,Ltd. for depositor	52,373,917	3.43
7	Cougar Pacific Holdings Co., Ltd.	40,715,663	2.67
8	MERRILL LYNCH, PIERCE, FENNER & SMITH INC.	36,504,600	2.39
9	K.R Capital Co., Ltd.	35,000,000	2.29
10	Mr. Rachen Krissaralumn	28,524,000	1.87
	Total	1,308,315,300	85.76

Remark ¹ Engine Holdings Asia Pte.Ltd.undertakes investment business. Shareholder is Wedge Holdings Co.,Ltd. which is a listed company incorporated in Japan holding 58 million shares (or 100% of the paid-up capital)

² A.P.F.Holdings Co.,Ltd. Undertakes investment business. Shareholder is Sanwa World Service Co.,Ltd. Which undertakes accounting advisory business holding 27 million shares(or 49% of paid-up capital) and A.P.F.Capital Thailand Co.,Ltd. Which undertakes investment business holding 12 million shares(or 21.71% of paid-up capital)

Issuance of Other Securities

During 2016, other securities issued were Warrants entitled to purchase ordinary shares, Debenture and Convertible Debenture which details as follows:

- | | |
|--|--|
| 1. Type | : Warrants entitled to purchase ordinary shares of Group Lease Pcl No. 8 (GL-W4) |
| Term of warrant | : Not exceeding 2 years from the issued date or 2 August, 2016 |
| Amount issues | : 170,000,000 units |
| Amount of the ordinary shares reserved for the exercise | : 170,000,000 shares |
| Exercise ratio | : 1 unit of warrant per 1 new ordinary share |
| Exercise price | : Baht 40.00 per share |
| Unexercised Amount | : 164,965,177 units |
| Maturity date | : 31 July, 2018 |
| 2. Type | : Specified holder's name Debenture, unsubordinated partially secured with bondholders delegates |
| Name of Debenture | : partially secured debenture of Group Lease Pcl. No. 1/2559 (2016) matured in 2019 |
| Amount | : 1,500,000,000 Baht |
| Term | : 3 years from the issuing date of debenture |
| Interest rate | : 2.84% p.a. |
| Issue date | : 29 September, 2016 |
| Maturity date | : 29 September, 2019 |
| 3. Type | : Convertible Debenture |
| Amount of unit | : 1,300 units |
| Face value | : USD100,000 per 1 convertible debenture |
| Amount of the ordinary shares reserved for the exercise | : 115,050,000 shares |
| Conversion to common stock | : 1 convertible debenture (face value of USD 100,000 or equal to 3,540,000 Baht) can be redeemed by converting it to 88,500 shares of common stock |
| Conversion price | : Baht 40 per share |
| Term | : 5 years since the date of issuance |
| Interest rate | : 5.00% per annum |
| Issue date | : 1 August 2016 |
| Maturity date | : 1 August 2021 |

Dividend Payment Policy

The dividend payment policy of Group Lease Public Company Limited states that dividend shall be paid not less than 40 percent from the net profit after tax and other legal reserves. In considering the dividend payment, other factors such as The Company's operating result, financial position and liquidity should also be taken into the consideration. Payment of dividend has to be considered and approved by the shareholders. However, the Board of Directors is able to approve interim dividend payment and the shareholders shall be acknowledged in the next shareholders' meeting.

As for the Company's subsidiary, the dividend policy is to be paid at the rate not less than 70% of the net profit.

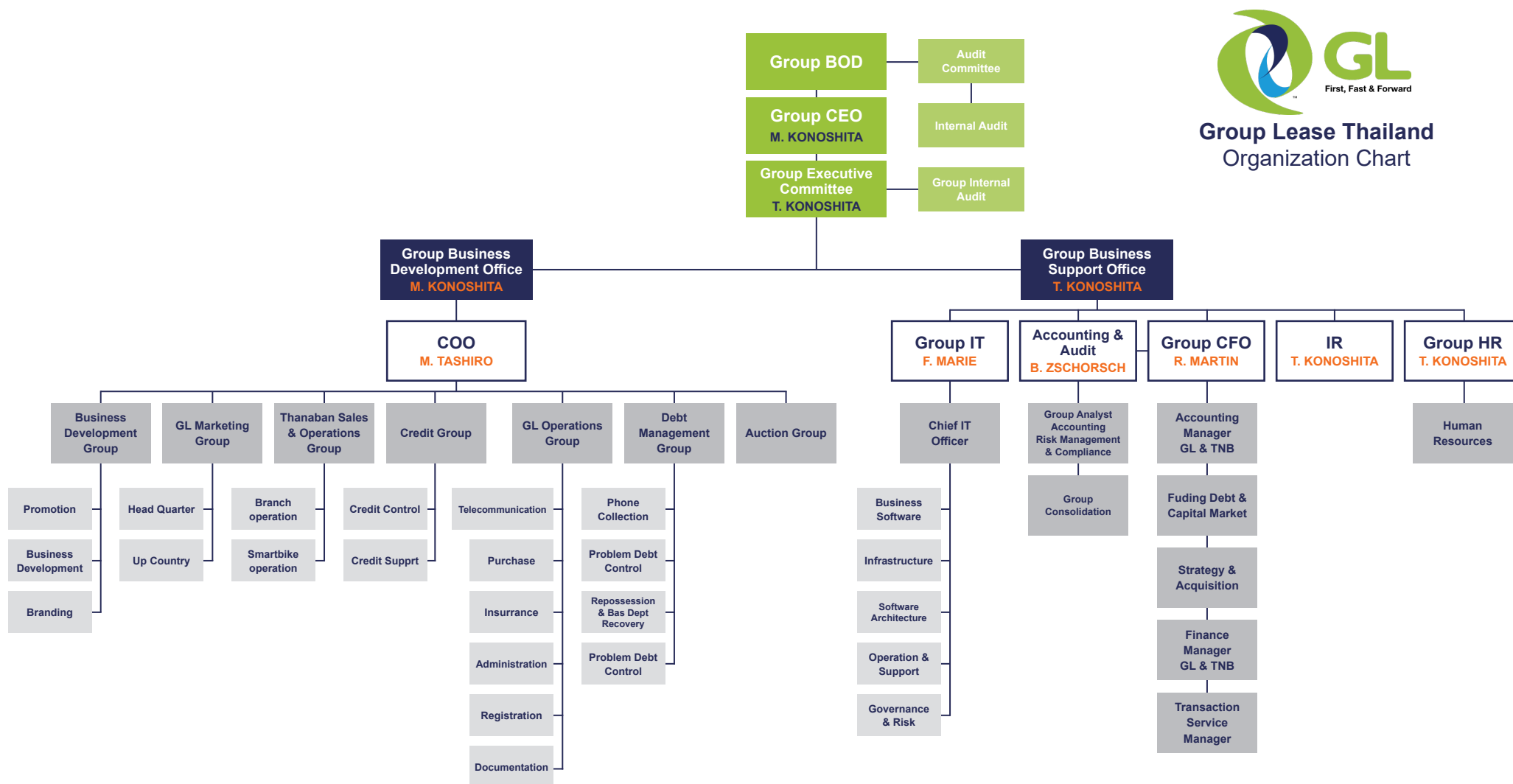
Dividend payment records for the past years are as follows:

Separated Financial Statement					
Year	2016	2015	2014	2013	2012
Earnings per share	0.32	0.29	0.14	0.27	0.43
Dividend per share	N/A	0.16	0.06	0.17	0.31
% of dividend per net profit	N/A	67.97	45.68	64.52	69.79

****Years 2012 and 2013 after adjustment, par value of ordinary shares was 0.50 Baht per share**

Management Structure

Organization Chart



Group Lease Thailand
Organization Chart

Board of Directors

Board of Directors Structure

As of 31 December, 2016, the Company's Board of Directors consisted of 12 directors divided into 4 executive directors and 8 non-executive directors or equal to about 66% of which 4 members were Independent Directors who were also carry out the duties of Audit Committee to comply to the listed company's rule to provide sufficient check and balance. The Company's directors have the different qualifications in terms of skills, experiences and special expertise which are beneficial to the Company such as in management, investment financial and accounting fields and there is 1 independent director, who has direct experience in hire-purchase business which is the core business of the Company.

Term of Office

It was clearly stated in the Company's Articles of Association that one-third or nearest to one-third of the Directors who has the longest term of office shall retire by rotation in each AGM. At present, the number of retired by rotation directors is 4 persons each year but those retired still have opportunity to be nominated for re-election. The term of office of Audit Committee is set to be 2 years and can also be renewed. Currently, there has not been any limitation on the maximum term of office of the independent director.

At present the list of the Board of Directors, term of office and their meeting attendance in 2016 are as below:

Name	Title / Term of Office	Board of Directors' Meeting	
		Total number of meeting	Total Attendance
1. Mr. Mitsuji Konoshita	Chairman of the Board and CEO /2015-2017	19	19
2. Mr. Tatsuya Konoshita ¹	Director, Chairman of Executive Committee and Chief Investor Relations Officer /2016-2018	19	18
3. Mr. Muneo Tashiro ¹	Director and Chief Operating Officer /2014-2017	19	18
4. Mr. Alain Dufes	Director /2016-2018	1	1
5. Mr. Patrick Fisher ²	Director / 2016-2019	15	11
6. Mr. Regis Martin	Director and Chief Financial Officer / 2016-2017	15	15
7. Mr. Riki Ishigami ¹	Director / 2016-2019	15	13
8. Mr. Yusuke Kozuma ¹	Director / 2016-2019	15	14
9. Gen.Suebsan Dardarananda ³	Chairman of Audit Committee / Independent Director / 2015-2018	19	15
10. Mr. Sonit Pichyangkul ⁴	Audit Committee / Independent Director /2014-2017	19	18
11. Dr. Pholdej Therdphithakvanij	Audit Committee / Independent Director /2016-2019	19	19
12. Mr. Krit Phanratanamala ⁴	Audit Committee / Independent Director /2016-2018	19	17
Reasons for absence: ¹ absent on business trips abroad ² absent 4 times of which 2 cannot attend as being connected person and other 2 absents due to engaged in significant business abroad ³ absent 4 times engaged in significant and urgent business ⁴ absent 2 times went abroad			

Remark: In the year 2016, there were some resignation and newly appointment of directors from the resolution of the Annual General Meeting of shareholders FY2016 as follows:

Name	Title	Resigned / Newly appointed	Effective date	Replacement
1. Mr. Worasak Kriengkamol	Director / Executive Director	Retired by rotation	28 Apr, 2016	-
2. Mr. Deepong Sahachartsiri	Director / Chief Financial Officer	Resigned	28 Apr, 2016	Mr. Regis Martin
3. Mr. Somchai Limpattanasin	Director	Resigned	6 Dec, 2016	Mr. Alain Dufes
	Chief Operating Officer	Resigned	31 Dec, 2016	Mr. Muneo Tashiro
4. Mr. Alain Dufes	Director	Newly appointed	6 Dec, 2016	
5. Mr. Patrick Fisher	Director	Newly appointed	28 Apr, 2016	
6. Mr. Riki Ishigami	Director	Newly appointed	28 Apr, 2016	
7. Mr. Yusuke Kozuma	Director	Newly appointed	28 Apr, 2016	
8. Mr. Regis Martin	Director and Chief Financial Officer	Newly appointed	28 Apr, 2016	To replace Mr. Deepong Sahachartsiri

Directorship of the Directors in Other Listed Companies

The Company does not limit the number of directorship of the Company's Directors in other listed companies as most of them had been a director of such companies before joining the Company. Moreover, if doing so, we may lose the chance of having good directors. However, at present, there has not been any director who takes up directorship in other listed company more than 5 companies. Nevertheless, each director was evaluated on their contribution of time to the Company in which all directors had always given high contribution to the Company.

As for the executives, they cannot be director of other companies except the Company's subsidiary or company in the same group. The number of directorship of each director in other listed companies except subsidiary companies for FY2016 are as follow :

Directors' Name	Title	Number of directorship in other listed companies
Mr. Mitsuji Konoshita	Chairman of the Board of Directors	-
Mr. Tatsuya Konoshita	Director	2
Mr. Muneo Tashiro	Director	1
Mr. Regis Martin	Director	-
Mr. Patrick Fisher	Director	-
Mr. Riki Ishigami	Director	-
Mr. Yusuke Kozuma	Director	-
Mr. Alain Dufes	Director	-
Gen. Suebsan Dardarananda	President of Audit Committee/ Independent Director	-
Mr. Sonit Pichyangkul	Audit Committee/ Independent Director	-
Dr. PholdejTherdphithakvanij	Audit Committee/ Independent Director	-
Mr. Krit Phanrattanamala	Audit Committee/ Independent Director	2

Chairman and CEO (the highest management)

Since 2012, the Company had reorganized its management structure so that the Chairman had taken another position as CEO. Despite this, the roles and duties of the Board of Directors and the management were clearly separated and besides, we also have Audit Committee who is the Independent Director and can help doing the check-and-balance of management.

Duties and Responsibilities of Board of Directors

Directors take responsibility in managing the company's operation in compliance to the laws, Company's objectives, its regulations and resolutions from shareholders' meeting with integrity and fiduciary duty, which can be concluded as follows :

1. To determine the Company's objectives, directions, policies, plans, and budget, and to control and supervise the management to reach the set objectives. However, there are some matters which required by law to get the approval from the shareholders' meeting, such as the increasing or decreasing of capital, disposing of or transferring of the Company's whole or partial major business to other persons, or acquiring or accepting of transfer of other business, and the amendment of the Company's Memorandum & Articles of Association.
2. To arrange the Annual General Shareholders' meeting within four months after closing the accounting period and determine the agendas and give opinions to be proposed to the Meeting for approval such as the dividend payment, Board of Directors' and Audit Committee's remunerations and the appointment of directors, etc.
3. To consider and approve important investment of the Company as well as investment in subsidiary companies.
4. To consider and approve the Company's CG Policy and other policies including other rules and regulations that have been reviewed by Audit Committee or the management and monitor the implementation.
5. To arrange the Board of Directors meeting at least once every quarter.
6. To present financial statements, both balance sheets and income statements which have already been audited by external auditor to shareholders for approval.
7. To appoint executives as proxy or empower others to carry out Company's activities under the Board of Directors' control or to authorize such person to have the appropriate power at a specific period in which such power may be cancelled, withdrawn, changed or amended. In the event of the proxy granting to other persons to carry out activities relating to the normal business activities of the Company, such power granting should be in compliance to the resolution from the Board of Directors' meeting which consists of Independent Director or Audit Committee present in the meeting. In the event that the power granting was disapproved by the Independent Director or Audit Committee, such disapproved opinion should be clearly recorded in the Board of Directors' minutes of the meeting.
8. To consider and approve important related party transactions and the acquisition or disposal or transfer of significant assets so that the transactions are done and disclosed correctly and transparently in compliance with the Securities and Exchange Act and the Stock Exchange of Thailand's rules or other related laws.
9. To establish proper management structure including the appointment of high level management such as the Chief Officer, Executive Board/Director, Managing Director and General Manager level.
10. To approve the appointment of sub-committees such as Audit Committee and determine its roles and responsibilities including the changing in structure, term of office and renewal or other changes which may significantly affect such committee's operation.

11. To monitor the Company's operating result to continuously achieving the set target according to the business plan and budget.
12. To approve procurement of significant assets or maintenance expenses at the amount exceeding Bht 5,000,000.-
13. Directors must not involve in the business of the same nature of the Company's business or in competition with the Company's business or being partner in any partnership entity or being an unlimited partner in any limited partnership or being a director in a private company or other companies that operate the business of the same nature with the Company and competing with the Company's business either for personal interest or for others' interest except prior disclosing at the shareholders' meeting before the appointment.
14. Directors have to inform the Company promptly if he is having any conflict of interest directly or indirectly in any of the Company's contract, or the increasing and decreasing of the Company's share or debenture holdings.

However, the authorized duties of the Board of Directors mentioned above does not include the authorization that may allow the Board or its proxy to be able to approve the transactions that have any conflict of interest or other conflicts either for own interest or others with the Company or its subsidiary companies according to the SET's rules in which such transactions should be approved by the Board of Directors' meeting and /or by the shareholders' meeting as stated in the Company's Articles of Association or other related laws.

Duties and responsibilities of Chairman

1. To be responsible on behalf of the leader of the Board of Directors in governing, monitoring the business management of the top executives of each function line to achieve the set objectives or plans.
2. To be responsible as Chairman of the Board of Directors' meeting and the shareholders' meeting of the Company.
3. To be responsible in casting the final vote to make the board's resolution in the event of a tie vote.

Board of directors' self-assessment

The Board of Directors has the policy to conduct self-assessment of the Board of Directors and Audit Committee as a group annually aiming to improve the efficiency of both as a whole. In December of each year, the Secretary will review the questionnaires which had been adjusted from the SET's example and distribute to each of the director to fill in. The topics of assessment were under 6 main areas as follows:

1. Structure and Qualification of the Board
2. Roles, Duties and Responsibilities of the Board
3. Board of Directors Meeting
4. Duties performing of the Board
5. Relationship with the Management
6. Directors and Management Development

After the questionnaires have been returned, the Secretary shall summarize the result and report them to the Board of Directors. As for the year 2016, the overall result of the self-assessment of Board of Directors was excellent in all criteria which details are as follows:

Board of Directors' result

Criteria	Full Score	Score	%	Result
Total	100	98.23	98.23	excellent
1. Board structure and qualifications	28	27.5	98.2	excellent
2. The board meeting	24	23.6	98.3	excellent
3. Duties & responsibilities of Board	40	39.3	98.25	excellent
4. Others : - relationship with management team - Directors' self-development	8	7.8	97.5	excellent

Directors and Management Development

- **Training** The Board of Directors, Audit Committee, management as well as the Company Secretary and the employees were encouraged and facilitated to join the training courses concerning the corporate governance and management skill. Such training courses may be an in-house training or the seminars arranged by specialized organization such as the Accounting Association or the Revenue Dept. or other regulators such as the SET and SEC as well as IOD.

In 2016, one of the Audit Committee members, Mr. Pholdej Therdphithakvanij, had participated in CG Forum 1/2016 on 10 February, 2016 on the topic of 'Ethics: Conscience of Corporate Governance' arranged by the SET. Moreover, Company Secretary had participated in training courses on 'Basic IR' during 16-17 June, 2016 arranged by the SET and 'Enhancing Good CG based on CGR Scorecard' on 3 October, 2016 arranged by SET and IOD.

- **Preparation for new director** The Company provides necessary information to new directors useful to perform director duties which introduce the nature of the business and the operations of the Company consisting of the Company's annual report, Board of Directors / Audit Committee Charter, Affidavit, and Memorandum and Articles of Association, Company's Code of Ethics including the Director's Handbook published by the SEC.
- **Succession Plan** The General Manager shall report the succession plan to the Supervisor to assign successors who significantly possess knowledge, skill and experiences in case they cannot perform their duties.
- **Executives Development Program** The Board has established a development program for executives and the General Manager will report to the board annually. The executive development plan will be considered together with the succession plan.

Management

During the year 2016, the Company has restructured its organization, therefore, as of 31 December, 2016, the Company had total 6 executives according to the SEC's definition in which the executives from the subsidiary companies are excluded according to the new organization chart detail as follows :

No.	Name	Title
1.	Mr. Mitsuji Konoshita	Chief Executive Officer
2.	Mr. Tatsuya Konoshita	Chairman of Executive Committee and Chief Investor Relations Officer
3.	Mr. Muneo Tashiro	Chief Operating Officer
4.	Mr. Regis Martin	Chief Financial Officer
5.	Mr. Freddy Marie	Group IT Director
6.	Mr. Boris Zschorsch	Deputy Chief Financial Officer, Accounting & Audit

Company Secretary

The Company's Board of Directors has resolved to appoint Miss Siriphen Pongchairerks to take up the position of Company Secretary since 22 November, 2011. The duties and responsibilities of Company Secretary are as follows:

Duties and Responsibilities of Company Secretary:

- Arranging Board of Directors' and shareholders' Meetings
- Preparing and keeping the Register book of Directors
- Preparing and keeping notice to Board of Directors' Meeting, minutes of the Board of Directors' Meeting and annual report of the Company
- Preparing and keeping notice and minutes of the shareholders' meeting
- Forwarding / keeping the report on interest of Directors' and Management and their related persons to Chairman of the Board and Chairman of the Audit Committee
- Preparing report on changing of share holdings of Directors and Management for acknowledgement in the Board of Directors' Meeting
- Being a coordinator between the Company and outside regulators such as SEC, SET and TSD, etc.
- Disclosing Company's news through The SET's ELCID system
- Assisting in Investor Relations function as Coordinator

Details of Directors, Management, Controlling Person and Company Secretary for 2016

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Mitsuji Konoshita Chairman of the Board and CEO (Authorized Signer) / 7 March 2007	50	Bachelor of Law, Osaka University, Japan	0.03	Being the elder brother of Mr. Tatsuya Konoshita	<u>Listed Cos.</u> 2012 - Present	Chairman and CEO	Group Lease Pcl. (Holding & Hire purchase Business)
					2007 - 2012	Chairman	Group Lease Pcl. (Holding & Hire purchase Business)
					2006 - 2011	Chairman	United Securities Pcl. (Securities broker Business)
					<u>Non-listed Cos.</u> 2017 - Present	Chairman,	BG Microfinance Myanmar Co., Ltd. (Microfinance)
					2016 - Present	President Commissioner	PT Group Lease Finance Indonesia (Digital Finance)
					2014 - Present	Chairman	GL Leasing (Lao) Co., Ltd. (Digital finance business)
					2014 - Present	Chairman & CEO	Thanaban Co., Ltd. (Asset back loan business)
					2012 - Present	President	GL Finance Plc. (Digital Finance business)
					2012 - Present	Chairman	Group Lease Holdings Pte.Ltd.
					2011 - Present	Director	(Fin. Advisory & other investment management) Engine Property Management Asia Co., Ltd. (real estate business)
Mr. Tatsuya Konoshita Chairman of Executive Board (Authorized Signer), Director and Chief Investor Relations Officer / 20 April, 2011	45	Bachelor of Arts (History), Osaka University, Japan	0.01	Being the younger brother of Mr. Mitsuji Konoshita	<u>Listed Cos.</u> 2016 - Present	Chairman of Executive Board, Director and Chief Investor Relations Officer	Group Lease Pcl. (Holding & Hire purchase Business)
					2013 - Present	Rep.MD and CEO	Wedge Holdings Co., Ltd. (Investment Business)
					2012 - 2015	Director and CBDO	Group Lease Pcl. (Holding & Hire purchase Business)
					2011 - 2012	Director	Group Lease Pcl. (Holding & Hire purchase Business)
					2011 - 2013	Rep. Director and Chairman	Wedge Holdings Co., Ltd. (Investment Business)
					2008 - Present	Rep. Executive officer and CEO	Showa Holdings Co., Ltd (Investment business)
					2006 - 2011	Chairman of the Executive Board	United Securities Pcl. (Securities broker Business)
					<u>Non-listed Cos.</u> 2016 - Present	Director	Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management)
					2010 - Present	Rep.MD	Asuka Foods Co.,Ltd. (Food business)

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Muneo Tashiro Director (Authorized Signer)/ 22 April, 2009	44	Bachelor of Arts (Literature), Osaka University, Japan	0.01	-	<u>Listed Cos</u> 12/2016 - Present	Director & COO	Group Lease Pcl. (Holding & Hire purchase Business)
					2013 - Present	Executive Director	Wedge Holdings Co., Ltd. (Investment Business)
					2009 - 2016	Director	Group Lease Pcl. (Holding & Hire purchase Business)
					2008 - 2013	Chief Executive Officer	Wedge Holdings Co., Ltd. (Investment Business)
					2007 - 2008	Senior Executive Director	Wedge Holdings Co., Ltd. (Investment Business)
					<u>Non-listed Cos</u> 2014 - Present	Director	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
Mr. Alain Dufes Director / 6 December, 2016	52	Bachelor of Mathematics and Physical Sciences	-	-	12/16 - Present	Chairman	GL Finance Plc. (Digital Finance business)
					2014 - 12/16	Director	GL Finance Plc. (Digital Finance business)
					2014 - Present	Director and Managing Director	Thanaban Co., Ltd. (Asset back loan business)
					2013 - Present	Director	Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management)
					2011 - 2013	Director	Asuka Foods Co., Ltd. (Food Business)
					2009 - Present	Director	Engine Holding Asia Pte. (Investment Business)
General Suebsan Dardarananda Independent Director & President of Audit Committee / 11 May, 2011	65	BA. Political Science, Norwich University, USA - National Defense College - Director Certification Program No. 98/2008, IOD - Finance for Non-financial Director No. 39/2008, IOD	0.006	-	<u>Listed Cos.</u> 12/16 - Present	Director	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2017 - Present	Director and Deputy MD	BG Microfinance Myanmar Co., Ltd. (Microfinance)
					2014 - Present	General Manager	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					2011 - 06/2014	Managing director	Dubus Lao IT
					2000 - 06/ 2011	Portfolio and Asset Manager	Dubus SA Lille France Securities Company
					1999 - 2006	Asset Manager	Kalpa Ltd CoNimes
General Suebsan Dardarananda Independent Director & President of Audit Committee / 11 May, 2011	65	BA. Political Science, Norwich University, USA - National Defense College - Director Certification Program No. 98/2008, IOD - Finance for Non-financial Director No. 39/2008, IOD	0.006	-	<u>Listed Cos.</u> 2011 - Present	Independent Director & President of Audit Committee	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 05/2016 - Present	Director	Amata Bien Hoa JSC (Joint Stock Company) in Vietnam
					2014 - Present	Internal Audit Committee	GL Leasing (Lao) Co., Ltd. (Digital Finance Business)
					2014 - Present	Deputy Chief	Office of the Minister of Defense
					2014 - Present	Independent Director & Chairman of Audit Committee	Thanaban Co., Ltd. (Asset back loan Business)

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Sonit Pitchyangkul Independent Director & Audit Committee / 11 May, 2011	66	MA. (Economics), North Texas State University-Director Certification Program No. 33/2005 - BA. (Economics), Thammasart University - Director Certification Program No.33/2005, IOD	0.005	-	<u>Listed Cos.</u> 2011 - Present	Independent Director & Audit Committee	Group Lease Pcl. (Holding & Hire purchase Business)
					1999 - 2004		Kiatnakin Finance & Securities Pcl. (Financial & securities Business)
					<u>Non-listed Cos.</u> 2014 - Present	Internal Audit Committee Independent Director & Audit Committee	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					2014 - Present		Thanaban Co., Ltd. (Asset back loan Business)
Dr.Pholdej Therdphithakvanij, Ph.D. Independent Director & Audit Committee / 20 April, 2011	48	- Doctor of Philosophy (Civil Engineering) Lehigh University, U.S.A. - Director Accreditation Program No. 89/2011, IOD - CG Forum 1/2016 Ethics: Conscience of Corporate Governance by SET	0.01	-	2006 - Present	Advisor Senior Executive Vice President (Retail Credit)	Thaifilatex Pcl. (produce latex thread business)
					2004 - 2006		AIG Finance Plc. (Financial Business)
					<u>Listed Cos.</u> 2011 - Present	Independent Director & Audit Committee	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2015 - Present		Baka Engineering Co., Ltd. (Engineering Consultant)
					2014 - Present	Managing Director Internal Audit Committee Independent Director & Audit Committee	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					2014 - Present		Thanaban Co., Ltd. (Asset back loan Business)
					2012 - Present	Director of Civil-structural Engineering	W. & Associates Consultants Co., Ltd. (Engineering Consultant)
					2007 - 2012	Deputy Managing Director	R.K.V. Engineering Consultant Co., Ltd. (Engineering Consultant)
					2006 - 2007	Deputy Managing Director	IMMS Co., Ltd.(Engineering Consultant)

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Krit Phanratanamala Independent Director & Audit Committee/ 20 April, 2011	48	Master of Business Administration (Finance), University of Florida, USA - Advanced Audit Committee Program No. 27/2009 - Director Certification Program No. 86/2007 by IOD - MFM 1/2009, MFR 9/2009, MIA 6/2009, MIR 7/2009 - CG Forum 2/2015 Responsibility of Board and Management in Internal Control, SET	0.01	-	<u>Listed Cos.</u> 2015 - Present	Independent Director & Audit Committee	TPBI Plc (Plastic bag manufacturer)
					2011 - Present	Independent Director & Audit Committee	Group Lease Pcl. (Holding & Hire purchase Business)
					2006 - Present	Independent Director & Audit Committee	The Union Mosaic Industry Public Company Limited
					<u>Non-listed Cos.</u> 2016 - Present	Executive Director and Member of Investment Committee	Dhipaya Life Assurance Pcl (Life assurance)
					10/2015 - Present	Director	Dhipaya Life Assurance Pcl. (Life assurance)
					2014 - Present	Internal Audit Committee	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					2014 - Present	Independent Director & Audit Committee	Thanaban Co., Ltd. (Asset back loan Business)
Mr. Patrick Fisher Director/ 28 April 2016	38	Master of Business Administration, Northwestern University	-	-	09/15 - Present	Managing Director	Thai Prosperity Advisory Co., Ltd (Investment Advisor)
					<u>Listed Cos.</u> 2016 - Present	Director	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2008 - Present	Chief Executive Officer & Founder, Managing Partner	Creation Investments Capital Management, LLC (Investment Business)
					2004 - 2006	Global Account Executive, International Banking	JP Morgan Chase & Company
					2003 - 2004	Global Account Executive, Payable Products	JP Morgan Chase & Company, Chicago, IL
					2002 - 2003	Assistant Vice President	JP Morgan Chase & Company, Beijing & HK, China
					2001 - 2002	Global Derivative Products	Banc One Capital Markets, Chicago, IL

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Regis Martin Director and Chief Financial Officer/ 28 April, 2016	35	Master of Art in International Business, Master/DESS 212, University Paris IX Dauphine Exchange program with the University of Chicago, international economics Bachelor and Master of Science in Applied Economics, University Paris IX Dauphine	-	-	<u>Listed Cos.</u> 2016 - Present	Director and Chief Financial Officer	Group Lease Pcl. (Holding & Hire purchase Business)
					2015 - 2016	Finance Director & Business Development Manager,	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2016 - Present	Commissioner	PT Group Lease Finance Indonesia (Digital Finance)
					2015 - Present	Chief Financial Officer	Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management)
					2014 - Present	Director and Chief Financial Officer	Thanaban Co., Ltd. (Asset back loan Business)
					2014 - 2015	Business Performance Manager	GL Finance Plc. (Digital Finance business)
					2009 - 2014	Finance and Investment Portfolio Manager	Devenco
					2008 - 2009 2006 - 2008 2005 - 2006	Senior auditor Auditor Sales forecast controller	Morison Kak & Associés Price Waterhouse Coopers, Paris L'Oreal, Paris
Mr. Riki Ishigami Director/ 28 April 2016	38	Bachelor of Law, Asia University, Tokyo, Japan	0.01	-	<u>Listed Cos.</u> 2016 - Present	Director	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2016 - Present	Commissioner (Director)	PT Group Lease Finance Indonesia (Digital Finance)
					2015 - Present	Director & CEO	GL Finance Plc. (Digital Finance business)
					2015 - Present	Director	Cambodian People Micro Insurance Plc., Cambodia
					2014 - Present	Director	Thanaban Co., Ltd. (Asset back loan Business)
					2014 - 2015 2011- 2014	Director & COO Chief Operating Officer	GL Finance Plc. (Digital Finance business) GL Finance Plc. (Digital Finance business)

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Yusuke Kozuma Director/ 28 April 2016	41	Bachelor of Art Planning Department , OSAKA UNIVERSITY OF ARTS, Osaka	0.02	-	<u>Listed Cos.</u> 2016 - Present	Director	Group Lease Pcl. (Holding & Hire purchase Business)
					2014 - Present	Corporate Consultant	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2014 - Present	HR & Admin. Manager	Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management)
					2013 - Present	Back Office Management Manager	Engine Holdings Asia Pte.Ltd. (Holding company)
Mr. Freddy Marie Group IT Director/ 13 July 2015	35	Global Master in Business Administration (2013-2015): Shanghai Jiaotong – KEDGE Business School (2015 Financial Times: part time MBA ranking number 1st in Asia and 23rd worldwide) Master in Science (2002-2005), major in telecommunication: ESIGELEC, Rouen, France	0.001	-	2011 - Present	Deputy CEO and Director	GL Finance Plc. (Digital Finance business)
					<u>Listed Cos.</u> 2015 - Present	Group IT Director	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2017 - Present	Director	BG Microfinance Myanmar Co., Ltd. (Microfinance Bus.)
					2016 - Present	Commissioner (Director)	PT Group Lease Finance Indonesia (Digital Finance)
Mr. Boris Zschorsch Deputy Chief Financial Officer/ 6 July, 2015	32	German Diploma (Master equivalent) in Business Administration from J.W. Goethe University in Frankfurt/ Main, Germany French Master 1 in Business Administration from Universite Paris Dauphine IX, Paris, France	0.001	-	2010 - 2015	IT Manager	Dongfeng Peugeot Citroen Auto Finance Company (DPCAFC)
					<u>Listed Cos.</u> 2015 - Present	Deputy Chief Financial Officer, Accounting & Audit	Group Lease Pcl. (Holding & Hire purchase Business)
					<u>Non-listed Cos.</u> 2015 - 2015	Senior Associate	PricewaterhouseCoopers Singapore
					2010 - 2014	Senior Auditor	PricewaterhouseCoopers Luxembourg

Details of Company Secretary

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Miss Siriphen Pongchairerks/ Company Secretary / 22 November, 2011	59	Bachelor of Business Administration (General Management), Assumption University - Company Secretary (CSP 1/2002) - Effective Minutes Taking (EMT 14/2009) - TAN: Workshop, How to Make Accurate Disclosure, Merger & Acquisition or Related Party Transaction - Laws & Practices for Company Secretary RE : the amended Securities & Exchange Act B.E.2551 - Other courses in relation to the Role of Company Secretary, Corporate Governance and Investor Relations by SET, SEC or Company Secretary Club	0.001	-	2016 - Present	Company Secretary	Group Lease Pcl. (Holding & Hire purchase Business)
					2016 - Present	Secretary to the Board	Thanaban Co., Ltd. (Asset back loan Business)
					2014 - 2016	Secretary to the Board and Audit Committee	Thanaban Co., Ltd. (Asset back loan Business)
					2011 - 2016	Company Secretary and Secretary to Audit Committee	Group Lease Pcl. (Holding& Hire purchase Business)
					1991 - 2011	Secretary to the Board of Directors (Company Secretary)	United Securities Pcl. (Securities business)

Details of Positions held in the Company, its Subsidiary and Related Companies of Directors, Executives and controlling person as of the year 2016

Directors / Executives	Company	Subsidiary Companies						Related Companies			
		Group Lease Holdings Pte. Ltd.	GL Finance Plc.	Thanaban Co., Ltd.	GL Leasing (Lao) Co., Ltd.	PT Group Lease Finance Indonesia	BG Microfinance Myanmar Co.,Ltd.	Engine Holdings Asia PTE. LTD.	Wedge Holdings Co., Ltd.	Creation Investment LLC	Cambodian People Micro Insurance
1. Mr. Mitsuji Konoshita	X, C	X,C	O	X,C	X	X	X	X			
2. Mr. Tatsuya Konoshita	/ //	/							C		
3. Mr. Muneo Tashiro	/ //	/	X	/, OOO	/			/	/		
4. Mr. Regis Martin	/ //	/		/		/					
5. Mr. Patrick Fisher	/									C	
6. Mr. Riki Ishigami	/		/, C	/		/					/
7. Mr. Yusuke Kozuma	/		/, DC								
8. Mr. Alain Dufes	/				/, OO	/	/, OOOO				
9. Gen. Suebsan Dardarananda	///			///	////						
10. Mr. Sonit Pitchyangkul	///			///	////						
11. Mr. Pholdej Therdphithakvanij	///			///	////						
12. Mr. Krit Phanratanamala	///			///	////						
13. Mr. Freddy Marie	O					/	/				
14. Mr. Boris Zschorsch	O										

Remarks
X means **Chairman**
/ means **Director**
/// means **Independent Audit Committee**
OOO means **MD**

C means **CEO**
// means **Executive Director**
O means **Executives**
OOOO means **Deputy MD**

DC means **Deputy CEO**
/// means **Independent Director & Audit Committee**
OO means **General Manager**

Details of Directors of Subsidiary Companies 2016

Subsidiary Companies Name of Directors	Group Lease Holdings Pte. Ltd.	GL Finance Plc.	Thanaban Co., Ltd.	GL Leasing (Lao) Co., Ltd.	PT. Group Lease Finance Indonesia	BG Microfinance Myanmar Co., Ltd.
1. Mr. Mitsuji Konoshita	X, C	O	X, C	X	X	X
2. Mr. Tatsuya Konoshita	/					
3. Mr. Muneo Tashiro	/	X	/, 000	/		
4. Mr. Regis Martin	/		/		/	
5. Mr. Patrick Fisher						
6. Mr. Riki Ishigami		/, C	/		/	
7. Mr. Yusuke Kozuma		/, DC				
8. Mr. Alain Dufes				/, 00	/	/, 0000
9. Gen. Suebsan Dardarananda			///	////		
10. Mr. Sonit Pichyangkul			///	////		
11. Mr. Krit Phanratanamala			///	////		
12. Dr. Pholdej Therdphithakvanij			///	////		
13. Mr. Kaname Hashimoto				/, 000		/, 000
14. Mr. Freddy Marie					/	/
15. Mr. Fumio Kyuma		///		/		
16. Mr. Ith Vichit		///				
17. Mr. Nikolay Kosyakov					/, 000	
18. Mrs. Laksmi Mustikaningrat					/	
19. Mr. Jonathan Meuret						/
20. Mr. Chou Chantra		/				
21. Mr. Buo Choeun		/				
22. Mr. Daim Ratanak		/				
23. Mr. Leng Vandy		/				
24. Mr. Yin Pholy		/				
25. Mr. Shigeyoshi Asano					/	
26. Mr. Didie Soewondho					/	

Remarks

X	means	Chairman
C	means	CEO
DC	means	Deputy CEO
/	means	Director
//	means	Executive Director
///	means	Independent Director & Audit Committee
////	means	Independent Audit Committee
O	means	Executives
OO	means	General Manager
OOO	means	MD
OOOO	means	Deputy MD

Remunerations of Directors and Management

Monetary Remunerations

Board of Directors: The monetary remunerations for Board of Directors consists of meeting fee and annual bonus

- Meeting fee: Chairman of the Board and Chairman of the Audit Committee receives meeting fee of 12,000 Baht per attendance. Directors of the Board and members of Audit Committee receives meeting fee of 10,000 Baht per attendance time. Audit Committee shall receive both meeting fees as member of the Board and member of Audit Committee.

- Annual Bonus: The Board of Directors shall consider significantly from the Company's operating result and such proposal shall be approved by the Annual General Meeting of Shareholders. In 2016, the shareholders' meeting approved a bonus of double of the average months of the employee's bonus. For the year 2016, employee's bonus was paid at the average of 6.5 months, therefore, director's bonus was paid at 13 months of the monthly meeting fee.

As for Thanaban Co., Ltd., in 2016 the Thanaban Board of Directors had approved annual bonus to the Audit Committee for 13 months of the monthly meeting allowance. And for the meeting allowance fee, it was the same rate as Group Lease's Board meeting allowance fee. Details of the payments are shown below:

Unit : Baht					
Name	Position	Meeting fee		Bonus	Total
		Board of Directors	Audit Committee		
1. Mr. Mitsuji Konoshita	Chairman of the Board & CEO	228,000	-	156,000	384,000
2. Mr. Tatsuya Konoshita	Director & Chief Investor Relations Officer	180,000	-	130,000	310,000
3. Mr. Muneo Tashiro	Director	180,000	-	130,000	310,000
4. Mr. Somchai Limpattanasin ^{3/}	Director & Chief Operating Officer	160,000	-	130,000	290,000
5. Mr. Deepong Sahachartsiri ^{1/}	Director & Chief Financial Officer	30,000	-	-	30,000
6. Mr. Worasak Kriengkamol ^{1/}	Director & Executive Director	30,000	-	-	30,000
7. Mr. Patrick Fisher ^{2/}	Director	110,000	-	130,000	240,000
8. Mr. Regis Martin ^{2/}	Director & Chief Financial Officer	150,000	-	130,000	280,000
9. Mr. Rik Ishigami ^{2/}	Director	130,000	-	130,000	260,000
10. Mr. Yusuke Kozuma ^{2/}	Director	140,000	-	130,000	270,000
11. Gen. Suebsan Dardarananda *	Chairman of Audit Committee/ Independent Director	312,000	276,000	312,000	900,000
12. Mr. Sonit Pichyangkul *	Audit Committee / Independent Director	310,000	230,000	260,000	800,000
13. Mr. Krit Phanratanamala *	Audit Committee/ Independent Director	290,000	230,000	260,000	780,000
14. Dr. Pholdej Therdphithakvanij *	Audit Committee/ Independent Director	320,000	230,000	260,000	810,000
Total		2,570,000	966,000	2,158,000	5,694,000

Remark: ^{1/} Resigned on 28 April, 2016

^{2/} newly appointed on 28 April, 2016

^{3/} Resigned on 31 December, 2016

* Being Independent Director and Audit Committee of subsidiary (Thanaban Co.,Ltd.) as well and the remunerations above already included remunerations from the subsidiary company

Executives: The monetary remunerations for executives in 2016 consists of monthly salary and annual bonus paid to 8 executives at total 31.16 million Baht (includes 2 resigned executives who resigned during the year), details as follows:

No. of Executive and Remunerations	2016	2015	2014
Number of executive (person)	8*	18	15
Salary and bonus (million Baht)	31.16	51.62	35.27

*Remark * During the year 2016, the Company had restructured its organization which caused the reduction in the number of executives according to the SEC's definition.*

Other Remunerations

Other Remunerations of Directors

-none-

Other remunerations of Executives

- Provident Fund

The Company provides provident fund to staff and executives by contributing 5% of basic salary of the employees. In 2016, the total amount of provident fund contributions for total 8 executives at total amount of 1.6 million Baht.

Human Resources

The total number of employees as of 31 December, 2016, 2015 and 2014 divided by departments are shown below:

Unit : person			
Department	2016	2015	2014
Credit and Marketing	346	269	250
Collection	292	265	265
Accounting and Finance	46	33	32
Human Resources & Admin.	38	36	40
Operations	129	84	75
Information Technology	58	33	15
Total	909	720	677

The total remunerations of the Company's employees consist of salary, bonus, Social security fund, provident fund contributions and other welfare such as group health insurance. In 2016, the Company paid total remunerations of 308.25 million Baht.

As for the subsidiaries in other countries such as GL Finance Plc. (Cambodia), GL Leasing (Lao) Co., Ltd and PT GLF Indonesia Co. Ltd., please see below:

As of end of December 2016, there were total 804 employees in GLF Cambodia, 116 employees in GL Leasing (Lao) Co., Ltd., and 63 employees in GLF Indonesia with the total remunerations of

approximately 95.1 million Bath, 15.9 million Bath, and 4.4 million Baht respectively paid somewhat on the same principle as the Company or may be different in relation to each country's law.

Human Resources Development

It is the Company's policy to encourage the employees to develop their knowledge, skill, experiences and expertise in work emphasizing on contributing efficient and qualified services. In addition, the Company also emphasizes on doing business with transparency in compliance with the good corporate governance principles. Therefore, it has the policy in encouraging the employees to work with good ethics and free from corruption in any form. Orientation is arranged for new employees so that they can get the knowledge, understanding of work system as well as the organization culture. Various trainings are regularly arranged, both in-house and outside trainings, especially in the field of hire-purchase business, computer, HR, Accounting and Taxes appropriately depending on the related duties of the employees.

Corporate Governance

The Board of Directors realizes the importance of good corporate governance which will add more value to the Company and also contribute long term benefits to its stakeholders such as shareholders, employees, suppliers, customers as well as the society as a whole. Therefore, the Board has resolved the following Corporate Governance Policy to serve as its operation guideline for the Board of Directors, management and all the employees as follows :

Corporate Governance Policy:

1. Emphasize on the responsibility to the society as a whole by encouraging the Directors, management and all the employees to carry out their duties and activities in compliance to the rules, laws, regulations as well as following the code of ethics in doing business.
2. Emphasize on transparency in doing business by disclosing information in compliance to the related laws, rules and regulations.
3. Initiate internal control system with the collaboration from the Board of Directors, Audit Committee and management so that the business operation is done in compliance to the good corporate governance principles. The guideline and efficiency of the auditing and internal control systems shall be regularly evaluated and reviewed.
4. Carefully control the business activities which may lead to conflict of interest among different departments so that it becomes transparent and fair without any bias.
5. Respect the rights of stakeholders. Treat all concerns with honesty and justice by supporting various activities to build good relationships among the stakeholders and sustain the stability growth of the Company's business.
6. Respect the legal right of the shareholders by giving them equitable treatment in shareholder's meeting and also provide them with equitable and sufficient information.
7. Maintain the operation guidelines to be in compliance with the management policy including the business philosophy according to the Company's objective in order to protect the utmost interest of the shareholders.

The compliance of CG policy as of 2016 appears on the Company's website under Investor Relations section / Corporate Governance

Sub-committees

Currently, the Board of Directors has set up only 1 sub-committee, i.e. Audit Committee and has not set up Nomination and Compensation Committee due to its small and uncomplicated nature of the organization and also small member of the Board of Directors with very minimal turnover of the directors so that the Nomination Committee might not be necessary. As for the determination of remunerations, the management's remunerations are determined by the Board of Directors and the remunerations for the Board of Directors are determined by the shareholders' meeting.

Audit Committee

Structure of Audit Committee

As of 31 December 2016, Audit Committee consisted of 4 Independent Directors of which Mr. Sonit Pichyangkul is the Audit Committee member who possesses the knowledge and experience in auditing financial statement of the Company. In addition, he also has the direct experience in hire-purchase business which is the Company's main business of which his personal profile and working experiences appear in the Details of the Directors.

The Board of Directors has determined the term of office of the Audit Committee to be 2 years each and is able to renew the term of office for a 2- year term each. The present Audit Committee was first appointed on 11 May, 2011 and has renewed its latest term on 11 May, 2015.

The list of Audit Committee and the meeting attendance of the Audit Committee Meeting in 2016 is shown below:

Name	Position	Audit Committee Meeting	
		Number of Meeting held	Number of Attendance
1. General Suebsan Dardarananda	President of Audit Committee / Independent Director	13	13
2. Mr. Sonit Pichyangkul	Audit Committee and Independent Director	13	13
3. Dr. Phodej Therdphithakvanich	Audit Committee and Independent Director	13	13
4. Mr. Krit Phanratnamala	Audit Committee and Independent Director	13	13

Definition of Independent Directors

The Company defines the qualifications of the Independent Directors in accordance with the SEC regulations as follows :

- o An Independent Director does not hold more than 1% of paid-up shares in the Company, parent company ⁽¹⁾, its subsidiary ⁽²⁾, affiliated company ⁽³⁾ or related company or any legal entity that has related persons ⁽⁴⁾.
- o An Independent Director is not an employee, staff member, an advisor who receives a regular salary or a controlling party of the Company, its parent company, its subsidiary, affiliated company or any legal entity that has related persons. (present and 2 years before appointment)
- o An Independent Director is not an immediate family member or a person legally occupying similar status as parents, spouse, siblings, sons and daughters including spouses of sons and daughters of an executive officer of the Company, a major shareholder, a controlling person or an individual who will be nominated to be an executive officer of the Company or any of its subsidiary.
- o An Independent Director does not have business relationship with the Company, its parent company, its subsidiary, affiliated company or any legal entity, which has related persons that the relationship does not interfere with his exercise of independent judgment. And among other things materiality in making an independent opinion regarding the operation of the Company.

Note : (1) A parent company is the company that holds more than 50% of the Company's paid-up capital.
 (2) A subsidiary is the company that we hold more than 50% of its paid-up capital.
 (3) An affiliated is the company that we hold more than 20 % but not more than 50% of its paid-up capital.
 (4) legal entity that has related persons includes those who hold more than 10% of its paid-up capital.

All 4 Independent Directors have qualifications required for the Independent Director and are also members of the Audit Committee in accordance with the SEC notification korlortor.kor.(wor) 32/2551 as of June 5th, 2008.

Duties and Responsibilities of Audit Committee

The Audit committee takes responsibility subject to Board of Directors' assignment and reports directly to the Board of Directors as follows:

1. Review the Company's financial reporting process to ensure accuracy and sufficiency.
2. Review to ensure that the Company has appropriate and efficient internal control system and internal audit system and review the independency of the Internal Audit Department. The Audit Committee shall approve the appointment, transfer or termination of the head of Internal Audit Dept. or other related department responsible for the internal auditing of the Company.
3. Review the performance of the Company to ensure compliance with the Securities and Exchange Acts, rules and regulations of the Stock Exchange or other laws relating to the Company's business.
4. Consider, select and recommend independent external auditor and determine their remunerations and participate in the meeting with the external auditor without the Company's management at least once a year.
5. Ensure that the connected transaction or transaction that may lead to conflict of interest has been done in compliance to the laws and regulations of the SET & SEC.
6. Prepare report of the Audit Committee and disclose it in the annual report of the Company. Such report should be signed by the Chairman of the Audit Committee and should contain the minimum information as follows:
 - Comment on accurateness, completeness and credibility of the Company's financial report.
 - Comment on the sufficiency of the Company's internal control system.
 - Comment on the Company's compliance with Securities and Exchange Acts and SET's regulations and other laws relevant to the Company's business.
 - Comment on suitability of the external auditor.
 - Comment on transactions that may have conflicts of interest.
 - Number of meetings of the Audit Committee, and attendance of each member.
 - Overall comments or remarks that the Audit Committee has while carrying out their duties prescribed in the Charter.
 - Any other transactions that the shareholders and general investors should know within the scope of duties and responsibilities of the Audit Committee assigned by the Board of Directors.
7. Perform other duties as assigned by the Board of Directors with the consent of the Audit Committee.

In order to support the successful performance of the Audit Committee, the Audit Committee is able to invite the Company's executives or employees to make comments or provide facts or participate in the meeting or present any related documents required as well as to have the authority to hire consultant or other third parties according to the Company's rule to seek for their opinion or advices as necessary.

Audit Committee's self-assessment

For the year 2016, the result of Audit Committee's self-assessment is as follows:

Criteria	Full Score	Score	%	Result
Total	76	74.75	98.36	excellent
1. AC Structure and qualifications	12	12	100	excellent
2. AC Meeting	24	23.25	97.92	excellent
3. Duties & responsibilities of AC	40	39.25	98.13	excellent

Nomination and Appointment of Directors and Highest Level Management

(1) Independent Director

In nominating of Independent Director the Board of Directors will consider from those who possess suitable qualifications or at least must possess the minimum qualifications specified by the SEC's regulations Ref: GorLorTor.Gor.(Wor) 32/2551. In addition to those minimum qualifications, other qualifications such as being a reputable or acceptable in society person or possess knowledge and experiences of an Audit Committee are also considered, such as the experience in financial statement auditing or other work experience directly in hire-purchase business which is the same business as the Company. Most importantly, independency is the most significant qualification required. Those nominated persons shall be proposed for appointment from the Board of Directors' meeting or shareholders' meeting as the case may be.

(2) Nomination of Directors and Highest Level Management

The Company has not set up any Nomination Committee. In nominating persons to be appointed as Directors or highest level management of the Company, the Board of Directors shall consider from the caliber, experiences, vision and reliability of such person together with the past knowledge and skills which might be beneficial to the Company's business operation, including good understanding of the Company's business so that they are able to achieve the Company's goal and objectives determined by the Board of Directors and should be the ones who can contribute their time for the Company fully. Those nominated persons shall be proposed for appointment from the Board of Directors' meeting or shareholders' meeting as the case may be.

The nomination of directors and independent directors, could be based on the diversity of the board structure of which resources can be provided by the nomination from the minor shareholder (if any) or from the existing executive or subsidiary or associated company's director or introduced by existing directors or other persons, etc.

The Company's Articles of Association states that in each of annual general meeting, one-third of directors or nearest amount (1/3) has to be resigned by rotation. The retired directors shall be determined by the ones who were in the position the longest. The retired Directors can be re-elected. The list of directors who retired by rotation each year as well as the list of the Board of Directors after the re-election shall be disclosed in the Notice to the AGM Meeting and recorded in the said meeting each year.

The principle and voting method of the election of Directors in the shareholders' meeting shall be as follows:

1. The voting for election of director shall use majority vote given that each shareholder has the voting right of one share for one vote
2. The voting for election of director shall be done individually for each person. The shareholder can cast their total votes they have for each individual nominated person to be the director one by one.
3. The person who receives the subsequent highest vote shall be the one elected the directors until the number of elected director is equal to the number of required director of such election. In case of a tie vote for the persons with next highest voting amount so that it exceeds the required number of director for such election, Chairman of the meeting shall cast an additional vote to make the resolution.

However, in case the vacancy of director is from the reasons other than the expiration of the term of office, the remaining Board of Directors shall elect a new director to substitute for the vacant position unless such director has the remaining term of office less than 2 months. Such resolution shall require the vote of not less than three-fourth of the remaining directors. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces.

Governance on the Company's Subsidiary and Associated Company

The Company's subsidiary is wholly owned 100% by the Company or its subsidiary. Members of the Board of Directors were assigned to be the directors in the subsidiary company to form the structure of Board of Directors of the subsidiary company by which the number of directors is in relation with the Company's proportion held in the subsidiary company. Such Board of Directors shall have the responsibilities to ensure the best interest of the subsidiary company.

In addition, the designated persons also have the obligation to ensure that the subsidiary companies are having appropriate rules regarding related transactions, acquisition or disposal of assets or other significant transactions including the compliance of the rules and regulations in each related country. This includes the keeping of records and accounting of the subsidiary companies' information that is auditable and also able to submit for consolidation to the Company on time.

Governance on Inside Information Usage

The Company complies with the corporate governance principle in governing the usage of inside information by setting up a written code of ethics of the director, management and employees that has been approved and announced to the employees. The governance on inside information usage are summarized as follows:

- Inside information must not be used for personal interest in buying or selling of the Company's shares or be disclosed to other persons for buying and selling of the Company's shares
- The directors or other employees who can access to Company's financial information are not allowed to buy or sell the Company's shares at least 7 days prior to the disclosure of the Company's financial statements or financial status as well as other important information

- Those who can access the Company's important information have to report their shareholding of the Company's shares and their changes in the shareholding according to the set rules of the Company and or the SEC to avoid abuse of inside information

In addition, whenever there is a new director or executive who is in the position which needs to report their shareholding of the Company's shares according to the SEC's rule, the Company Secretary shall inform those persons of the duty to disclose their shareholding and changes of the shareholdings of the Company's shares to the SEC in compliance to the Section 59 of the Securities & Exchange Act B.E 2535. In the event of a newly accepted position, such report is required within 30 days and in the event of the changing of the shareholding, report should be done within 3 days from the executed date. The Company Secretary should be notified of such changing of shareholding in order to keep record and report in the next Board of Directors' meeting.

Remunerations of External Auditor

In the fiscal year 2016, the Company paid the audit fee to the external auditor at the amount of 2,250,000 Baht (Two million two hundred and fifty thousand Baht) without any non-audit fee.

Corporate Social Responsibilities

Since the nature of the Company's business does not have direct impact on the environment, the corporate social responsibilities of the Company emphasize on the responsibilities in treating the employees, customers, competitors, etc. with justice and honesty and will not support any incidents that might lead to corruption. The Board of Directors adopts the guidelines below:

1. Operate Business with Fairness

- The Company shall compete with the competitors with fairness, without unreasonable attack, slanderous or distortion of information for own advantage.
- The Company shall support only fair service in providing financial service that is highly beneficial to the consumers and will not coordinate with the competitors to do any damage to the consumers for the Company or its allies' benefits.
- The Company shall not search for competitor's trade secret information dishonestly or in breach of business ethics
- The Company shall encourage and not involve in any pirate of intellectual property and shall encourage employees to use only the products with copyrights.

2. Anti-corruption

The Company values the importance of the implementation of anti-corruptions and bribery both directly or indirectly which beneficial to personal, family, friends and acquaintances whether in the side of a receiver or the person who offers bribes both in monetary or non-monetary forms to the government sectors or private companies that the Company are dealing business or having contact with but shall be obliged to comply with the set anti-corruption guidelines strictly as follows:

- There should not be any direct or indirect benefits whether to oneself, family and friends received from the Company. For example, the selling of goods and services to the Company or competing with the Company. Avoid accepting any feast from the persons who have business connection with the Company or other persons who might expect some benefits from the employees.
- Never ask or receive any unjustified benefits both directly or indirectly or other benefits in exchange for the commercial benefits including bribes or dishonest incidents in doing business
- The employees who cheat or violate the code of ethics shall be put on disciplinary actions and penalized according to the Company's rules and might as well have to be penalized by law if such violations are unlawful.

- Employees should not neglect whenever they found some clues or corruption events happened in the Company and should notify their supervisor or other responsible personnel and coordinate in the investigation process. If there are any questions, they should seek advice from their supervisor.

3. Respects for Human Rights

The Company values the importance of not involving in the violation of human rights and the freedom of an individual or any collective groups whether directly or indirectly. For example, the Company shall not treat employees unequally even under different races, religious, beliefs, gender, languages, marital status, age, political affiliation, state of origin, sexual deviation, physical condition, etc. The Company shall not exercise forces or encourage any forces in threatening employees to work whether physically, verbally or mentally. For example, the Company hires total 8 employees who have the problem in hearing and speaking. All were treated equally as other normal employees in terms of remunerations and welfare. They were assigned documentary job which suits their physical condition.

4. Treating Employees with fairness

In determining the employees' welfares and benefits, the Company shall put the following factors into considerations:

- The employees' duties and responsibilities
- The overall economic situation which may affect the well-beings of the employees
- The salary payment rate and employment situation of labor market especially in the same industry
- The business growth potential and the paying capacity of the Company. Since 2014, the Company's Board of Directors had approved the increase of employees' provident fund contribution rate from 3% to 5% across the board.
- The permanent employees will get salary increase annually in July. The amount of salary increase shall based on the performance evaluation from their respective supervisor and the factors such as the attendance, leaves or lateness reports are all counted in the evaluation.

5. Responsibilities for Consumers

In doing business, the Company is responsible for the consumers on the basis of honesty and good business ethics since the Company is a financial service provider in order to create reliability to the consumers as well as to maintain the sustainable growth of the Company. As a result, the guidelines for responsible credit granting were set up as follows:

- The Company shall suggest the appropriate installment condition for each individual customer base on their repayment capacity and shall not grant credit to those customers who may possibly have problems in paying back the loan in the future in order to help them to avoid creating liabilities obligation which is not suitable for them.
- The Company shall present its services clearly and transparently in terms of conditions and different fees charged to be fair and beneficial to the customers.
- The Company may offer some assistance to the customers who may have financial problems during unexpected or uncontrollable crisis such as natural disaster, political unrest by providing debt-restructuring scheme as deemed appropriate.

Internal Controls and Risk Management

The Company's Board of Directors' Meeting No. 6/2017, held on 20 March, 2017 consisting of the Board of Directors together with the Audit committee, a report on internal control systems of the Company was presented and clarified by the management. From the assessment of the internal control systems of the Company based on the SEC's assessment form announced in August, 2013 which also based on the COSO 2013 Principle which consists of 5 measures, the organization and control environment, risk management, management control activities, Information & communications and monitoring which were extended into 17 points of focus, the Board of Directors believed that the Company's internal control systems were sufficient. Sufficient personnel were set up to handle the system effectively. Moreover, the Company's subsidiaries activities were controlled and monitored sufficiently so that it can protect the Company's assets from being abused by the directors or management and also prevent the conflict of interest with the related persons. The internal control in other matters were also viewed to have sufficient control so that the Independent Directors or Audit Committee including the external auditor have had no other comments or having the opinion that the Company's internal control systems are having any deficiency.

Company's internal controls

The Company's internal control systems are as follows:

1. Organization and control environment

The Company has set up clear, justified and measurable objectives in its business operation by setting up vision, mission and strategies in order to achieve the set objectives. Line of supervision is also clearly determined so that the employees were acknowledged and realize their duties and responsibilities appropriately and work in full capacity. The Company realizes the importance of having good corporate governance that it will enhance the sustainability growth of the Company. Therefore, all the management and employees were encouraged to comply strictly to the corporate governance rules which contain good conduct and business ethics in carry out the duties with full capacity, honesty, transparency and justice, no abuse of the Company's inside information for one's own or related persons' benefits or doing other actions that will be contradictory to the Company's interest. It also contains penalties or disciplinary actions for the violation of such rules together with the efficient and sufficient internal control system. Such code of conduct and ethics are, therefore, served as the operation guidelines for the management and employees. As for the guidelines on financial and procurement activities, the Company set up rules in writing which

clearly specified the criteria, condition and payment approval authorization as well as the contract execution accurately to protect against any financial frauds and corruptions.

2. Risk Management

Management gives significant importance to risk management by setting up systematic risk management process efficiently in order to be able to control and reduce the risk that may arise from both internal and external factors and which may obstruct the Company's achievement in its goal. Employees are encouraged to be aware of risk management in doing their duties. Internal Audit Department shall do the auditing function and risk evaluation on every activity on various levels - individual, sectional and departmental through efficient risk evaluation tools covering all 5 areas and report directly to the Audit Committee and subsequently to the Board of Directors.

3. Management Control Activities

The Company's vision and mission are clearly stated and the management structure together with the scope of authority and responsibilities are written clearly and have the system to cross check among departments on each level of operation so that employees can carry out their duties in the same direction towards the set plan. Moreover, the scope of duties and authorities and limit for approval authorities in all level in every department were also clearly specified in writing and announced to employees for transparency and agility. In addition, the duties that might have any conflict of interest or may adversely affect the transparency of the transaction were segregated. Moreover, the related persons of the Company's management and employees when doing business with the Company also need to comply with the normal rules and approval procedures as other normal customers. The various transactions shall be audited by the Internal Audit Department and the external auditor to ensure the accuracy and compliance with related laws and the Company's regulation and the audited results were gathered and reported to the Audit Committee and subsequently to the Board of Directors.

4. Information and Communication

The Company always gives importance to information technology system and communication system so that the compiling and analyzing of data were done accuracy, and in time. The information concerning the standard of operation, policies and other rules and regulations are communicated to the employees to enhance the efficiency of the Company's activities and business. The collecting of accounting documents is also done completely and accurately in each category for each transaction for transparency and future reference. In addition, there

were some management monitoring system to facilitate the management and directors' accurate and timely decision making in terms of problem solving and planning for the Company's future growth.

5. Monitoring

The Company has always monitored its business operating result in order to be able to achieve the set goals. Management meeting is set up at least once a month to monitor the operating result. In case of an urgent problem arising from other significant factors which might seriously affect the normal operation of the Company, an ad hoc meeting can also be held. In addition, the Company also set up Internal Audit Unit which reports directly to the Audit Committee to carry out the internal auditing on the operation of each department of the Company. Its objectives are :

- 1) To increase the efficiency of the Company's operations and report the result to Audit Committee and management.
- 2) To ensure that the Company's assets are utilized efficiently.
- 3) To report to the Audit Committee and management about the possible problems so that preventive solution could be done in time.
- 4) To ensure the existence of appropriate internal control systems and ensure that the set systems were carried out properly.

Head of Internal Audit

Mr. Chissanuphong Chinna had been appointed as Manager -Internal Audit Department since 1 April, 2016. The Audit Committee views that "Mr Chissanuphong Chinna" has the qualifications appropriated for the position both in terms of education and working experiences. He graduated Master of Accounting from Ramkhamhaeng University and has the internal audit experience from financial institutions for more than 20 years especially with direct experience in hire-purchase, leasing business which is the Company's core business which provided him with good understanding of the Company's business operation. In addition, he has been training on various courses relating to the internal auditing job continuously from the Institute of Internal Auditors of Thailand and Bank & financial Institution Internal Auditors Club which equips him with the suitable qualifications and potential in carry out the duties of Internal Auditor in compliance with the internal audit standard.

The appointment or withdrawn or transfer of the Head of Internal Audit of the Company needs to be approved by the Audit Committee. (please see detail of Internal Audit Manager 2016 below)

Risk Management

The Company has set up policy and process for risk management so that the management can use as guideline for operation. Management is responsible in determining and designing of work systems including the identifying of risk factors. Such business operation or systems planning which taking into account the risk factors enable the management to design the systems well within the acceptable risk level of the Company.

However, some of the Company's subsidiary that focuses on giving loans to small and medium enterprises or SME and strategic business partners, the management of risk on the lending business was to take into account the credit of the borrower, the existing and further business relationship, the nature and the amount of collateral given, the credit of the guarantor, the total amount of the principal and the interest rate.

Details of Internal Audit Manager as of 2016

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Mr. Chissanuphong Chinna Internal Audit Manager / 1 April, 2016	44	Education: Master of Accounting, Ramkamhaeng University Training and seminar: - Tools and Techniques for the audit manager - Risk Management and monitoring of outsource service - CEO & Integrated Management Audit - Management of Assets and Liabilities for financial institution - IT Risk Audit - Fraud Risk Management - Significant Activities & Possible Impaired Loan - Internal audit system evaluation – COSO - How to do Risk Evaluation to set up Internal audit plan - Auditing based on risk standard - New Accounting Standard - Accounting standard on long term rent - IT Security Policy - Allocation of debts in hire purchase - Know your customer (KYC)	-	-	2016 - Present	Internal Audit Manager	Group Lease Pcl.
					2008 - 2016	Deputy Vice president Internal Audit	Leasing ICBC (Thai) Co., Ltd. (hire-purchase and leasing)
					2003 - 2008	Assistant Manager – General Audit	Thanachart Bank Pcl. (Commercial Bank)
					1996 - 2003 1995 - 1996	Senior Auditor Branch-Credit Officer	Siam City Bank Pcl. (Commercial Bank) Siam City Factoring Pcl. (financial institution)

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
		<ul style="list-style-type: none"> - KPI for Auditor and internal audit report writing - Cautions of hire purchase under new law - IAS 39 & TAS 48 - Fundamental credit analysis - Financial Analysis - Credit operation - Risk analysis and audit example selection 					

Related Party Transactions

The financial statement of Group Lease Public Company Limited as of December 31, 2016 and 2015 presents related transaction as follows :

The relationship between the Company and the related parties are summarized below.

Name of related parties	Relationship with the Company
Group Lease Holdings Pte. Ltd.	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
GL Leasing (Lao) Company Limited	Subsidiary (held by a subsidiary)
Thanaban Company Limited	Subsidiary
PT. Group Lease Finance Indonesia	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Company's director is major shareholder of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholder of that company / Common director
Engine Holdings Asia Pte. Ltd.	Company's director is major shareholder of that company / Common director
Cambodian People Micro Insurance PLC.	Common director with the company and GLF
JTrust Asia Pte. Ltd.	Shareholder of GLF
APF Trading Plc.	Common Director with GLF
PT Bank JTrust Indonesia Tbk.	Common shareholder with GLFI
Commercial Credit and Finance PLC.	Associates
Creation Investment Sri Lanka LLC.	Common Director with the company

Related transaction between the company and subsidiary companies as at 31 December 2016 and 2015

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 16	31 Dec 15		
GL Finance Plc.	The Company	Hire-Purchase Interest Income	56	93	Contract	The company provide hire-purchase service for agricultural machinery to GL Finance Plc. for donation to the educational institution with the market interest rate as in the general business.
		Interest income	-	141	7% per annum	The company lend to GL Finance Plc. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	-	3,397		
		Increase	-	141		
		Decrease	-	(3,536)		
		Gain from exchange rate	-	(2)		
		Hire purchase and installment sales receivables	646	1,031		The company provide hire-purchase service for agricultural machinery to GL Finance Plc. for donation to the educational institution
		Other receivables	1,536	359		Advance payment for GL Finance Plc. as a general business.
		Other payables	2,124	334		GL Finance Plc. paid for the company as a general business.
Group Lease Holdings Pte. Ltd.	The Company	Other income	-	101	Contract	The company has an office space rental agreement with Group Lease Holdings PteLtd. with the market rate and general business conditions.
		Interest Income	322,409	137,855	7% per annum	The company lend to Group Lease Holdings Pte. Ltd. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	4,016,390	764,515		
		Increase	1,440,749	4,240,572		
		Decrease	(322,448)	(1,009,524)		
		Gain from ex-rate	63,563	20,827		
		Ending Balance	5,198,254	4,016,390		
		Other receivables	14,919	4,096		Advance expense for the normal business.

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 16	31 Dec 15		
		Other payables	49,826	49,826		The Company has service agreement with Group Lease Holdings Pte. Ltd. as a kind of management fee base on general business condition and has the highest benefit the company.
		Other current liabilities	236	236		Group Lease Holdings Pte. Ltd. Has advance payment for the normal business.
GL Leasing (Lao) Company Limited.	The Company	Other payables	-	77		GL Leasing (Lao) Company Limited. Has advance payment for the normal business.
Thanaban Company Limited	The Company	Other income	93,613	91,583	Contract rate	The company provide management and other services for Thanaban company limited. as a kind of management fee base on general business condition and has the highest benefit to the company.
		Interest Expense	7,591	-	7% per annum	The company borrow from Thanaban Company Limited are unsecured loans with an interest rate close to the normal rate when the company borrow from the bank.
		Interest Income	-	7,957	5.50% per annum	The company lend to Thanaban company limited to replace existing loans with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	-	422,254		
		Increase	-	7,957		
		Decrease	-	(430,211)		
		Ending Balance	-	-		
		Other receivables	8.762	8.859		The company provide management and other services for Thanaban company limited. And these transactions are needed and for the highest benefit of the company's business.

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 16	31 Dec 15		
		<u>Short-term loans to and interest receivable</u>			7% per annum	The company borrow from Thanaban Company Limited are unsecured loans with an interest rate close to the normal rate when the company borrow from the bank.
		Beginning balance	-	-		
		Increase	135,211	-		
		Decrease	(5,211)	-		
		Ending Balance	130,000	-		
		<u>Long-term loans to and interest receivable</u>				
		Beginning balance	-	-		
		Increase	82,381	-		
		Decrease	(29,081)	-		
		Ending Balance	53,300	-		
		Other current liabilities	1,255	1,571		Advance payment received from providing the telephone system with the general business conditions and for the highest benefit of the company.
JTrust Asia Pte. Ltd.	The Company	Interest expense	95,699	-	5% per annum	The Company has issued convertible debentures to JTrust Asia Pte. Ltd. In foreign exchange rate and it will contribute to the expansion of the company's business with an interest rate close to the normal rate when the company borrows from the bank and for the highest benefit of the company.
		Convertible debentures	4,521,842	-		
		Other payables	95,699	-		
		Advance received for issuance of convertible debentures	179,153	-		
Creation Investment Sri Lanka LLC.	The Company	Advance received for issuance of convertible debentures	286,645	-		Advance received for issuance of convertible debentures from Creation Investment Sri Lanka LLC.

Audit Committee's opinion :

The Audit Committee has reviewed and validated above transactions, and gave the opinion that the purpose of these transactions are to support the company's business expansion in the regional country with an interest rate close to the normal rate when the company borrows from the bank. And these transactions are needed and for the company's business. For the hire-purchase service for the machinery to support educational institution with the market interest rate as in the general business. This transaction has benefit as a kind of promotion for the subsidiary in the regional country. And management services involved in doing the general business for the highest benefit of the company's business. (arm's length basis) The Company has issued convertible debentures in foreign exchange rate and it will contribute to the expansion of the company's business with an interest rate close to the normal rate when the company borrow from the bank. And for the highest benefit of the company.

Other Related transactions between related parties as at 31 December 2016 and 2015

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 16	31 Dec 15		
Devenco Management and Consulting Co., Ltd.	Group Lease Holdings Pte. Ltd.	Interest Income	-	158	6-9% per annum	Group Lease Holdings Pte. Ltd. lend to Devenco Management and Consulting Co., Ltd. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	-	31,083		
		Increase	-	158		
		Decrease	-	(31,241)		
		Gain (Loss) from exchange rate	-	-		
		Exchange diff on translation of finstat in foreign currency	-	-		
		Ending Balance	-	-		
Tennis Federation of Cambodia	Group Lease Holdings Pte. Ltd.	Interest Income	-	89	6-9% per annum	Group Lease Holdings Pte. Ltd. lend to Tennis Federation of Cambodia to promote the business in regional country and With interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning Balance	-	5,049		
		Increase	-	89		
		Decrease	-	(5,138)		
		Exchange diff on translation of finstat in foreign currency	-	-		
		Ending Balance	-	-		
A.P.F. Group Co., Ltd.	GL Leasing (Lao) Company Limited	Other income - Subsidy	-	13,130	Contract price	A.P.F. Group Co., Ltd. provided the subsidy to GL Leasing (Lao) Company Limited in order to support business in overseas from obtaining a motorcycle hire-purchase financing business in Lao.
Director of subsidiary	Group Lease Holdings Pte. Ltd.	<u>Short-term loans to and interest receivable</u>			6-9% per annum	Group Lease Holdings Pte. Ltd. lend to director of subsidiary to prepare business operation after receiving a license to operate a motorcycle leasing business in Laos with an interest rate close to the normal rate when the company borrow from the bank.
		Beginning Balance	-	2,293		
		Increase	-	2,728		
		Decrease	-	(5,021)		
		Exchange diff on translation of fin.stat. in foreign currency	-	-		
		Ending Balance	-	-		
Director of the company and subsidiary	GL Finance Plc.	Other receivables	11,875	11,275		GL Finance Plc. do advance payment for the director of subsidiary as a general business.
A.P.F. Group Co., Ltd.	GL Finance Plc.	Other receivables	4,784	4,872		GL Finance Plc. do advance payment for A.P.F. Group Co., Ltd. as a general business
Engine Holdings Asia Pte. Ltd.	Group Lease Holdings Pte. Ltd.	Other receivables	1,341	2,813		Group Lease Holdings Pte. Ltd. do advance payment for Engine Holdings Asia Pte. Ltd. as a general business.

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 16	31 Dec 15		
Asia Partnership Fund Pte., Ltd.	Group Lease Holdings Pte. Ltd.	Other receivables	12	-		Group Lease Holdings Pte. Ltd. do advance payment for Asia Partnership Fund Pte., Ltd. as a general business.
Cambodian People Mircro Insurance Plc.	GL Finance Plc.	Other receivables	218	-		GL Finance Plc. do advance payment for Cambodian People Mircro Insurance Plc. as a general business.
AFP Trading Plc.	GL Finance Plc.	Other receivables	24,328	-		GL Finance Plc. do advance payment for AFP Trading Plc. as a general business.
		Other current assets	175,457	-		GL Finance Plc. do advance payment for APF Trading Plc. Distributed motorcycle to GL Finance Plc.
Commercial Credit and Finance PLC.	Group Lease Holdings Pte. Ltd.	Subscription payment in advance for acquisition of investment in subsidiary	80,123	-		Group Lease Holdings Pte Ltd payment in advance for acquisition of investment in BG Microfinance Myanmar Co.,Ltd to Commercial Credit and Finance PLC.
Group Lease Holdings Pte. Ltd.	Commercial Credit and Finance PLC.	Other current liabilities	6,643	-		Group Lease Holdings Pte Ltd payment in advance for purchase share to Commercial Credit and Finance PLC. of share in BG Microfinance Myanmar Co.,Ltd to Credit Finance PLC.
PT Bank JTrust Indonesia Tbk.	PT Group Lease Finance Indonesia	Other receivables	2,270	-		PT Group Lease Finance Indonesia do advance payment for PT Bank JTrust Indonesia Tbk. as a general business.
Group Lease Holdings Pte. Ltd.	A.P.F. Group Co., Ltd.	Short-term loans to and interest receivable			6% per annum	Group Lease Holdings Pte. Ltd. borrows from A.P.F. Group Co., Ltd. to support business expansion in foreign country with the interest rate close to the market rate.
		Beginning balance	-	19,797		
		Increase	-	9,996		
		Decrease	-	(29,793)		
		Exchange diff on translation of fin. stat in foreign currency	-	-		
		Ending Balance	-	-		

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 16	31 Dec 15		
GL Finance Plc.	Cambodian People Micro Insurance Plc.	Interest Expense	360	289	6-10% per annum	GL Finance Plc. borrow from Cambodian People Micro Insurance Plc for motorcycle hire- purchase business expansion in Cambodia with an interest rate close to the market rate.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	3,865	3,545		
		Increase	320	-		
		Decrease	-	(29,793)		
		Exchange diff on translation of fin. stat in foreign currency	(37)	320		
		Ending Balance	4,148	3,865		
GL Finance Plc.	Director of the company and subsidiary	Interest Expense	-	261	6% per annum	GL Finance Plc. borrow from director of subsidiary for motorcycle hire-purchase business expansion in Cambodia with an interest rate close to the market rate.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	250	-		
		Increase	-	130,481		
		Decrease	-	(130,220)		
		Exchange diff on translation of fin. stat in foreign currency	(2)	(11)		
		Ending Balance	248	250		
		Other current liabilities	129	92		Director of the company and subsidiary do advance payment for GL Finance Plc. as a general business

Audit Committee's opinion :

The Audit Committee has reviewed and validated above transactions, and gave the opinion that the purpose of these transactions are to support the company's business expansion in the regional country with an interest rate close to the normal rate when the company borrows from the bank. And these transactions are needed and for the highest benefit of the company's business. (arm's length basis)

Financial Highlight

Conclusion of Auditors' Report

In the past three years the Company's financial statements has been audited and the opinion from the auditors as follows :

Financial Statement	Company	Auditors' Name	CPA No.	Opinion
2016	EY Office Limited	Mr. Sophon Permsirivallop	3182	Unqualified
2015	EY Office Limited	Ms. Rungnapa Lertsuwankul	3516	Unqualified
2014	EY Office Limited	Ms. Rungnapa Lertsuwankul	3516	Unqualified

The financial position of Group Lease Public Company Limited and its subsidiaries

Unit: Million Baht												
	Consolidated financial statements						Separate financial statements					
	2016		2015		2014		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets												
Current assets												
Cash and cash equivalents	2,551.22	14.78	1,044.89	9.71	357.45	4.92	468.72	2.97	552.22	5.52	71.16	0.99
Current portion of hire purchase and installment	3,150.34	18.25	3,198.88	29.71	3,172.39	43.62	1,946.22	12.33	2,095.26	20.93	2,330.50	32.38
Current portion of asset-backed loan receivables	226.27	1.31	113.09	1.05	-	-	-	-	-	-	-	-
Current portion of loans and interest receivables	882.43	5.11	2,152.93	20.00	24.78	0.34	-	-	18.78	0.19	-	-
Assets foreclosed	50.89	0.29	32.95	0.31	23.60	0.32	24.95	0.16	14.91	0.15	14.07	0.20
Current portion of loans and interest receivables from subsidiary	-	-	-	-	38.43	0.53	5,198.25	32.95	4,016.39	40.13	1,190.17	16.54
Other receivables	186.25	1.08	127.49	1.18	49.09	0.68	34.43	0.22	30.11	0.30	24.99	0.34
Other current assets	297.77	1.72	99.92	0.93	93.21	1.28	83.43	0.53	79.47	0.79	90.23	1.25
Total current assets	7,345.17	42.54	6,770.15	62.89	3,758.95	51.69	7,756.00	49.16	6,807.14	68.01	3,721.12	51.70
Non-current assets												
Pledged fixed deposit at financial institution	0.33	0.01	0.33	0.01	0.32	0.01	0.33	0.01	0.33	0.01	0.32	0.01
Investments in subsidiaries	-	-	-	-	-	-	6,017.12	38.14	1,200.12	11.99	1,071.21	14.88
Investments in associates	2,545.43	14.74	-	-	-	-	-	-	-	-	-	-
Other long-term investments	467.35	2.76	-	-	-	-	-	-	-	-	-	-
Other long-term Investments for acquisition of investment in subsidiary	285.52	1.65	-	-	-	-	-	-	-	-	-	-
Hire purchase and installment sales receivables - long-term Portion	3,145.59	18.22	2,848.47	26.46	2,922.96	40.20	1,797.54	11.39	1,786.82	17.85	2,202.28	30.60

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2016		2015		2014		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Long-term portion of asset-backed loan receivables	55.48	0.32	28.06	0.26	-	-	-	-	-	-	-	-
Long-term portion of loans and interest receivables	2,876.29	16.66	604.59	5.61	-	-	-	-	-	-	-	-
Property, plant and equipment	130.67	0.76	115.98	1.08	100.64	1.38	75.37	0.48	73.82	0.74	62.42	0.87
Intangible assets	139.80	0.81	101.07	0.94	95.92	1.32	35.83	0.23	15.50	0.15	6.45	0.09
Goodwill	122.16	0.71	122.52	1.14	118.13	1.62	-	-	-	-	-	-
Deferred tax assets	35.52	0.20	62.87	0.58	112.65	1.55	24.24	0.15	51.32	0.51	70.81	0.98
Other non-current assets	107.38	0.62	111.08	1.03	162.35	2.23	70.24	0.44	74.10	0.74	63.00	0.87
Total non-current assets	9,920.50	57.46	3,994.97	37.11	3,512.97	48.31	8,020.67	50.84	3,202.01	31.99	3,476.49	48.30
Total assets	17,265.67	100.00	10,765.12	100.00	7,271.92	100.00	15,776.67	100.00	10,009.15	100.00	7,197.61	100.00
Liabilities and shareholders' equity												
Current liabilities												
Short-term loans from financial institutions	556.26	3.22	349.05	3.24	250.00	3.44	448.77	2.85	349.05	3.49	250.00	3.47
Trade accounts payable	11.56	0.07	46.45	0.43	9.08	0.12	3.94	0.03	5.10	0.05	6.35	0.09
Short-term loans from and interest payable to related party	4.40	0.02	4.11	0.04	19.80	0.27	130.00	0.82	-	-	-	-
Current portion of long-term loans	585.74	3.39	1,557.85	14.47	2,547.81	35.04	402.99	2.55	1,522.18	15.21	2,547.81	35.40
Current portion of long-term loans from subsidiary	-	-	-	-	-	-	53.30	0.34	-	-	-	-
Current portion of debentures	499.13	2.89	-	-	-	-	499.13	3.16	-	-	-	-
Income tax payable	87.09	0.50	53.32	0.50	-	-	16.43	0.10	29.48	0.29	-	-
Insurance premium payables	11.60	0.07	11.21	0.10	11.72	0.16	7.55	0.05	7.01	0.07	9.68	0.13
Other payables	204.98	1.19	77.73	0.72	56.53	0.78	187.47	1.19	74.24	0.74	26.30	0.36
Other current liabilities	155.54	0.90	76.08	0.71	54.36	0.75	41.55	0.26	49.39	0.49	29.60	0.41
Total current liabilities	2,116.30	12.25	2,175.80	20.21	2,949.30	40.56	1,791.13	11.35	2,036.45	20.34	2,869.74	39.86
Non-current liabilities												
Long-term portion of long-term loans	212.39	1.23	504.59	4.69	1,312.05	18.04	174.14	1.10	360.49	3.60	1,312.05	18.23
Long-term portion of debentures	1,453.09	8.41	493.61	4.58	488.30	6.71	1,453.09	9.21	493.61	4.94	488.30	6.79
Convertible debentures - liability component	4,506.28	26.10	-	-	-	-	4,506.28	28.56	-	-	-	-
Advance received for issuance of convertible debentures	465.80	2.70	-	-	-	-	465.80	2.96	-	-	-	-
Provision for long-term employee benefits	8.72	0.05	7.48	0.07	6.38	0.09	8.72	0.06	7.48	0.07	6.38	0.09
Cash guarantee for damage on hire purchase agreements	2.18	0.01	2.18	0.02	2.32	0.03	2.07	0.01	2.06	0.02	2.20	0.03
Total non-current liabilities	6,648.46	38.50	1,007.86	9.36	1,809.05	24.87	6,610.10	41.90	863.64	8.63	1,808.93	25.14
Total liabilities	8,764.76	50.76	3,183.66	29.57	4,758.35	65.43	8,401.23	53.25	2,900.09	28.97	4,678.67	65.00

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2016		2015		2014		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders' equity												
Issued and paid-up capital of Baht 0.50 each	762.76	4.42	713.64	6.63	542.88	7.47	762.7	4.83	713.64	7.13	542.88	7.55
Share premium	5,191.56	30.07	4,254.63	39.52	1,084.25	14.91	5,191.56	32.91	4,254.63	42.51	1,084.25	15.06
Share subscription received in advance	0.37	0.01	981.05	9.11	-	-	0.37	0.01	981.05	9.80	-	-
Capital reserve for share-based payment transactions	-	-	-	-	3.58	0.05	-	-	-	-	3.59	0.05
Retained earnings												
Appropriated - statutory reserve	92.25	0.53	76.96	0.72	72.09	0.99	92.25	0.58	76.96	0.77	72.09	1.00
Unappropriated	2,101.42	12.17	1,283.83	11.93	774.52	10.65	1,318.46	8.36	1,082.78	10.82	816.13	11.34
Other components of shareholders' equity	260.26	1.51	271.35	2.52	36.25	0.50	10.04	0.06	-	-	-	-
Total shareholders' equity	8,408.62	48.71	7,581.46	70.43	2,513.57	34.57	7,375.44	46.75	7,109.06	71.03	2,518.94	35.00
Non-controlling interests of the subsidiary	92.29	0.53	-	-	-	-	-	-	-	-	-	-
Total equity	8,500.91	49.24	7,581.46	70.43	2,513.57	34.57	7,375.44	46.75	7,109.06	71.03	2,518.94	35.00
Total liabilities and shareholders' equity	17,265.67	100.00	10,765.12	100.00	7,271.92	100.00	15,776.67	100.00	10,009.15	100.00	7,197.61	100.00

Statement of comprehensive income of Group Lease Public Company Limited and its subsidiaries

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2016		2015		2014		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenues												
Hire purchase interest income	1,949.69	66.72	1,898.44	76.28	1,676.42	90.02	1,193.98	66.17	1,332.84	74.46	1,389.65	86.51
Asset - backed loan interest income	116.93	4.00	25.48	1.03	-	-	-	-	-	-	-	-
Interest on loan receivables	484.86	16.59	173.37	6.97	4.24	0.23	-	-	-	-	-	-
Other income												
Other interest income	25.03	0.86	2.20	0.09	0.70	0.03	324.90	18.01	147.22	8.23	66.45	4.14
Consulting service fee income	63.06	2.16	72.68	2.92	35.91	1.93	-	-	-	-	-	-
Management service fee income	-	-	-	-	-	-	84.00	4.65	84.00	4.69	35.00	2.18
Other income related to the activities of hire purchase	218.79	7.49	259.95	10.44	131.95	7.08	143.50	7.95	150.35	8.40	8.88	0.55
Others	63.78	2.18	56.58	2.27	13.13	0.71	58.09	3.22	75.60	4.22	106.39	6.62
Total revenues	2,922.14	100.00	2,488.70	100.00	1,862.35	100.00	1,804.47	100.00	1,790.01	100.00	1,606.37	100.00
Expenses												
Services and administrative expenses	887.37	30.37	784.37	31.52	547.64	29.41	506.85	28.09	476.32	26.61	353.96	22.03
Bad debts and doubtful accounts	313.27	10.72	356.57	14.33	494.86	26.57	220.95	12.25	322.57	18.02	441.37	27.48

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2016		2015		2014		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Loss on disposals of foreclosed assets	232.25	7.95	355.03	14.27	431.82	23.19	214.60	11.89	309.20	17.27	377.81	23.52
Total expenses	1,432.89	49.04	1,495.97	60.12	1,474.32	79.16	942.40	52.23	1,108.09	61.90	1,173.14	73.03
Profit before share of profit from investments in associates, finance cost and income tax expenses	1,489.25	50.96	992.73	39.89	388.03	20.84	862.07	47.77	681.92	38.10	433.23	26.97
Share of profit from investments in associates	48.35	1.65	-	-	-	-	-	-	-	-	-	-
Finance cost	(272.75)	(9.33)	(266.77)	(10.72)	(250.42)	(13.45)	(261.14)	(14.47)	(256.91)	(14.35)	(250.39)	(15.59)
Income tax expenses	(202.03)	(6.91)	(143.07)	(5.75)	(19.89)	(1.07)	(119.00)	(6.59)	(84.80)	(4.74)	(36.89)	(2.30)
Profit for the year	1,062.82	36.37	582.89	23.42	117.72	6.32	481.93	26.71	340.21	19.01	145.95	9.08
Basis earnings per share (Baht)	0.70		0.49		0.11		0.32		0.29		0.14	

Financial Ratio

	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
<u>Profitability Ratio</u>						
Yield Rate	21.75	27.84	31.55	31.31	31.68	31.04
Interest Rate	4.97	7.09	6.48	5.03	7.02	6.50
Net Yield Rate	16.78	20.75	25.07	26.29	24.66	24.54
Net Profit Rate	36.37	23.42	6.32	26.71	19.01	9.09
Return on Equity	13.29	11.55	4.93	6.65	7.07	6.12
<u>Efficiency Ratio</u>						
Return on Total Assets	7.58	6.46	1.84	3.74	3.95	2.30
Total Assets Turn Over Ratio (times)	0.21	0.28	0.29	0.14	0.21	0.25
<u>Financial Policy Ratio</u>						
Ratio of Liability to Equity (times)	1.04	0.42	1.89	1.14	0.41	1.86
Ratio of Total Receivable to Loan from (times)	1.80	2.00	1.37	0.73	1.15	1.16
Dividend Rate	n/a	39.67	56.63	n/a	67.97	45.68
<u>Asset Quality Ratio</u>						
Ratio of Allowance for Doubtful Debt to Total Receivable	2.55	3.92	8.42	4.71	6.96	8.71
Bad Debt to Total Receivable	3.84	5.94	6.86	8.31	11.13	8.02
Ratio of Non performing loan to Total Receivable	2.06	3.83	8.69	5.05	7.41	9.13

Management Discussion and Analysis

The company had acquired shares of its subsidiaries in different years leading the operating result of 2013-2016 to have an impact from these factors apart from its normal operation as follow:

- In the year 2012, the company acquired Group Lease Holdings Pte., Ltd. and has started the consolidation of the financial statement at the end of 2012.

- In the third quarter of 2013, the company acquired GL Finance Plc. (the subsidiary in Cambodia) and has started to consolidate financial statement since Q3/2013.

- In the third quarter of 2014, the company acquired Thanaban Company Limited. and has started to consolidate financial statement since Q3/2014.

- In the second quarter of 2015, was the first quarter of financial consolidation with GL Leasing (Lao) Company limited. (the subsidiary in Lao)

- In the second quarter of 2016, the company has started to consolidate on statement of comprehensive income with PT. Group Lease Finance Indonesia. (the subsidiary in Indonesia)

- In the fourth quarter of 2016, the company acquired Commercial Credit and Finance PLC. (the associated company in Sri Lanka) and has started to take equity to consolidate financial statement since Q4/2016

- In the first quarter of 2017, the company acquired BG Microfinance Myanmar Co., Ltd. (the subsidiary in Myanmar) and will start to consolidate financial statement at Q1/2017.

Overall Operating Result

The Company operates motorcycle hire-purchase financing business in Bangkok & Metropolitan and the vicinity provincial areas. Of which the main income arise from such business and the overall operating result of this business relate to the motorcycle's manufacturing and sales industry. In the year 2016, the number of new registered motorcycle in Bangkok & Metropolitan were 468,238 units which was 11.81% increase from the year 2015 of 418,774 unit even though the economic is considered to be at its stable stage factors such as the declining in price of the commodities, tourism that was affected by the political factors. Also the export that has decreases as other countries were still in their declining stage especially in Europe and China. In 2016 the forecast of the economic should be in an improving stage as the government has emphasized on a many bigger projects and the tourism in which we can see if from 4/2015. Whereas, on the other hand in America the economic seem to be improving which could potentially benefit the world economic. However, there is still an instability as in countries like Europe, Japan and especially China the economic are still in the sluggish stage. As many are still concern that prediction cannot be certain.

In the year 2015, the number of new motorcycles registration in Bangkok & Metropolitan were 418,774 units which was 1.06% increase from the year 2014 of 414,389 units. In 2014 Motorcycle sales was stable when comparing to 2015 due to the economic and political situation in the foreign countries.

Although the overall motorcycle sales market was rather slow, the company was able to maintain the business growth. As of 31 December 2016, the Company had hire-purchase account receivable –

net of Baht 3,743.76 million or decrease of Baht 138.33 million or 3.56%. For the year 2016, total income was Baht 1,804.47 million, increase 0.81% from Baht 1,790.01million of the year 2015.

As of 31 December 2015, the Company had hire-purchase account receivable - net 3,882.09 million, decreased 14.36% from 4,532.78 million at the end of 2014. For the year 2015, the total income was Baht 1,790.01million, increased 11.43% from Baht 1,606.37 million of the year 2014.

Revenue

Consolidated financial statements

Revenue	Consolidated Financial Statement					
	2016		2015		2014	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,949.69	66.72	1,898.44	76.28	1,676.42	90.02
Asset - backed loan interest income	116.93	4.00	25.48	1.03	-	-
Interest on loan receivables	484.86	16.59	173.37	6.97	4.24	0.23
Other Incomes	370.66	12.69	391.41	15.72	181.69	9.75
Total	2,922.14	100.00	2,488.70	100.00	1,862.35	100.00

The Company's revenue structure of consolidated financial statements were similar to the separate financial statements. In the year 2016, hire purchase interest income was Baht 1,949.69 million (or 66.72% of total revenues) which increased 2.70% from the year 2015 which recorded at Baht 1,898.44 million, due mainly to an increase of interest income from the subsidiaries in Cambodia, Laos and Indonesia by Baht 235.10 million, Baht 71.91 million and Baht 3.18 million respectively, in tandem with rising loan volume in foreign countries. However, the increase was partially offset by decreasing in interest income from GL and from local subsidiary by Baht 138.86 million and Baht 120.11 million respectively. This is in line with the company's strategy and the business model "Digital Finance". The objective is to reach 'Stability and Quality in Thailand for new Motorcycles, Growth and Creation in Emerging countries and Emerging consumers.

In the year 2015, hire purchase interest income was Baht 1,898.44 million (or 76.28% of total revenues) which increased 13.24% from the year 2014 which recorded at Baht 1,676.42 million related to the growth of the hire-purchase portfolio especially in Cambodia as well as GL Leasing (Lao) Co. Ltd. acquired in 2015.

The portion of hire purchase interest incomes continually decreased from 90.02% in the year 2014 to 76.28% and to 66.72% in the year 2015 and 2016, respectively, as a result of the consolidation of incomes from other businesses from subsidiaries, for example; asset - backed loan interest income from Thanaban and interest on loan receivables from Group Lease Holdings Pte., Ltd. Moreover, other incomes has been increased significantly since year 2014, mainly from an improvement of collection efficiency and strategy to follow up the debt which was write off. The company's strategy is to create opportunities to grow the new business and to diversify the risk by increasing financial products or entering new markets.

Separate financial statements

Revenue	Separate financial statements					
	2016		2015		2014	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,193.98	66.17	1,332.84	74.46	1,389.65	86.51
Other Incomes	610.49	33.83	457.17	25.54	216.72	13.49
Total	1,804.47	100.00	1,790.01	100.00	1,606.37	100.00

From the Company's revenue structure, about 66.17% came from hire purchase interest income. In the year 2016, the hire purchase interest income was Baht 1,193.98 million, decreased 10.42% from the year 2015 which recorded Baht 1,332.84 million. The portion of hire purchase interest income decreased from 74.46% in the year 2015 to 66.17% in the year 2016. This is the result of the company's strategy with the objective to reach 'Stability and Quality in Thailand for new Motorcycles, Growth and Creation in Emerging countries and Emerging consumers. Stricter policies on customer screening was also one of the reason explaining of the improvement of portfolio quality in Thailand.

In the year 2015, hire purchase interest incomes were Baht 1,332.84 million (or 74.46% of total revenues) decreased from the year 2014 which recorded at Baht 1,389.65 million or a decrease of 4.09% as a result of the company's strategy to improve the portfolio quality and stabilize the size of the hire purchase portfolio.

The other incomes were mainly from interest on loan receivables from subsidiary, management service fee income and other income related to the activities of hire purchase, penalty income, bad debts recovery, registration fee. In year 2016, other incomes were Baht 610.49 million, increased from the year 2015 which were recorded at Baht 457.17 million or an increase of 33.54%. In 2015, the Company's other incomes were Baht 457.17 million which increases from the year 2014 recorded at Baht 216.72 million or an increase of 110.94%, mainly from an increase in interest on loan receivables from subsidiary.

Expenses

Consolidated financial statements

Expenses before finance cost and income tax expenses	Consolidated Financial Statement					
	2016		2015		2014	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	887.37	30.37	784.37	31.52	547.64	29.41
Bad debts and doubtful accounts	313.27	10.72	356.57	14.33	494.86	26.57
Loss on disposals of foreclosed assets	232.25	7.95	355.03	14.27	431.82	23.19
Total	1,432.89	49.04	1,495.97	60.12	1,474.32	79.17

For the year 2016, the Company's expenses before finance cost and corporate income tax were recorded at Baht 1,432.89million, decreased by Baht 63.08 million or 4.22% from Baht 1,495.97million in the year 2015. The expenses before finance cost and corporate income tax for the year 2016 decreased in contrary of the total revenue increasing compare to the year 2015, was resulted from the following factors:

- Service and administrative expenses totaled Baht 887.38 million, increasing by Baht 103.00 million or 13.13% when compared to previous year, mainly resulting from the higher expenses from the foreign business expansion. However, the service and administrative expenses grew at a slower rate than revenue, showing the cost efficient management.

- Bad debts and doubtful accounts has decreased compared to the same period of last year by Baht 43.30 million or 12.14% showing the improvement of the quality of the portfolio. There are two reasons explaining the increase of quality of the portfolio. First, the foreign and new business portfolio with lower bad debt significantly increased. Secondly, the original business in Thailand is using strict policy on credit approval and improvement on debt follow up process.

- Loss on disposals of foreclosed asset decreased from Baht 355.03 million to Baht 232.25 million representing decreased by Baht 122.78 million or 34.58%, which resulted from a gradually increasing market value of asset foreclosed and increasing of repossession units related to the hire-purchase portfolio expansion. When comparing the ratio between the loss on disposals of foreclosed assets and the hire purchase receivables as of end of Q4/2016, the ratio decreased to 3.54% compared with Q4/2015 which was 5.54%.

For the year 2015, the Company's expenses before finance cost and corporate income tax were recorded at Baht 1,495.97 million which increased from the year 2014 amount of Baht 1,474.32 million or an increase of 1.47 %. The expenses before finance cost and corporate income tax for the year 2015 increased in the same line as increasing of the total revenue compare to the year 2014. Besides, the consolidated financial statements has an increased expense by separate financial statements. The consolidated financial statements had services and administrative expenses which were increased to support the regional business expansion, expense from GL Leasing (Lao) Company Limited which the company acquired during 2015 and the amortization on exclusivity right.

Separate financial statements

Expenses before finance cost and income tax expenses	Separate financial statement					
	2016		2015		2014	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	506.85	28.09	476.32	26.61	353.96	22.03
Bad debts and doubtful accounts	220.95	12.25	322.57	18.02	441.37	27.48
Loss on disposals of foreclosed assets	214.60	11.89	309.20	17.27	377.81	23.52
Total	942.40	52.23	1,108.09	61.90	1,173.14	73.03

Expenses before finance cost and corporate income tax comprises of 3 parts: service and administrative expenses, bad debts and doubtful accounts and loss on disposals of foreclosed assets.

For the year 2016, the Company's expenses before finance cost and corporate income tax were record at Baht942.40million which decreased from the year 2015 of Baht1,108.09 million or a decrease of 165.59 million or 14.95 %. The expenses before finance cost and corporate income tax for the year 2016 decreased in contrary of total revenue increasing, compare to the year 2015, was resulted from the following factors:

- Services and administrative expenses increased by 6.41 % compared to the year 2015 for supporting of the growth portfolio and subsidiary in country This is in line with the company's strategy the foreign business expansion. Total revenue increased by 0.81% so services and administrative expenses for the year 2016 increased in the same line of total revenue increasing, compare to the year 2015.

- Bad debts and doubtful accounts which comprised of bad debts and allowance for doubtful accounts was set aside higher comparing to the year 2015 or decreased by 31.50 % due to a strict procedure of the loan to be approve and decreased of hire purchase receivables.

- Loss on disposals of foreclosed assets which calculated from the value of foreclosed assets deducted by the value of assets sold on auction decreased 30.59%compared to the year 2015.As a result of higher market price of second-hand motorcycles and more efficient controlling risk from loss in sales of foreclosed assets. When compared ratio between the loss on disposals of foreclosed assets and the hire purchase receivables for the year 2016, the ratio was 5.46% decrease from the year 2015 which was 7.41%. And for the ratio of foreclosed asset unit sold per repossession unit of each financial year continue increased from 2015-2016, detailed as follows:

The Ratio of the selling of foreclosed assets to foreclosed assets for sale

Unit : Unit	2016	2015	2014
Balance at the beginning of period	646	606	989
Unit increasing in the period	15,714	18,890	18,639
Foreclosed Asset for Sales	16,360	19,496	19,628
Units Sold	15,374	18,850	19,022
Balance at the end of period	986	646	606
The ratio of foreclosed asset to foreclosed asset for sell	94%	97%	97%

For the year 2015, the Company's expenses before finance cost and corporate income tax were record at Baht 1,108.09million which decreased from the year 2014 of Baht 1,173.14million or a decrease of 65.05 million or 5.54%. The expenses before finance cost and corporate income tax for the year 2015 decreased in contrary of total revenue increasing, compare to the year 2014, was resulted from the following factors:

- Services and administrative expenses increased by 34.57 % compared to the year 2014 for supporting of the growth portfolio. Total revenue increased by 11.43% so services and administrative expenses for the year 2015 increased in the same line of total revenue increasing, compare to the year 2014.

- Bad debts and doubtful accounts which comprised of bad debts and allowance for doubtful accounts was set aside higher comparing to the year 2014 or decreased by 26.92 % due to a strict procedure of the loan to be approve.

- Loss on disposals of foreclosed assets which calculated from the value of foreclosed assets deducted by the value of assets sold on auction decreased by 18.16% compared to the year 2014 from increasing of repossession units relate to the hire-purchase portfolio expansion and the market price of foreclosed asset dropped by the economic and political situation, increasing rate of Loss on disposals of foreclosed assets is higher than increasing rate of total revenue. When compared ratio between the loss on disposals of foreclosed assets and the hire purchase receivables for the year 2015, the ratio was 7.41% decrease from the year 2014 which was 7.61%.

Finance cost

Consolidated financial statements

For the year 2016, the Company's finance cost were at Baht 272.75 million increased from 2015 or 2.24%. Where most were from a new issue of convertible debentures in 2016 amount of USD 130.0 million to support the expansion of the business in both domestic and international. As for long-term loan from financial institution has decreased to Bath 798.13 million in 2016 from Bath 2,062.44 million in 2015. The cost of borrowing from the financial institution has an average cost of 4.97%, decreased from the year 2015 of an average cost at 7.09%.

For the year 2015, the Company's finance costs were at Baht 266.77 million increased from 2014 or 6.53%. Where most were from a new issue of convertible debentures in 2015 amount of Bath 981.00 million to support the expansion of the business in both domestic and international. As for long-term loan from financial institution has decreased to Bath 2,062.44 million in 2015 from Bath 3,860 million in 2014. The cost of borrowing from the financial institution has an average cost of 7.09 %, increased from the year 2014 of an average cost at 6.48 %.

Separate financial statements

For the year 2016, the Company's finance cost were at Baht 261.14 million increased from 2015 1.65%. Where most were from a new issue of convertible debentures in 2016 amount of USD 130.0 million to support the expansion of the business in both domestic and international. As for long-term loan from financial institution has decreased to Bath 577.13 million in 2016 from Bath 1,883 million in 2015. The cost of borrowing has an average cost of 5.03 %, decreased from the year 2015 of an average cost at 7.02 %.

For the year 2015, the Company's finance cost were at Baht 256.91 million increased from 2014 2.60%. Where most were from a new issue of convertible debentures in 2015 amount of Bath 981.00 million to support the expansion of the business in both domestic and international. As for long-term loan from financial institution has decreased to Bath 1,883 million in 2015 from Bath 3,860 million in 2014. The cost of borrowing from the financial institution has an average cost of 7.02 %, increased from the year 2014 of an average cost at 6.50 %.

Net Profit

Consolidated financial statements

In 2016, the Company has a profit before financial cost and income tax at Baht 1,489.25 million increasing from 2015 by 50.02 % mainly due to increasing of total revenue of 17.42%, also a decrease in total expense of 4.22%. After recognizing the profit from investments in associates, the company has profit before finance cost and income tax expenses of Baht 1,537.60million, increases 54.89%. And after the deduction of finance cost, the company has profit before tax Baht 1,264.85 million, increases 74.23% from Baht 725.97 million of the year 2015

After corporate income tax, the company has a net profit of the year 2016 Baht 1,062.82 million increase 82.34 % from Baht 582.89 million of the year 2015.

In 2015, the Company has a profit before financial cost and income tax at Baht 992.73 million increasing from 2014 by 155.84 % mainly due to increasing of total revenue of 33.63%, also an increase in total expense of 1.47%. However, the service and administrative expenses grew at a slower rate than revenue, showing the cost efficient management. And after the deduction of finance cost, the company has profit before tax Baht 725.96 million, increases 427.55% from Baht 137.61 million of the year 2014.

After corporate income tax, the company has a net profit of the year 2015 Baht 582.89 million increase 395.15% from Baht 117.72 million of the year 2014.

Separate financial statements

In 2016, the Company has a profit before financial cost and income tax of Baht 862.07 million increased from the year 2015 by 26.41% mainly from an decrease of total expenses of 14.95%. Total expenses including service and operation expense, bad debt or doubtful debt, and loss foreclose asset for sales. And after the deduction of finance cost, the company has a profit before tax of Baht 600.93million, which increases 41.39 % from Baht 425.01 million of the year 2015.

After corporate income tax, the company has a net profit of Baht 481.93 million in the year 2016 which increased by 41.66 % from 2015 of Baht 320.21 million.

In 2015, the Company has a profit before financial cost and income tax of Baht 681.92 million increased from the year 2014 by 57.40 % mainly from an increase of total income of 11.43% and a decrease in total expenses of 5.55%. Total expenses including service and operation expense, bad debt or doubtful debt, and loss foreclose asset for sales. And after the deduction of finance cost, the company has a profit before tax of Baht 425.01 million, which increases 132.45 % from Baht 182.84 million of the year 2014.

After corporate income tax, the company has a net profit of Baht 340.21 million in the year 2015 which increased by 133.10 % from 2014 of Baht 145.95 million.

Profitability Ratio

Effective Interest Rate	Consolidated financial statements			Separate financial statements		
	2016	2015	2014	2016	2015	2014
Yield Rate	21.75	27.84	31.55	31.31	31.68	31.04
Interest Rate	4.97	7.09	6.48	5.03	7.02	6.50
Net Yield Rate	16.78	20.75	25.07	26.29	24.66	24.54
Net Profit rate	36.37	23.42	6.32	26.71	19.01	9.09

Unit : %

Earnings per share**Consolidated financial statements**

As of 2016, the Company operated a net profit after tax of Baht 1,062.82 million divided to 1,525.51 million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.70 Baht per share (the average ordinary share of 1,525.42 million shares) which was 42.86 increasing compared to the year 2015.

As of 2015, the Company operated a net profit after tax of Baht 582.89 million divided to 1,086 million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.49 Baht per share (the average ordinary share of 1,191 million shares) which was 345.45 increasing compared to the year 2014.

Separate financial statements

As of 2016, the Company operated a net profit after tax of Baht 481.93 million divided to 1,525.51 million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.32 Baht per share (the average ordinary share of 1,525.42million shares) which was 10.34% increasing compared to the year 2016.

As of 2015, the Company operated a net profit after tax of Baht 340.21million divided to 1,427million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.29 Baht per share (the average ordinary share of 1,191million shares) which was 107.14 % increasing compared to the year 2014.

Financial Position

Total assets

Consolidated financial statements

As at the end of 2016, the Company had a total assets of Baht 17,265.67million which increased from the total assets of Baht 10,765.12million at the end of 2015 or increase of Baht 6,500.56 million or 60.39%. Motorcycle hire purchase and installment sales receivables and asset-backed loan receivables which were the main assets, were recorded at Baht 6,577.67 million (or 38.10%of total assets) which increased from Baht 6,188.50 million at the end of the year 2015 by Baht 389.17 million or 6.29%, mainly from the expansion of the subsidiary in foreign countries. Loans and interest receivables outstanding of Bath 3,758.72million (or 21.77% of total assets), increased from 2015 of Bath 2,757.52 million with an increase total of Bath 1,001.20 million or 36.31% to support the subsidiaries in the foreign countries. During the year 2016, the Company invested in associated company amount of Baht 2,545.43 million (or 14.74% of total assets).

As at the end of 2015, the Company had a total assets of Baht 10,765.12 million which increased from the total assets of Baht 7,271.92 million at the end of 2014 or increase of Baht 3,493.20 million or 48.04%. Motorcycle hire purchase and installment sales receivables and asset-backed loan receivables which was the main assets, was recorded at Baht 6,188.50 million (or 57.49% of total assets) which increased from Baht 6,095.35 million at the end of the year 2014 by Baht 93.15 million or 1.53%. From the expansion of the mother company at a lower expansion rate as the screening process were being done in a careful manner to select the good credit rating customers and the expansion of the subsidiary in foreign countries. Short-term loan and interest outstanding of Bath 2,152.93 million increase from 2014 of Bath 24.78 million with an increase total of Bath 2,128.15 million or 8,588.18% to support the subsidiaries in the foreign countries.

Separate financial statements

As at the end of 2016, the Company had total assets Baht 15,776.67 million which increased Baht 5,767.52million or 57.62% from Baht 10,009.15million at the end of 2015. Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 3,743.76 million (or 23.72% of total assets), decreased from Baht 3,882.08 million at the end of the year 2015 by Baht 138.32 million or 3.56 %. This is in line with the company's strategy and the business model "Digital Finance". The objective is to reach 'Stability and Quality in Thailand for new Motorcycles, Growth and Creation in Emerging countries and Emerging consumers.Besides, the company's short-term loan to and interest receivables from subsidiary were at Bath 5,198.25million (or 32.95% of the total assets) increased from 2015 in which there was a short-term loan and interest receivable of Baht 4,016.39 million at Bath 1,181.86 million or 29.43% and investments in subsidiaries were at Bath 6,017.12 million (or 38.14 % of the total assets) increased from 2015 which there was investments in subsidiaries of Baht 1,200.12 million at Bath4,817 million or 401.38% to support the business operation of the subsidiary.

As at the end of 2015, the Company had total assets Baht 10,009.15 million which increased Baht 2,811.54 million or 39.06% from Baht 7,197.61 million at the end of 2014. Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 3,882.08 million (or 38.79% of total assets), decreased from Baht 4,532.78 million at the end of the year 2014 by Baht 650.70 million or 14.36%. The hire purchase was reduced due to the economic situations as well as the company's screening procedure for potential customers. Besides, the company's short-term loan and interest receivable were at Bath 4,016.39 million (or 40.13% of the total assets) increased from 2014 in which there was a short-term loan and interest receivable of Baht 1,190.17 million at Bath 2,826.22 million or 237.46% to support the business operation of the subsidiary.

Debt quality and provision of allowances for doubtful debts

Consolidated financial statements

The Company had set provision for the allowance for hire purchase and installment sales receivable which is the main accounts receivable of the Company as at 31 December 2016, 2015, and 2014 as follow :

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase Interest income, VAT and Deposit for loss from customer (million Baht)			%			Allowance for doubtful debt (Million Baht)			% Allowance for doubtful debt		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Not yet due	5,630.02	5,318.37	5,041.86	85.92	82.99	75.75	40.54	38.85	44.11	1.00	1.00	1.00
Past due 1 month	364.62	379.73	474.28	5.56	5.93	7.12	24.45	31.80	45.27	10.00	10.00	10.00
Past due 2-3 months	268.83	322.03	514.22	4.10	5.03	7.73	46.05	62.10	101.05	20.00	20.00	20.00
Past due 4-6 months	128.48	142.41	263.27	1.96	2.22	3.96	44.16	55.23	103.27	40.00	40.00	40.00
Past due 7-9 months	94.92	118.57	168.39	1.45	1.85	2.53	50.61	69.10	99.38	60.00	60.00	60.00
Past due 10-12 months	63.81	118.20	120.97	0.97	1.84	1.82	48.94	94.06	95.48	80.00	80.00	80.00
Past due over 12 months	2.44	8.89	72.68	0.04	0.14	1.09	2.44	8.88	71.75	100.00	100.00	100.00
Total	6,553.12	6,408.20	6,655.67	100.00	100.00	100.00	257.19	360.02	560.31	3.92	5.62	8.43

For the aging of hire – purchase accounts receivable at the end of the years 2016 and 2015, detailed as follow: no overdue has increased from 82.99% to 85.92%, Past due of 1 month decreased from 5.93% to 5.56%, Past due of 2-3 months decreased from 5.03% to 4.10%, Past due of 4-6 months decreased from 2.22% to 1.96 %, Past due of 7-9 months decreased from 1.85% to 1.45 %, Past due of 10-12 months decreased from 1.84% to 0.97 %, Past due over of 12 months decreased from 0.14% to 0.04%. This implies to the high quality of the portfolio.

For the aging of hire – purchase accounts receivable at the end of the years 2015 and 2014, detailed as follow: no overdue has increased from 75.75% to 82.99%, Past due of 1 month decreased from 7.12% to 5.93%, Past due of 2-3 months decreased from 7.73% to 5.03%, Past due of 4-6 months decreased from 3.96% to 2.22%, Past due of 7-9 months decreased from 2.53% to 1.85%, Past due of 10-12 months increased from 1.82% to 1.84%, Past due over of 12 months decreased from 1.09% to 0.14%.

Separate financial statements

The Company had set provision for the allowance for hire purchase and installment sales receivable which is the main accounts receivable of the Company as of 2016, 2015, and 2014 as follow :

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase Interest income, VAT and Deposit for loss from customer (million Baht)			%			Allowance for doubtful debt (Million Baht)			% Allowance for doubtful debt		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Not yet due	3,352.81	3,359.82	3,884.74	85.34	80.52	78.24	33.05	33.15	38.20	1.00	1.00	1.00
Past due 1 month	228.88	269.18	295.46	5.83	6.45	5.95	22.70	26.68	29.14	10.00	10.00	10.00
Past due 2-3 months	176.05	229.61	298.13	4.48	5.50	6.01	34.97	45.58	58.89	20.00	20.00	20.00
Past due 4-6 months	76.37	113.83	176.84	1.94	2.73	3.56	30.36	45.22	69.91	40.00	40.00	40.00
Past due 7-9 months	59.84	99.91	119.89	1.52	2.40	2.41	35.72	59.60	71.18	60.00	60.00	60.00
Past due 10-12 months	32.57	97.91	118.49	0.83	2.35	2.39	25.97	77.95	93.99	80.00	80.00	80.00
Past due over 12 months	2.30	2.46	71.67	0.06	0.05	1.44	2.30	2.45	71.13	100.00	100.00	100.00
Total	3,928.82	4,172.72	4,965.22	100.00	100.00	100.00	185.06	290.63	432.44	4.71	6.97	8.71

Aging of Hire – Purchase Accounts Receivable

Separate financial statements

For the aging of hire – purchase accounts receivable at the end of the years 2016 and 2015, detailed as follow, no overdue increased from 80.52% to 85.34%. Past due of 1 month decreased from 6.45% to 5.83%, Past due of 2-3 months decreased from 5.50% to 4.48%, Past due of 4-6 months decreased from 2.73% to 1.94%, Past due of 7-9 months decreased from 2.40% to 1.52%, Past due of 10-12 months decreased from 2.35% to 0.83%, and Past due over 12 months increased from 0.05% to 0.06%.

For the aging of hire – purchase accounts receivable at the end of the years 2015 and 2014, detailed as follow, no overdue increased from 78.24% to 80.52%. Past due of 1 month increased from 5.95% to 6.45%, Past due of 2-3 months decreased from 6.01% to 5.50%, Past due of 4-6 months decreased from 3.56% to 2.73%, Past due of 7-9 months decreased from 2.41% to 2.40%, Past due of 10-12 months decreased from 2.39% to 2.35%, and Past due over 12 months decreased from 1.44% to 0.05%.

Allowance for doubtful debt

Consolidated financial statements

As of 2016, the allowance for doubtful debt has an amount of Baht 257.19 million, decreased from Baht 360.02million or 25.56%. Which decreases on many of the overdue level especially on overdue 2-3 months with 20% reserve has allowance for doubtful debt Baht 46.05million, decreased from Baht 62.10million at the end of 2015 or 25.85%. Also over due of 4-6 month with 40% reserve has allowance for doubtful debt Baht 44.16 million, decreased from Baht 55.23million at the end of 2015 or 20.04%. over due of 10-12 month with 80% reserve has allowance for doubtful debt Baht 48.94 million, decreased from Baht 94.06million at the end of 2015 or 47.97%. And for the overdue that was over 12 month has a reserve of 100% having the allowance for doubtful debt amount of Bath 2.44million decreases from Bath 8.88 million at the end of 2015 or 72.52%. All were decreases due to the economy as well as the company's new procedure of screening customers to improve on the ability to track outstanding loan and be able to collect them.

As of 2015, the allowance for doubtful debt has an amount of Baht 360.02 million, decreased from Baht 560.31 million or 35.75%. Which decreases on all of the overdue level especially on overdue 2-3 months with 20% reserve has allowance for doubtful debt Baht 62.10 million, decreased from Baht 101.05 million at the end of 2014 or 38.95%. Also overdue of 4-6 month with 40% reserve has allowance for doubtful debt Baht 55.23 million, decreased from Baht 103.27 million at the end of 2014 or 46.52%. And for the overdue that was over 12 month has a reserve of 100% having the allowance for doubtful debt amount of Bath 8.88 million decreases from Bath 71.75 million at the end of 2014 or 87.62. All were decreases due to the economy as well as the company's new procedure of screening customers to improve on the ability to track outstanding loan and be able to collect them.

Separate financial statements

As of 2016, allowance for doubtful debt has amount Baht 185.06 million, decreased from Baht 290.63million at the end of 2015 at 36.33% which decreasing on all of overdue level especially on overdue 7-9 months with 60% reserve has allowance for doubtful debt Baht 35.72 million, decreased from Baht 59.60 million at the end of 2015 or at 40.06%. And Past due of 10-12 months with 80% reserve has allowance for doubtful debt of Baht 25.97 million, decreased from Baht 77.95 million at the end of 2015 or at 66.68%. All were decreases due to the economy as well as the company's new procedure of screening customers to improve on the ability to track outstanding loan and be able to collect them.

As of 2015, allowance for doubtful debt has amount Baht 290.63 million, decreased from Baht 432.44 million or 32.79% which decreasing on all of overdue level especially on overdue 2-3 months with 20% reserve has allowance for doubtful debt Baht 45.58 million, decreased from Baht 58.89 million at the end of 2014 or at 22.60 %.And Past due of 4-6 months with 40% reserve has allowance for doubtful debt of Baht 45.22 million, decreased from Baht 69.91 million at the end of 2014 or at 35.32%. And Past due of over 12monthswith100% reserve has allowance for doubtful debt of Baht 2.45 million, decreased from Baht 71.13 millionat the end of 2014 or at 96.56%. All were decreases due to the economy as well as the company's new procedure of screening customers to improve on the ability to track outstanding loan and be able to collect them.

Liabilities

Consolidated financial statements

As of 2016, the Company's total liabilities were Baht 8,764.76 million which increased from the year 2015 recording at Baht 3,183.66 million by Baht 5,581.10 million 175.30%. Majority of the liabilities were debentures, convertible debentures and loans from financial institutions in order to support business expansion for regional business and other countries.

As of 2015, the Company's total liabilities were Baht 3,183.66 million which decreased from the year 2014 recording at Baht 4,758.36 million by Baht 1,574.70 million 33.09%. Majority of the liabilities were loans from financial institutions and debenture by the parent company for business operation.

Separate financial statements

As of 2016, the Company's total liabilities were Baht 8,401.23 million increased from the year 2015 of Baht 2,900.09 million by Baht 5,501.14 million or 189.69 % which, most of liabilities were debentures, convertible debentures and loans from financial institutions in order to support business expansion for regional business and other countries.

As of 2015, the Company's total liabilities were Baht 2,900.09 million decreased from the year 2014 of Baht 4,678.67 million by Baht 1,778.58 million or 38.01%. Which, most of liabilities were loans from financial institutions and debentures in order to support business expansion for regional business and other countries.

Shareholders' Equity

Consolidated financial statements

As of 2016, the Company's shareholders' equity recorded at Baht 8,408.62 million which comprised of, the issued and paid-up capital, the share premium were similar to the separate financial statements. Retained earnings recorded at Baht 2,193.67 million which increased Baht 832.88 million from 2015. Total shareholders' equity increased by Baht 827.16 million from 2015 or 10.91%

As of 2015, the Company's shareholders' equity recorded at Baht 7,581.46 million which comprised of, the issued and paid-up capital, the share premium and capital reserve for share-based payment transactions were similar to these separate financial statements, as well as the exchange rate different on foreign currency transaction at Baht 271.35 million. Retained earnings recorded at Baht 1,360.78 million which increased Baht 514.19 million from 2014. Total shareholders' equity increased by Baht 5,067.89 million from 2014 or 201.62%

Separate financial statements

As of 2016, the Company's shareholders' equity recorded at Baht 7,375.44 million which comprised of the issued and paid-up capital Baht 762.76 million, share premium Baht 5,191.56 million, and the retained earnings of Baht 1,410.71 million. The overall shareholders' equity increased to Baht 266.38 million from the year 2015 or 3.75%, mainly from issued and paid up capital increased Baht 49.12 million, increasing of the share premium of Baht 936.93 million from exercising of warrants, cash advanced received from stock decreased Baht 980.68 million. The retained earnings

of Baht 250.97 million increased from net profit of Baht 482.22 million deducted by the amount of dividend paid of Baht 231.24 million.

As of 2015, the Company's shareholders' equity recorded at Baht 7,109.06 million which comprised of the issued and paid-up capital Baht 713.64 million, share premium Baht 4,254.63 million, the capital reserve for share-based payment transactions Baht 981.05 million and the retained earnings of Baht 1,159.74 million. The overall shareholders' equity increased Baht 4,590.11 million from the year 2014 or 182.22%, mainly from issued and paid up capital increased Baht 170.76 million, increasing of the share premium of Baht 3,170.38 million from exercising of warrants, cash advanced received from stock increased Baht 981.05 million. The retained earnings of Baht 271.51 million increased from net profit of Baht 338.18 million deducted by the amount of dividend paid of Baht 66.67 million.

Liquidity

Consolidated financial statements

As of the year 2016, the Company has the cash and cash equivalent increased by Baht 1,506.34 million showing an outstanding balance of the cash and cash equivalent of Baht 2,551.22 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow used in operating activities Baht 490.12 million, of which Baht 2,066.20 million was from the net profit of the operating result before assets and liabilities changes. Motorcycle hire purchase receivables, asset-backed loan receivables and loans and interest receivables increased 1,720.53 million and the assets foreclosed increased Baht 256.08 million.

The Company's net cash flow used in investment activities was Baht 3,218.02 million, of which Baht 2,903.53 million was for acquisition of investment in associate and other investments. Share subscription payment in advance for acquisition of investment in subsidiary of Baht 261.98 million. Interest received was Baht 28.26 million. Paid for acquisitions of equipment and intangible asset which Baht 100.11 million and received from short-term loan was Baht 18.78 million.

The Company's net cash flow from financing activities was Baht 5,238.21 million, which Baht 1,765.63 million were from the cash received from long-term loan, debenture Baht 1,500.00 million, issuing of convertible debentures at Baht 4,521.83 million, advance received for issuing of convertible debentures at Baht 465.80 million, paid for long-term loan Baht 3,032.26 million, cash paid for transaction costs of debentures was Baht 50.43 million and dividend paid of Baht 231.24 million.

As of the year 2015, the Company has the cash and cash equivalent increased by Baht 687.44 million showing an outstanding balance of the cash and cash equivalent of Baht 1,044.87 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow used in operating activities Baht 2,092.52 million, of which Baht 1,571.52 million was from the net profit of the operating result before assets and liabilities changes. Motorcycle hire purchase receivables, asset-backed loan receivables and loans and interest receivables increased Baht 3,061.60 million and the assets foreclosed increased Baht 356.81 million.

The Company's net cash flow for investment activities was Baht 24.82 million, interest received of Baht 75.06 million. Intangible asset purchases of Baht 63.07 million and cash received from short-term loan of Baht 31.68 million.

The Company's net cash flow from financing activities was Baht 2,515.91 million, which was the cash received from long-term loan of Baht 1,024.33 million, Baht 981.00 million received from the issuance of debentures, Baht 3,337.05 million received from exercise of warrants, repayment of long-term loan of Baht 2,836.03 million, and dividend payment of Baht 56.90 million.

Separate financial statements

As of the year 2016, the Company's cash and cash equivalent decreased by Baht 83.50 million showing the year end outstanding balance of Baht 468.72 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow for in the operating activities was at Baht 498.42 million, consisting of Baht 1,022.07 million from the net profit of the operating result before assets and liabilities changes. With the motorcycle hire purchase receivables increased of Baht 82.64 million and the assets foreclosed increased of Baht 230.93 million and other payable decreased of Baht 102.41 million .

The Company's net cash flow used in the investment activities was Baht 5,763.78 million, consisting of short-term loan to subsidiary of Baht 5,743.72 million. Cash received from short-term loan Baht 18.78 million and acquisitions of equipment and intangible asset of Baht 41.58 million.

The Company's net cash flow from financing activities was Baht 5,181.85 million, which Baht 1,655.00 million were from the cash received from long-term loan, loan from related parties Baht 210 million, debenture Baht 1,500.00 million, issuing of convertible debentures at Bath 4,521.83 million, advance received for issuing of convertible debentures at Bath 465.80 million, paid for long-term loan Baht 2,963.85million and dividend paid of Baht 231.24 million.

As of the year 2015, the Company's cash and cash equivalent increased by Baht 481.07 million showing the year end outstanding balance of Baht 552.22 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow used in the operating activities was at Baht 965.78 million, consisting of Baht 1,156.84 million from the net profit of the operating result before assets and liabilities changes. With the motorcycle hire purchase receivables of Baht 328.12 million and the assets foreclosed of Baht 307.70 million.

The Company's net cash flow used in the investment activities was Baht 2,846.00 million, consisting of short-term loan to related parties of Baht 4,102.72 million. Cash received from short-term loan of related parties 1,253.27 million and the interest received of Baht 36.94 million.

The Company's net cash flow from financing activities was Baht 2,361.29 million, which Baht 834.00 million were from the cash received from long-term loan, issuing of convertible debentures at Bath 981.00 million, with the cash flow received from the warrant exercising of Baht 3,337.05 million, paid for long-term loan Baht 2,817.85million and payment of dividend of Baht 66.67 million.

Capital Structure

Consolidated financial statements

For the capital structure at the end of the years 2016, 2015 and 2014, the Company's debt to equity ratio was 0.42, 1.89 and 1.43 times, respectively. These ratios have a trend to decrease in accordance with the separate financial statements.

Separate financial statements

For the capital structure at the end of the years 2016, 2015 and 2014, the Company's debt to equity ratio were 1.14, 0.41, and 1.86 times, respectively. The ratio was affected by the long-term credit line and issued debentures for using the business expansion, detailed as follow:

1. Increasing of an outsource funding such as debentures to interest rate of 2.84% per annum, convertible debentures to interest rate of 5.00% per annum and decreased bank overdrafts, promissory notes and long-term loan from the banks which was paid back by installments at fixed interest rate of 6.00% per annum. The Company's total liabilities increased from Baht 2,900.09 million in 2015 to Baht 8,401.23 million in 2016 which was an increase of Baht 5,501.14 million or 186.69 %. From the historical record, the company can repay the principal and interest by the due date and also in accordance with the loan covenant.
2. An increased of capital from an internal source in 2016 were an increasing of shareholders' equity of Baht 7,109.06 million in 2015 to Baht 7,375.43 million which was an increase of Baht 266.37 million or 3.75 %. Which came from the increasing of issued and paid up capital Baht 49.11 million and the increasing in share premium of Baht 936.93 million from warrant exercising and an increasing of retained earnings of Baht 250.98 million. Net comprehensive income of Baht 482.22 million deducted by the amount of dividend paid and issuance of stock dividend total Baht 231.24 million.

However in the future, the company may consider additional source of funding by issuing debenture, loan from overseas financial institutions and an increasing of credit line from financial institution. All these would be up to the market situation and necessity of fund needed to provide the flexibility and appropriate funding to support the business operation in Thailand and ASEAN.

Factors which may have influence to the Future Business operation

1. Political and Economic situation

The expansion of the hire purchase motorcycles business was directly affected by motorcycle manufacturing industry as the two are dependent of one another. In 2016, the political situation was fairly stable and was in a process of creating a Road Map for the new election that will be held in 2017. Of which we believe would not have an effect on the government's stability in the mean while. This is then an opportunity for the government to emphasize the policy in order to boost up Thai economy. Especially the investment on mega projects to boost domestic consumption. This situation has a positive effect on the growth of the hire purchase motorcycles business.

2. Demand on usage of motorcycle

Demand on motorcycle could get in to its maturity stage in the future when considering the trend of new number registered in Bangkok and Vicinity area and some upcountry area. Many government policies may indirectly have an impact on the motorcycle industry as they support usage of substituted vehicle such as low cost automobile in Eco car project. However, with the lifestyle and traffic of the Thais we believe that motorcycle will continue to be an alternative means of transportation.

3. Business expansion in the regional country

The company's target is to expand motorcycle and agricultural machinery hire purchase business to the regional country in Asean, to enlarge the market share, increasing profit and risk diversify. As motorcycle and agricultural machinery hire purchase business in many Asean countries are in a growing stage and has a potential to grow even bigger.

In 2014, the Company started to have the first operating subsidiary company outside Thailand. As of 31 December 2016, the subsidiary in Cambodia had added the Point of Sales (POS) of over 178 location all over Cambodia including 154 at Honda Leasing and 24 at Kubota agricultural machinery. As an exclusive right to Honda motorcycle dealer this has benefited us in our rapid business expansion and began to generate profits for the company. It also has the potential to grow in a short period of time.

In 2015 the Company had expanded the market into Lao PDR by introducing GL Leasing (Lao) Co., Ltd. or GLL, through the shareholding of Group Lease Holding Pte, Ltd., as a hire-purchase for Honda motorcycle and Kubota agricultural machinery businesses. GLL is currently operating 59 POSs in Honda dealers' shop which covers all of Lao. Whereas for Kubota, GLL is operating at all 13 Kubota dealers location. As a result, GLL was able to reach its break even within the period of only 10 months of their operation.

During the year 2016, the Company had expanded the market into Indonesia by introducing PT. Group Lease Finance Indonesia ("GLFI"), a joint investment among GLH, JTrust Asia Pte. Ltd. and an Indonesian partner. GLH can consolidate 80% of the financial statements of GLFI. GLFI is currently operating 24 POSs in Kubota dealers which covers all area of Indonesia. Not only providing HP for Kubota agricultural machinery, but GLFI is also about to provide the microfinance, group loan, will start in February 2017.

During the year 2016, the Company purchased 29.99% of ordinary shares of Commercial Credit and Finance PLC ("CCF") and recorded as investment in associated company. CCF is a listed company and incorporated in Sri Lanka and its main activities are leasing, microfinance, lending and hire purchase business. The Company started recognize 29.99% of the profit from CCF in the fourth quarter of 2016.

In 2017, the Company will fully expand into the financial market in Myanmar. The Company acquired 100% of BG Microfinance Myanmar Co., Ltd ("BGMM") in early January 2017. BGMM is incorporated in the Republic of the Union of Myanmar and engaged in the activity of microfinance business.

Moreover, the Company will continue use the fast-growing model of digital-finance business extending from Asia to Africa and Eastern Europe in 2017. The target is to expand its corporate footprint from seven countries in Asia at present to 20 countries worldwide the coming year. Overall, the company has the potential to grow in Asia, Africa and Eastern Europe in many countries which in the future can expect to generate higher profits with the risk diversification.

During the year 2016, the Company purchased 20.00% of ordinary shares of Bagan Innovation Technology Pte. Ltd. ("BiT") and recorded as other long-term investments. BiT is incorporated in Singapore and the Company is a software development company specialised in digital content and mobile application solutions.

During the year 2016, the Company purchased 3.12% of ordinary shares of PT Bank JTrust Indonesia Tbk. ("JTrust Bank") and recorded as other long-term investments. JTrust Bank is incorporated in Indonesia and its main activity is commercial banking.

Responsibility of the Board of Directors on Financial Statements

The Board of Directors of Group Lease Public Company Limited is responsible for the Company's financial statement and financial information presented in the annual report. The financial statements have been prepared in accordance with generally accepted accounting standard of Thailand, which are based on appropriate accounting policies and carefully forecasting practically suitable for the real business operation. All material information has been sufficiently disclosed in the notes to financial statements which based on the regulation of the Securities Exchange Commission and the Stock Exchange of Thailand. The independent auditor has audited and expressed an unqualified audit opinion on those financial statements.

In order to ensure the correctness, completeness and sufficiency of the Company's financial & accounting information and to prevent possible risks from the operation, the Board of Directors has set up effective internal control system and appointed Audit Committee which comprised of Independent Directors to take care and be accountable for the quality of the Company's financial report as well as internal control systems. The opinion of the Audit Committee was stated in the Report of the Audit Committee appeared in this annual report.

The Board of Directors, therefore, views that financial statement of Group Lease Public Company Limited as at December 31st, 2016 can transparently reflect the Company's financial position which is useful for all shareholders and other stakeholders.

Board of Directors
Group Lease Public Company Limited
February 28th, 2017



GL

First, Fast & Forward

GROUP LEASE
PUBLIC COMPANY LIMITED
and its subsidiaries

Report of Auditor and Financial statements
31 December 2016

Group Lease Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of
Group Lease Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Group Lease Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Group Lease Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Group Lease Public Company Limited and its subsidiaries and of Group Lease Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matters

My opinion is not modified in respect of these matters. I draw attention to the following Notes to consolidated financial statements.

1. Loans and interest receivables - Baht 3,477 million as of 31 December 2016 (represents 40 percent of the consolidated net assets as of 31 December 2016)

I draw attention to Note 11 of the consolidated financial statements relating to the loans and interest receivables. The Company provided loans to the Company's subsidiary in Singapore who in turn loaned out to two groups of borrowers

in Cyprus and in Singapore. These borrowers are also shareholders of the Company and have pledged their shares in the Company against those loans with the Company's subsidiary in Singapore.

The loans was subject to pledging of securities of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company

as owned by the borrowers. The Company informed us that the collaterals (including the shares of the Company which was valued at the closing price in the Stock Exchange of Thailand at the end of the year) covered 106 percent and 238 percent respectively of the outstanding amount of loans to these two groups of borrowers. But if ignoring the value of the pledged shares of the Company (based on prudence, shares of the lending company should not be counted as collateral against loans granted by itself), the remaining value of the collaterals amounted to 60 percent and 53 percent respectively of the outstanding amount of loans to these two groups of borrowers.

The periods of the loans were various in the range of 3 months to 3 years. The principals were all due for repayment upon maturity. Some loan principals as became due during the year were rolled over and subsequently modified and extended to periods of 2-3 years. The loan balances which are subject to the mentioned amendments amounted approximately to Baht 2,129 million (USD 59 million).

The chargeable interest rates under the loan agreements were in the range of 14.5 percent to 25 percent per annum. The interest earned during the year derived from these loans amounted to Baht 485 million (average earned rate of 17 percent). The amount represents 38 percent of the consolidated profits of the Company and its subsidiaries for the year 2016.

The Company informed us that the borrowers are well established and trusted corporations and they are not related to the Company and the Company has done internal verifications on the borrowers and has considered them to be reliable.

2. Investment in associate company in Sri Lanka - Approximately Baht 2,545 million as of 31 December 2016

I draw attention to Note 2.1 of the consolidated financial statements relating to the investment in associate company in Sri Lanka. The subsidiary of the Company acquired 29.99% of the ordinary shares of a listed company on the Stock Exchange of Sri Lanka at a purchase price of Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26 million). The acquisition was approved at the Extraordinary General Meeting of the shareholders of the Company No.2/2016 on 6 December 2016 and some of the shares (22.27% of the ordinary shares of that company) were purchased from the selling company with one of its directors being also one of the Company's directors. The subsidiary company's outside professional valuer valued such investment at approximately Baht 1,900 - 2,500 million, while the appointed independent financial advisor valued such investment at approximately Baht 1,600 - 1,700 million. On the acquisition date, based on the then market price at the Stock Exchange of Sri Lanka, the value was at approximately Baht 1,391 million. The Company's management assessed that the purchase price represented approximately 8 times of the earnings of the acquired associated company. As at 31 December 2016, such investment was presented as an investment in associate in the consolidated financial statements, at the equity method of Baht 2,545 million (Based on the market price at the Stock Exchange of Sri Lanka on 30 December 2016, the value was at approximately Baht 1,285 million).

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Loans and interest receivables

As described in Note 11 to the financial statements, the Company's subsidiary in Singapore provided loans to overseas companies amounting to approximately USD 97 million or equivalent to Baht 3,477 million (representing 40 percent of the consolidated net assets). The loans were secured with collateral in the forms of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company held by the borrowers. The repayment terms of the loans ranged from 3 months to 3 years, and the loan principal is repayable at maturity. The interest rates charged ranged from 15 percent to 25 percent per annum. Interest earned during the year on these loans amounted to Baht 485 million, representing 38 percent of the consolidated profits for the year 2016. Because the amount of the loan receivables forms a significant portion of the Group's total assets, I have focused my audit on the existence of loan receivables and the estimation of future recoverable amount from the loan receivables.

I audited the existence and the estimated recoverable values of the loan receivables by examining the loan agreements and sending out requests for confirmation of loan receivables, also testing the interest receipt to assess whether they were consistent with the conditions stipulated in the loan agreements, and in compliance with Group's policy on revenue recognition. I obtained information from the management that the terms and conditions of lending, management, monitoring and subsequent modifications of the unpaid loans were based on expertise of the Company's directors and top executives and their relationship with the borrowers. I also obtained their opinion on the recovery of the loans.

Investment in associate company in Sri Lanka

As described in the Note 2.1 to the financial statements, during the current year, a subsidiary acquired shares in a listed company in Sri Lanka at a purchase price of Baht 2,462 million (approximately 29.99% of total share capital in that company). In addition two of the Company's key management were appointed as directors of that company since October 2016. The Company's management has considered that this event leads the Company to have significant influence over that company. The Company has therefore recorded it as investment in associate and recognised share of profit or

loss under equity method from the date on which the Company obtains significant influence in the associated company. The purchase price allocation is being done but not yet been completed. I have focused on the audit of this transaction since it is material to the financial statements as a whole, and the consideration of significant influence over investee requires management to exercise substantial judgement. In addition, the management needed to exercise substantial judgement to determine the assumptions used as a basis for provisional recognition of the acquisition and the useful lives of the intangible assets acquired.

I inquired about the nature and objectives of the acquisition and the management's consideration regarding significant influence over investee in order to determine whether it meets the definition under Thai Accounting Standards 28 (Revised 2015) Investment in Associates and Joint Ventures. In addition, I checked the value of the acquisition with supporting documents and related payments, and I examined the minute of the board of directors of that company in relation to the appointment of additional directors. In addition, I also checked the investment valuation as at the date of acquisition in investment in associate and the related transactions recorded by the Company. I reviewed the disclosures related to this transaction in the notes to financial statements.

Revenue recognition

The Group's policy on recognition of interest income is discussed in Note 5.1 to the financial statements. In 2016, most of the Group's revenue consisted of interest income from hire purchase contracts, which amounted to Baht 1,950 million (representing 67 percent of total revenue). Hire purchase interest income was derived from hire purchase agreements with a large number of customers, most of whom are retail customers, and recognition is reliant on data processing by information technology systems. Therefore, I addressed the amount and timing of the recognition of hire purchase interest income as a key audit matter.

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

Allowance for hire purchase receivables and asset - backed loan receivables

As discussed in Note 5.4 to the financial statements, the estimation of allowance for doubtful accounts of hire purchase receivables and asset - backed loan receivables which is estimated based on criteria relies on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating allowance for hire purchase

receivables and asset - backed loan receivables expected to be incurred when debtors are unable to repay principal and interests, and the appropriateness of the period of recognition. Allowance for hire purchase receivables and asset - backed loan receivables were significant since as at 31 December 2016, the Group had significant balances of loans to customers (accounting for 38% of total assets), therefore, there is a risk that the allowance hire purchase receivables and asset - backed loan receivables will be inadequate, causing the Group have risks with respect to overstate the value of its hire purchase receivables and asset - backed loan receivables.

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

- Gained an understanding of how provision was calculated, assessed the appropriateness of the calculation of probability of default and loss given default.
- Checked the credibility of key information used in calculation to key sources
- Performed analytical procedures of assumptions that the Group applied against historical data and external sources and the findings of assessments performed in other areas relating to the assumptions.

Goodwill

I have focused on the consideration of the impairment of goodwill as discussed in Note 21 to the financial statements, because impairment assessment on goodwill is a significant accounting estimate requiring the management to exercise a high degree of judgment in identifying the cash generating unit, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and growth rate. There is thus a risk that the values of goodwill will be inappropriate.

I have assessed the appropriateness of the identified cash generating units and the financial models selected by management by gaining an understanding of the management's decision-making process and whether the decisions are consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, through comparison those assumptions and a review of the accuracy of past cash flow projections in comparison to actual operating results. I also considered the appropriateness of management's assumptions, testing the calculation of the realisable values of the assets using the selected financial model and considering the impact of changes in key assumptions on those realisable values. Moreover, I assessed the adequacy of the disclosure made with respect to impairment assessment for goodwill and intangible assets.

Other information

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

after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Sophon Permsirivallop.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 28 February 2017

Group Lease Public Company Limited and its subsidiaries
Financial statements
For the year ended 31 December 2016

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Group Lease Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2016

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	8	2,551,224,122	1,044,886,024	468,721,663	552,224,270
Current portion of hire purchase and installment sales receivables	7, 9	3,150,339,743	3,198,880,188	1,946,220,415	2,095,264,423
Current portion of asset-backed loan receivables	10	226,271,990	113,093,494	-	-
Current portion of loans and interest receivables	11	882,434,573	2,152,933,578	-	18,780,000
Assets foreclosed	12	50,892,596	32,947,584	24,948,000	14,909,047
Short-term loan to and interest receivables from subsidiary	7	-	-	5,198,254,460	4,016,390,195
Other receivables	7, 13	186,247,480	127,494,102	34,424,749	30,104,324
Other current assets	7, 14	297,766,822	99,915,705	83,434,670	79,470,137
Total current assets		7,345,177,326	6,770,150,675	7,756,003,957	6,807,142,396
Non-current assets					
Pledged fixed deposit at financial institution	15	333,596	329,357	333,596	329,357
Investments in subsidiaries	16	-	-	6,017,119,942	1,200,116,812
Investments in associates	2, 17	2,545,426,122	-	-	-
Other long-term investments	7, 18	476,350,477	-	-	-
Share subscription payment in advance for acquisition of investment in subsidiary	2, 7	285,516,931	-	-	-
Long-term portion of hire purchase and installment sales receivables	7, 9	3,145,585,300	2,848,471,416	1,797,536,368	1,786,822,120
Long-term portion of asset-backed loan receivables	10	55,475,717	28,057,347	-	-
Long-term portion of loans and interest receivables	11	2,876,285,336	604,588,151	-	-
Property, plant and equipment	19	130,671,707	115,982,350	75,364,836	73,823,521
Intangible assets	20	139,795,655	101,066,818	35,827,970	15,501,349
Goodwill	21	122,156,894	122,518,835	-	-
Deferred tax assets	36	35,523,500	62,868,061	24,240,573	51,323,356
Other non-current assets	22	107,375,686	111,083,572	70,241,640	74,088,855
Total non-current assets		9,920,496,921	3,994,965,907	8,020,664,925	3,202,005,370
Total assets		17,265,674,247	10,765,116,582	15,776,668,882	10,009,147,766

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

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from financial institutions	23	556,260,296	349,049,821	448,767,117	349,049,821
Trade accounts payable		11,562,067	46,446,506	3,943,700	5,097,900
Short-term loans from and interest payable to related parties	7	4,396,402	4,115,283	130,000,000	-
Current portion of long-term loans	25	585,743,038	1,557,853,528	402,990,000	1,522,177,013
Current portion of long-term loans from subsidiary	7	-	-	53,300,000	-
Current portion of debentures	26	499,128,481	-	499,128,481	-
Income tax payable		87,086,134	53,316,344	16,426,790	29,475,140
Insurance premium payables		11,599,382	11,211,418	7,551,801	7,011,366
Other payables	7, 24	204,983,640	77,724,014	187,473,313	74,244,259
Other current liabilities	7	155,538,641	76,076,543	41,553,614	49,387,435
Total current liabilities		2,116,298,081	2,175,793,457	1,791,134,816	2,036,442,934
Non-current liabilities					
Long-term portion of long-term loans	25	212,389,957	504,593,084	174,140,003	360,490,003
Long-term portion of debentures	26	1,453,089,742	493,610,396	1,453,089,742	493,610,396
Convertible debentures - liability component	7, 27	4,506,286,891	-	4,506,286,891	-
Advance received for issuance of convertible debentures	7, 28	465,798,450	-	465,798,450	-
Provision for long-term employee benefits	29	8,720,523	7,480,315	8,720,523	7,480,315
Cash guarantee for damage on hire purchase agreements		2,179,973	2,180,907	2,063,646	2,063,646
Total non-current liabilities		6,648,465,536	1,007,864,702	6,610,099,255	863,644,360
Total liabilities		8,764,763,617	3,183,658,159	8,401,234,071	2,900,087,294
Shareholders' equity					
Share capital	30				
Registered 1,845,090,080 ordinary shares of Baht 0.50 each (2015: 1,539,174,618 ordinary shares of Baht 0.50 each)		922,545,040	769,587,309	922,545,040	769,587,309
Issued and paid-up 1,525,509,970 ordinary shares of Baht 0.50 each (2015: 1,427,285,251 ordinary shares of Baht 0.50 each)	30	762,754,985	713,642,626	762,754,985	713,642,626
Share premium	30	5,191,559,886	4,254,634,158	5,191,559,886	4,254,634,158
Share subscription received in advance	30	365,320	981,049,328	365,320	981,049,328
Retained earnings					
Appropriated - statutory reserve	33	92,254,504	76,958,731	92,254,504	76,958,731
Unappropriated		2,101,423,374	1,283,825,109	1,318,456,964	1,082,775,629
Other components of shareholders' equity	27	260,257,505	271,348,471	10,043,152	-
Total shareholders' equity		8,408,615,574	7,581,458,423	7,375,434,811	7,109,060,472
Non-controlling interests of the subsidiary		92,295,056	-	-	-
Total equity		8,500,910,630	7,581,458,423	7,375,434,811	7,109,060,472
Total liabilities and shareholders' equity		17,265,674,247	10,765,116,582	15,776,668,882	10,009,147,766

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

Directors

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2016

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss					
Revenues					
Hire purchase interest income		1,949,691,039	1,898,441,467	1,193,975,823	1,332,835,932
Asset - backed loan interest income		116,926,280	25,484,564	-	-
Interest on loan receivables		484,858,712	173,364,647	-	-
Other income					
Other interest income		25,032,980	2,202,858	324,902,541	147,215,074
Consulting service fee income		63,062,260	72,679,900	-	-
Management service fee income		-	-	84,000,000	84,000,000
Other income related to the activities of hire purchase	34	218,791,388	259,950,849	143,501,742	150,353,163
Others		63,780,215	56,578,918	58,093,010	75,603,387
Total revenues		2,922,142,874	2,488,703,203	1,804,473,116	1,790,007,556
Expenses					
Services and administrative expenses	35	887,375,789	784,371,371	506,846,134	476,319,784
Bad debts and doubtful accounts		313,269,760	356,566,970	220,954,334	322,570,895
Loss on disposals of foreclosed assets		232,251,114	355,030,334	214,606,636	309,197,903
Total expenses		1,432,896,663	1,495,968,675	942,407,104	1,108,088,582
Profit before share of profit from investments in associates, finance cost and income tax expenses		1,489,246,211	992,734,528	862,066,012	681,918,974
Share of profit from investments in associates	17	48,354,695	-	-	-
Profit before finance cost and income tax expenses		1,537,600,906	992,734,528	862,066,012	681,918,974
Finance cost		(272,749,543)	(266,768,059)	(261,139,346)	(256,911,422)
Profit before income tax expenses		1,264,851,363	725,966,469	600,926,666	425,007,552
Income tax expenses	36	(202,032,098)	(143,075,473)	(118,999,618)	(84,795,909)
Profit for the year		1,062,819,265	582,890,996	481,927,048	340,211,643
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(28,549,023)	235,098,858	-	-
Share of other comprehensive income from investments in associates - net of income tax	17	8,047,767	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		(20,501,256)	235,098,858	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax	29	290,031	(2,028,643)	290,031	(2,028,643)
Other comprehensive income not to be reclassified to profit or loss in subsequent period - net of income tax		290,031	(2,028,643)	290,031	(2,028,643)
Other comprehensive income for the year		(20,211,225)	233,070,215	290,031	(2,028,643)
Total comprehensive income for the year		1,042,608,040	815,961,211	482,217,079	338,183,000

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		1,063,843,978	582,890,996	481,927,048	340,211,643
Non-controlling interests of the subsidiary		(1,024,713)	-		
		1,062,819,265	582,890,996		
Total comprehensive income attributable to:					
Equity holders of the Company		1,042,999,891	815,961,211	482,217,079	338,183,000
Non-controlling interests of the subsidiary		(391,851)	-		
		1,042,608,040	815,961,211		
Earnings per share	37				
Basic earnings per share					
Profit for the year		0.697	0.489	0.316	0.286
Weighted average number of ordinary shares (shares)		1,525,422,898	1,190,878,781	1,525,422,898	1,190,878,781
Diluted earnings per share					
Profit for the year		0.692	0.464	0.313	0.271
Weighted average number of ordinary shares (shares)		1,537,895,350	1,256,644,934	1,537,895,350	1,256,644,934

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

Group Lease Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements												
		Issued and paid-up share capital	Share premium	Share subscription received in advance	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity				Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total equity
						Appropriated	Unappropriated	Other comprehensive income		Convertible debentures - equity component	Total other components of owners of the Company			
								Unrealised gain (loss) on changes in fair value of available-for-sale	Exchange differences on translation of financial statements in foreign currency					
Balance as at 1 January 2015		542,884,816	1,084,254,433	-	3,584,428	72,092,614	774,501,693	-	36,249,613	-	36,249,613	2,513,567,597	-	2,513,567,597
Profit for the year		-	-	-	-	-	582,890,996	-	-	-	-	582,890,996	-	582,890,996
Other comprehensive income for the year		-	-	-	-	-	(2,028,643)	-	235,098,858	-	235,098,858	233,070,215	-	233,070,215
Total comprehensive income for the year		-	-	-	-	-	580,862,353	-	235,098,858	-	235,098,858	815,961,211	-	815,961,211
Issuance of ordinary shares during year from the exercise of warrants		170,757,810	3,170,379,725	-	(4,084,234)	-	-	-	-	-	-	3,337,053,301	-	3,337,053,301
Capital reserve for share-based payment transactions		-	-	-	499,806	-	-	-	-	-	-	499,806	-	499,806
Issue convertible debentures - equity component		-	-	-	-	-	-	-	-	268,410	268,410	268,410	-	268,410
Transferred of convertible debentures to share subscription received in advance		-	-	981,049,328	-	-	-	-	-	(268,410)	(268,410)	980,780,918	-	980,780,918
Dividend paid	32	-	-	-	-	-	(66,672,820)	-	-	-	-	(66,672,820)	-	(66,672,820)
Appropriated to statutory reserved	33	-	-	-	-	4,866,117	(4,866,117)	-	-	-	-	-	-	-
Balance as at 31 December 2015		713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,283,825,109	-	271,348,471	-	271,348,471	7,581,458,423	-	7,581,458,423

(Unit: Baht)

	Note	Consolidated financial statements												
		Issued and paid-up share capital	Share premium	Share subscription received in advance	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity				Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total equity
						Appropriated	Unappropriated	Other comprehensive income		Convertible debentures - equity component	Total other components of owners of the Company			
								Unrealised gain (loss) on changes in fair value of available-for-sale	Exchange differences on translation of financial statements in foreign currency					
Balance as at 1 January 2016		713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,283,825,109	-	271,348,471	-	271,348,471	7,581,458,423	-	7,581,458,423
Profit for the year		-	-	-	-	-	1,063,843,978	-	-	-	-	1,063,843,978	(1,024,713)	1,062,819,265
Other comprehensive income for the year		-	-	-	-	-	290,031	1,793,550	(22,927,668)	-	(21,134,118)	(20,844,087)	632,862	(20,211,225)
Total comprehensive income for the year		-	-	-	-	-	1,064,134,009	1,793,550	(22,927,668)	-	(21,134,118)	1,042,999,891	(391,851)	1,042,608,040
Issuance of ordinary shares during year from the exercise of warrants	30.4, 31	62,359	4,926,400	-	-	-	-	-	-	-	-	4,988,759	-	4,988,759
Issuance of ordinary shares during year from transferring of share subscription received in advance	30	49,050,000	931,999,328	(981,049,328)	-	-	-	-	-	-	-	-	-	-
Share subscription received in advance from the exercise of warrants	30, 31	-	-	365,320	-	-	-	-	-	-	-	365,320	-	365,320
Issue convertible debentures - equity component	27	-	-	-	-	-	-	-	-	10,043,152	10,043,152	10,043,152	-	10,043,152
Dividend paid	32	-	-	-	-	-	(231,239,971)	-	-	-	-	(231,239,971)	-	(231,239,971)
Increase in non-controlling interest from established a new subsidiary		-	-	-	-	-	-	-	-	-	-	-	92,686,907	92,686,907
Appropriated to statutory reserved	33	-	-	-	-	15,295,773	(15,295,773)	-	-	-	-	-	-	-
Balance as at 31 December 2016		762,754,985	5,191,559,886	365,320	-	92,254,504	2,101,423,374	1,793,550	248,420,803	10,043,152	260,257,505	8,408,615,574	92,295,056	8,500,910,630

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

(Unit: Baht)

	Note	Separate financial statements							
		Issued and paid-up share capital	Share premium	Share subscription received in advance	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity Convertible debentures - equity component	Total shareholders' equity
						Appropriated	Unappropriated		
Balance as at 1 January 2015		542,884,816	1,084,254,433	-	3,584,428	72,092,614	816,131,566	-	2,518,947,857
Profit for the year		-	-	-	-	-	340,211,643	-	340,211,643
Other comprehensive income for the year		-	-	-	-	-	(2,028,643)	-	(2,028,643)
Total comprehensive income for the year		-	-	-	-	-	338,183,000	-	338,183,000
Issuance of ordinary shares during year from the exercise of warrants		170,757,810	3,170,379,725	-	(4,084,234)	-	-	-	3,337,053,301
Capital reserve for share-based payment transactions		-	-	-	499,806	-	-	-	499,806
Issue convertible debentures - equity component		-	-	-	-	-	-	268,410	268,410
Transferred of convertible debentures to share subscription received in advance		-	-	981,049,328	-	-	-	(268,410)	980,780,918
Divident paid	32	-	-	-	-	-	(66,672,820)	-	(66,672,820)
Appropriated to statutory reserved	33	-	-	-	-	4,866,117	(4,866,117)	-	-
Balance as at 31 December 2015		713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,082,775,629	-	7,109,060,472
Balance as at 1 January 2016		713,642,626	4,254,634,158	981,049,328	-	76,958,731	1,082,775,629	-	7,109,060,472
Profit for the year		-	-	-	-	-	481,927,048	-	481,927,048
Other comprehensive income for the year		-	-	-	-	-	290,031	-	290,031
Total comprehensive income for the year		-	-	-	-	-	482,217,079	-	482,217,079
Issuance of ordinary shares during year from the exercise of warrants	30, 31	62,359	4,926,400	-	-	-	-	-	4,988,759
Issuance of ordinary shares during period from transferring of share subscription received in advance	30	49,050,000	931,999,328	(981,049,328)	-	-	-	-	-
Share subscription received in advance from the exercise of warrants	30, 31	-	-	365,320	-	-	-	-	365,320
Issue convertible debentures - equity component	27	-	-	-	-	-	-	10,043,152	10,043,152
Divident paid	32	-	-	-	-	-	(231,239,971)	-	(231,239,971)
Appropriated to statutory reserved	33	-	-	-	-	15,295,773	(15,295,773)	-	-
Balance as at 31 December 2016		762,754,985	5,191,559,886	365,320	-	92,254,504	1,318,456,964	10,043,152	7,375,434,811

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

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows
For the year ended 31 December 2016

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	1,264,851,363	725,966,469	600,926,666	425,007,552
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	36,613,520	28,422,704	17,207,851	10,873,145
Amortisation	6,858,140	19,354,827	1,865,770	596,950
Bad debts and doubtful accounts	318,269,760	357,322,921	225,954,334	322,570,895
(Gain) loss on disposal/write-off of equipment	(324,522)	186,970	(171,865)	50,464
Loss on disposals of assets foreclosed	232,251,114	355,030,334	214,606,636	309,197,902
Loss (reversal of loss) on diminution in value of assets foreclosed	5,525,369	(7,575,560)	6,282,144	(2,334,698)
Exchange loss from transfer loan to subsidiary to investment in subsidiary	-	-	7,435,570	1,074,541
Unrealised exchange (gain) loss	(569,193)	662,547	8,361,684	(20,814,961)
Provision for long-term employee benefits	3,367,214	425,130	3,367,214	425,130
Capital reserve for share-based payment transactions	-	499,806	-	499,806
Share of profit from investments in associates	(48,354,695)	-	-	-
Interest income	(25,032,980)	(175,543,203)	(324,902,542)	(147,215,074)
Interest expenses	257,221,109	248,140,221	247,569,384	238,702,840
Amortised front end fees of loans	5,271,458	11,547,089	3,312,987	11,547,089
Amortised transaction cost of debentures	9,762,607	7,080,748	9,762,607	6,661,494
Amortised transaction cost of convertible debentures	494,369	-	494,369	-
Profit from operating activities before changes in operating assets and liabilities	2,066,204,633	1,571,521,003	1,022,072,809	1,156,843,075
Operating assets (increase) decrease				
Hire purchase and installment sales receivables	(550,808,220)	(309,323,943)	(82,624,575)	328,121,659
Asset - backed loan receivables	(151,932,987)	(141,150,841)	-	-
Loans and interest receivables	(1,017,784,463)	(2,611,125,275)	-	-
Assets foreclosed	(256,083,712)	(356,805,486)	(230,927,733)	(307,701,751)
Other receivables	(62,940,921)	(81,868,314)	(3,640,308)	(5,010,729)
Other current assets	(222,924,862)	17,229,140	660,918	12,882,617
Other non-current assets	(1,461,999)	50,742,376	(1,301,627)	(6,034,448)
Operating liabilities increase (decrease)				
Trade accounts payable	(34,885,002)	37,371,374	(1,154,200)	(1,253,005)
Insurance premium payables	387,964	(514,357)	540,435	(2,670,948)
Other payables	114,617,138	20,713,122	102,411,182	47,649,863
Other current liabilities	(6,220,047)	10,802,355	(7,833,822)	19,552,864
Guarantee for damage from hire purchase agreements	(934)	(144,486)	-	(132,617)
Cash flows from (used in) operating activities	(123,833,412)	(1,792,553,332)	798,203,079	1,242,246,580
Cash paid for long-term employee benefits	(1,764,467)	(1,860,000)	(1,764,467)	(1,860,000)
Cash paid for interest expenses	(248,077,911)	(247,613,418)	(239,881,972)	(239,309,622)
Cash received from withholding tax refund	617,065	-	617,065	-
Cash paid for corporate income tax	(117,058,740)	(50,488,927)	(58,747,965)	(35,300,512)
Net cash flows from (used in) operating activities	(490,117,465)	(2,092,515,677)	498,425,740	965,776,446

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in pledged fixed deposits at financial institution	(4,239)	(4,989)	(4,239)	(4,989)
Acquisition of investment in associate	(2,489,023,661)	-	-	-
Acquisition of other investments	(414,501,750)	-	-	-
Share subscription payment in advance for acquisition of investment in subsidiary	(261,982,123)	-	-	-
Decrease (increase) in accounts receivable and loans to employees	147,546	(69,629)	147,546	(69,629)
Proceeds from sales of equipment	420,283	-	190,654	-
Acquisitions of equipment	(51,910,024)	(35,467,280)	(19,436,933)	(14,375,985)
Acquisitions of intangible asset	(48,203,758)	(27,601,682)	(22,138,415)	(22,562,250)
Cash paid for short-term loan to subsidiaries	-	-	(5,743,742,800)	(4,102,717,335)
Cash receipt from short-term loan to subsidiaries	-	31,680,508	-	1,253,270,795
Cash paid for short-term loan	-	(20,700,000)	-	(20,700,000)
Cash receipt from short-term loan	18,780,000	1,920,000	18,780,000	1,920,000
Interest received	28,255,380	75,061,762	2,425,389	59,239,707
Net cash flows from (used in) investing activities	(3,218,022,346)	24,818,690	(5,763,778,798)	(2,845,999,686)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	209,570,398	100,000,000	102,077,218	100,000,000
Cash received from short-term loans from related party	-	151,469,042	130,000,000	-
Repayment of short-term loans from related party	-	(167,991,332)	-	-
Cash received from long-term loans from related party	-	-	80,000,000	-
Repayment of long-term loans from related party	-	-	(26,700,000)	-
Cash received from long-term loans	1,765,633,240	1,024,330,200	1,655,000,000	834,000,000
Repayment of long-term loans	(3,032,259,600)	(2,836,034,788)	(2,963,850,000)	(2,817,850,000)
Cash paid for front end fees of loans	(2,742,209)	(1,001,087)	-	-
Cash received from issuance of debentures	1,500,000,000	-	1,500,000,000	-
Cash paid for transaction costs of debentures	(50,425,000)	-	(50,425,000)	-
Cash receipt from issuance of convertible debentures	4,521,831,565	981,000,000	4,521,831,565	981,000,000
Cash paid for transaction costs of convertible debentures	(5,995,891)	(6,241,747)	(5,995,891)	(6,241,747)
Cash received from advance received for issuance of convertible debentures	465,798,450	-	465,798,450	-
Cash received from exercise of warrants	4,988,760	3,337,053,300	4,988,760	3,337,053,300
Cash received from share subscription received in advance	365,320	-	365,320	-
Cash received from non-controlling interests in respect of establishing new subsidiary	92,686,907	-	-	-
Dividend paid	(231,239,971)	(66,672,819)	(231,239,971)	(66,672,819)
Net cash flows from financing activities	5,238,211,969	2,515,910,769	5,181,850,451	2,361,288,734
Exchange differences on translation of financial statement in foreign currency	(23,734,060)	239,226,473	-	-
Net increase (decrease) in cash and cash equivalents	1,506,338,098	687,440,255	(83,502,607)	481,065,494
Cash and cash equivalents at beginning of year	1,044,886,024	357,445,769	552,224,270	71,158,776
Cash and cash equivalents at the end of year (Note 8)	2,551,224,122	1,044,886,024	468,721,663	552,224,270
Supplement cash flows information				
Non-cash items				
Transferred assets foreclosed to equipment	362,217	-	-	-
Transferred equipment to Intangible assets	668,978	-	668,978	-
Transferred intangible assets to other receivables	-	-	615,000	-

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Transaction cost of debentures payable	729,780	-	729,780	-
Transferred share subscription payment in advance to investment in subsidiary	-	-	-	128,695,411
Transferred short-term loans to subsidiary to investment in subsidiary	-	-	4,817,003,130	-
Transfer convertible debentures to share subscription received in advance	-	981,049,328	-	981,049,328
Transferred of share subscription received in advance to ordinary shares and share premium	981,049,328	-	981,049,328	-
Transfer capital reserve for share-based payment transactions to share premium	-	4,084,234	-	4,084,234

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

Group Lease Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2016

1. General information

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the activity of hire purchase and asset-backed loans. An overseas subsidiary is engaged in business management, consulting services, financing to corporates and investment holding company activities.

The Company’s registered address is 63 Soi 1, Thetsabannimitai Road, Ladyao, Chatuchak, Bangkok.

The major shareholders of the Company are Engine Holdings Asia Pte. Ltd. (incorporated in Singapore), which is a subsidiary company of Wedge Holdings Company Limited (incorporated in Japan) and A.P.F. Holding Company Limited (incorporated in Thailand).

2. Business acquisitions

2.1 Acquisition of Commercial Credit and Finance PLC by the Company’s subsidiary

On 6 December 2016, the Extraordinary General Meeting of the Company’s shareholders No.2/2016 passed a resolution to approve Group Lease Holdings Pte. Ltd. (GLH)’s acquisition of 95,390,500 ordinary shares of Commercial Credit and Finance PLC (“CCF”) (or 29.99% of total share capital in CCF), at a purchase price equal to LKR 111 per share or a total of LKR 10,588 million or equivalent to approximately Baht 2,462 million (this acquisition price excluded associated acquisition-related costs of Baht 26.5 million). The 70,822,537 ordinary shares or 22.27% of the total share capital in CCF were partial purchased from a company that has a common director with the Group.

CCF is a listed company and incorporated in Sri Lanka and its main activities are leasing, microfinance, lending and hire purchase business.

The Group’s outside professional valuer valued a 29.99% interest in CCF’s business at around Baht 1,900 - 2,500 million, which is close to the acquisition price, while an independent financial advisor valued the interest in CCF at approximately Baht 1,600 - 1,700 million, and on the basis of the market price of CCF’s shares in Sri Lanka at the acquisition date the investment has a value of Baht 1,391 million. As at 31 December 2016, the investment in CCF was presented as an investment in associate in the consolidated financial statements, at the equity method of Baht 2,545 million (based on the market price at the Stock Exchange of Sri Lanka on 30 December 2016, the value was at approximately Baht 1,285 million).

In addition CCF’s Board of Directors’ meeting approved the appointment of the Group’s key management as CCF’s directors which was effective on 4 October 2016. The management has assessed that the Group has significant influence over CCF therefore the Group recorded the investment in the associate company and recognised the share of profit under the equity method from the date on which the Group obtained the significant influence in associated company.

The balance of the investment in the associate company in CCF at acquisition date is summarised below.

	(Unit: Thousand Baht)
Net asset acquired	644,184
Acquisition-related costs	26,543
The excess of purchase price over net asset value	1,818,297
Total Investment in associate - CCF	2,489,024

The Group incurred associate acquisition-related costs of Baht 26.5 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the cost of investment of the associate in the Group's consolidated statement of financial position.

At present, the Group is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of twelve months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (revised 2015).

2.2 Acquisition of BG Microfinance Myanmar Co., Ltd by the Company's subsidiary

On 6 December 2016, an Extraordinary General Meeting of the shareholders No.2/2016 passed the resolution to approve GLH's acquisition of 1,387,680 ordinary shares of BG Microfinance Myanmar Co., Ltd ("BGMM") (or 100.00% of total paid up share capital in BGMM), at a purchase price equal to USD 5.77 per share or a total of USD 8.01 million (equivalent to approximately Baht 277.24 million). BGMM is incorporated in the Republic of the Union of Myanmar and engaged in the activity of microfinance business.

The acquisition of this business was completed in early January 2017.

As at 31 December 2016, the outstanding balance of share subscription payment in advance amounted to Baht 285.5 million presents as "Share subscription payment in advance for acquisition of investment in subsidiary" in the consolidated statement of financial position.

3. Basis of preparation

3.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

3.2 Basis of consolidation

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

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		2016	2015	
Group Lease Holdings Pte. Ltd. ("GLH")	Singapore	100	100	Business management and consulting services, financing to corporates and investment holding
GL Finance Plc. (shares held by Group Lease Holdings Pte. Ltd.) ("GLF")	Cambodia	100	100	Hire purchase services & Asset-backed Loans to Consumers (motorcycles, agricultural machinery and equipment)
Thanaban Company Limited ("TNB")	Thailand	100	100	Hire purchase services & Asset-backed Loans to Consumers (motorcycles, cars)
GL Leasing (Lao) Ltd. (shares held by Group Lease Holdings Pte. Ltd.) ("GLL")	Laos	100	100	Hire purchase services (motorcycles, agricultural machinery and equipment)
PT. Group Lease Finance Indonesia (shares held by Group Lease Holdings Pte. Ltd.) ("GLFI")	Indonesia	65	-	Hire purchase services for agricultural equipment (started operation in the third quarter of 2016)

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in equity.

f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

4. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

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

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

5. Significant accounting policies

5.1 Revenue recognition

a) Hire purchase interest income

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

b) Asset - backed loans interest income

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

c) Interest on loan receivables

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

d) Penalty income

Penalty income is recognised when received.

e) Consultation service fee income

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

f) Other fee income

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

g) Interest income

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

h) Dividends

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

5.2 Expense recognition

a) Interest expenses

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

b) Commissions and direct expenses of the hire purchase business

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

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

5.3 Cash and cash equivalents

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

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

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

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

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

5.5 Loan receivables and allowance for doubtful accounts

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

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

5.6 Assets foreclosed

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

5.7 Investments

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

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

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

5.8 Property, plant and equipment/ Depreciation

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

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

	Useful lives
Buildings	20 years
Building improvement and lease area	5, 10 years
Furniture and office equipment	5, 10 years

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

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

Depreciation is included in determining income.

No depreciation is provided for land.

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

5.9 Intangible assets

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

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

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

	Useful lives
Exclusive right agreement	5 years 10 months
Computer software	3, 10 years

5.10 Business combination

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

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

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

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

5.11 Goodwill

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

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

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

5.12 Related party transactions

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

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

5.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.14 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that property, plant and equipment and other intangible assets may be impaired. If any indication exists, the Company and its subsidiaries estimate the recoverable amount of the assets. The recoverable amount of assets is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the comprehensive income statement.

5.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

5.16 Provisions

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

5.17 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.18 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

5.19 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Diminution in value of assets foreclosed

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques

and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

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

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

7. Related party transactions

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

(Unit: Thousand Baht)					
	Consolidated financial statements		Separate financial statements		Pricing policy
	2016	2015	2016	2015	
Transactions with subsidiary companies:					
(Eliminated from consolidated financial statements)					
Hire purchase interest and installment sales income	-	-	56	93	Contract rate
Interest income	-	-	322,409	145,953	7.00% per annum
Other income	-	-	93,613	91,684	Contract rate
Interest expenses	-	-	7,591	-	7.00% per annum
Administrative expenses	-	-	-	49,825	Contract rate
Transactions with related parties:					
Interest income	-	247	-	-	6.75% - 7.50% per annum
Other income - financial support	-	13,130	-	-	Contract rate
Interest expenses	96,059	550	95,699	-	5.00% - 10.00% per annum
Sales of asset foreclosed	24,030	-	-	-	Contract rate
Acquisition of investment in associate - CCF	1,828,265	-	-	-	Contract rate
Acquisition of other long term investments - JTrust Bank	414,502	-	-	-	Contract rate

(Unit: Thousand Baht)		
	2016	Pricing policy
Transactions between GLH and subsidiaries:		
(Not presented in both consolidated and separate financial statements)		
Interest income	175,387	6.50% - 10.00% per annum
Other income	14,427	Contract rate
Interest expenses	323,340	7.00% per annum
Administrative expenses	1,679	Contract rate
IT staff cost capitalization to software under development	4,727	Employment contract

The relationship between the Company and the related parties are summarised below.

Name of related parties	Relationship with the Company
Group Lease Holdings Pte. Ltd.	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
GL Leasing (Lao) Company Limited	Subsidiary (held by a subsidiary)
Thanaban Company Limited	Subsidiary
PT. Group Lease Finance Indonesia	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Company's director is major shareholder of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholder of that company / Common director
Engine Holdings Asia Pte. Ltd.	Company's director is major shareholder of that company / Common director
Cambodian People Micro Insurance PLC.	Common director with the Company and GLF
JTrust Asia Pte. Ltd.	Shareholder of GLFI
APF Trading Plc.	Common director with GLF
PT Bank JTrust Indonesia Tbk.	Common shareholder with GLFI
Commercial Credit and Finance PLC.	Associates
Creation Investment Sri Lanka LLC.	Common director with the Company

As at 31 December 2016 and 2015, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Hire purchase and installment sales receivables				
<i>Subsidiary company</i>				
GL Finance Plc.	-	-	646	1,031
Total	-	-	646	1,031
Short-term loans to and interest receivable from subsidiary				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	5,198,254	4,016,390
Total	-	-	5,198,254	4,016,390
Other receivables				
<i>Subsidiary company</i>				
Group Lease Holdings Pte. Ltd.	-	-	14,919	4,096
GL Finance Plc.	-	-	1,536	359
Thanaban Co.,Ltd.	-	-	8,762	8,859

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Related parties				
Director of the Company and subsidiary	11,875	11,275	-	-
A.P.F. Group Co., Ltd.	4,784	4,872	-	-
Engine Holdings Asia Pte. Ltd	1,341	2,813	-	-
Asia Partnership Fund Pte., Ltd.	12	-	-	-
Cambodian People Micro Insurance PLC.	218	-	-	-
APF Trading Plc.	24,328	-	-	-
PT Bank JTrust Indonesia Tbk.	2,270	-	-	-
Total	44,828	18,960	25,217	13,314
Other current assets				
Related party				
APF Trading Plc.	175,457	-	-	-
Total	175,457	-	-	-
Subscription payment in advance for acquisition of investment in subsidiary				
Associate company				
Commercial Credit and Finance PLC.	80,123	-	-	-
Total	80,123	-	-	-
Short-term loans from and interest payable to related parties				
Subsidiary company				
Thanaban Co.,Ltd.	-	-	130,000	-
Related parties				
Director of the Company and subsidiary	248	250	-	-
Cambodian People Micro Insurance PLC.	4,148	3,865	-	-
Total	4,396	4,115	130,000	-
Long-term loans from and interest payable to subsidiary				
Subsidiary company				
Thanaban Co.,Ltd.	-	-	53,300	-
Total	-	-	53,300	-
Other payables				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	49,826	49,826
GL Finance Plc.	-	-	2,124	334
GL Leasing (Lao) Company Limited	-	-	-	77
Related party				
JTrust Asia Pte. Ltd.	95,699	-	95,699	-
Total	95,699	-	147,649	50,237

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Other current liabilities				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	236	236
Thanaban Co., Ltd.	-	-	1,255	1,571
Related parties				
Commercial Credit and Finance Plc.	6,643	-	-	-
Director of the Company and subsidiaries	129	92	-	-
Total	6,772	92	1,491	1,807
Convertible debentures				
Related party				
JTrust Asia Pte. Ltd.	4,521,842	-	4,521,842	-
Total	4,521,842	-	4,521,842	-
Advance received for issuance of convertible debentures				
Related parties				
JTrust Asia Pte. Ltd.	179,153	-	179,153	-
Creation Investment Sri Lanka LLC.	286,645	-	286,645	-
Total	465,798	-	465,798	-

On 27 July 2016, GLF entered into an agreement with a related party which required to pay deposit to them for the estimated prices of assets to be leased.

As at 31 December 2016, deposit of assets to be leased as presented under the caption of other current assets in the consolidated financial statements, totaling USD 4.9 million.

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

(Unit: Thousand Baht)					
	Separate financial statements				
	Balance as at 1 January 2016	During the year		Gain (loss) from exchange rate	Balance as at 31 December 2016
		Increase	Decrease		
Short-term loans to and interest receivable from related parties					
Subsidiary company					
Group Lease Holdings Pte. Ltd.	4,016,390	1,440,749	(322,448)	63,563	5,198,254
Total	4,016,390	1,440,749	(322,448)	63,563	5,198,254

These loans to subsidiary are unsecured loans with interest rate charged at the rate of 7.00% per annum (2015: 5.50% - 7.00% per annum).

During the current year, short-term loans from and interest payable to related parties have movement as below:

(Unit: Thousand Baht)					
	Consolidated financial statements				
	Balance as at 1 January 2016	During the year		Exchange differences on translation of financial statement in foreign currency	Balance as at 31 December 2016
		Increase	Decrease		
Short-term loans from and interest payable to related parties					
<i>Related parties</i>					
Director of the Company and subsidiaries	250	-	-	(2)	248
Cambodian People Micro Insurance PLC.	3,865	320	-	(37)	4,148
Total	4,115	320	-	(39)	4,396

These loans from related parties are unsecured loans with interest rate charged at the rate of 10.00% per annum (2015: 6.00% - 10.00% per annum).

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

(Unit: Thousand Baht)				
	Separate financial statements			
	Balance as at 1 January 2016	During the year		Balance as at 31 December 2016
		Increase	Decrease	
Short-term loans from and interest payable to subsidiary				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	135,211	(5,211)	130,000
Total	-	135,211	(5,211)	130,000

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

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

(Unit: Thousand Baht)				
	Separate financial statements			
	Balance as at 1 January 2016	During the year		Balance as at 31 December 2016
		Increase	Decrease	
Long-term loans from and interest payable to subsidiary				
<i>Subsidiary company</i>				
Thanaban Co., Ltd.	-	82,381	(29,081)	53,300
Total	-	82,381	(29,081)	53,300

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

Side agreements and corporate guarantee for convertible debentures - related party

During the year, the Company issued the convertible debentures in foreign currencies as disclosed in Note 27. The Company entered into the related agreement to hedge foreign exchange risk as the following:

On 1 August 2016, the Company entered into a side agreement with Engine Holdings Asia Pte. Ltd. ("EHA"), which is related party of the Company, to hedge foreign exchange risk for the interest payable on the convertible debentures issued to JTrust Asia Pte. Ltd. Under the side agreement, each month's interest payment is determined using the selling exchange rate announced by the Bank of Thailand at the end of that month, and if this exchange rate differs from exchange rate on the date interest payment is made to JTrust Asia Pte. Ltd, EHA will receive or pay the resulting difference.

On 17 October 2016, the Company entered into another side agreement with EHA to hedge the foreign exchange risk for USD 130 million of convertible debentures issued to JTrust Asia Pte. Ltd, whereby the forward exchange rate is fixed at Baht 34.78 per 1 USD. If this exchange rate differs from the rate applicable on the date the convertible debentures are redeemed by and principal is paid to JTrust Asia Pte. Ltd, EHA will receive or pay the resulting difference.

In addition, EHA entered into a corporate guarantee with its major shareholder, Wedge Holdings Co., Ltd., to provide a guarantee for EHA's obligations under the side agreements. If EHA is unable to comply with the side agreements, Wedge Holdings Co., Ltd. undertakes to compensate the Company for any exchange losses instead of EHA.

The side agreements and the letter of guarantee stipulate that no fees will be collected from the counter party.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements			
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	38,068	1,111	54,613	342
Post-employment benefits	210	-	1,800	-
Total	38,278	1,111	56,413	342

	Separate financial statements			
	2016		2015	
	Thousand Baht	Thousand USD	Thousand Baht	Thousand USD
Short-term employee benefits	34,392	194	52,573	-
Post-employment benefits	210	-	1,800	-
Total	34,602	194	54,373	-

8. Cash and cash equivalents

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	3,126	1,415	184	190
Bank deposits	2,548,098	1,043,471	468,538	552,034
Total	2,551,224	1,044,886	468,722	552,224

As at 31 December 2016 and 2015, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interest between 0.00% - 7.50% per annum and 0.05% - 0.70% per annum, respectively (the Company only: 0.85% - 1.00% per annum and 0.05% - 0.37% per annum).

9. Hire purchase and installment sales receivables

9.1 As at 31 December 2016 and 2015, the balances of hire purchase and installment sales receivables are as follows:

(Unit: Thousand Baht)						
	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	2016	2015	2016	2015	2016	2015
Normal receivables						
Hire purchase and installment sales receivables	4,458,097	4,511,899	4,221,126	3,716,413	8,679,223	8,228,312
Accrued hire purchase and installment sales income	183,234	177,116	-	-	183,234	177,116
Less: Unearned hire purchase and installment sales income, net	(1,477,392)	(1,517,253)	(1,061,151)	(872,735)	(2,538,543)	(2,389,988)
Total normal receivable	3,163,939	3,171,762	3,159,975	2,843,678	6,323,914	6,015,440
Terminated agreements receivables						
Hire purchase and installment sales receivables	187,958	317,815	110,236	189,981	298,194	507,796
Accrued hire purchase and installment sales income	18,590	36,425	-	-	18,590	36,425
Less: Unearned hire purchase and installment sales income, net	(60,143)	(103,989)	(27,433)	(47,491)	(87,576)	(151,480)
Total terminated agreements receivables	146,405	250,251	82,803	142,490	229,208	392,741
Total receivables	3,310,344	3,422,013	3,242,778	2,986,168	6,553,122	6,408,181
Less: Allowance for doubtful accounts	(160,004)	(223,133)	(97,193)	(137,697)	(257,197)	(360,830)
Hire purchase and installment sales receivables, net	3,150,340	3,198,880	3,145,585	2,848,471	6,295,925	6,047,351

(Unit: Thousand Baht)						
	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	2016	2015	2016	2015	2016	2015
Normal receivables						
Hire purchase and installment sales receivables	2,805,568	2,976,575	2,289,212	2,255,932	5,094,780	5,232,507
Accrued hire purchase and installment sales income	97,651	112,322	-	-	97,651	112,322
Less: Unearned hire purchase and installment sales income, net	(978,388)	(1,026,751)	(500,824)	(486,474)	(1,479,212)	(1,513,225)
Total normal receivable	1,924,831	2,062,146	1,788,388	1,769,458	3,713,219	3,831,604
Terminated agreements receivables						
Hire purchase and installment sales receivables	173,905	267,337	109,083	181,155	282,988	448,492
Accrued hire purchase and installment sales income	17,328	31,915	-	-	17,328	31,915
Less: Unearned hire purchase and installment sales income, net	(57,498)	(93,148)	(27,216)	(46,148)	(84,714)	(139,296)
Total terminated agreements receivables	133,735	206,104	81,867	135,007	215,602	341,111
Total receivables	2,058,566	2,268,250	1,870,255	1,904,465	3,928,821	4,172,715
Less: Allowance for doubtful accounts	(112,346)	(172,986)	(72,719)	(117,643)	(185,065)	(290,629)
Hire purchase and installment sales receivables, net	1,946,220	2,095,264	1,797,536	1,786,822	3,743,756	3,882,086

9.2 As at 31 December 2016 and 2015, the balances of hire purchase and installment sales receivables (net of unearned hire purchase income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)						
Consolidated financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2016	2015	2016	2015	2016	2015
Hire purchase and installment sales receivables						
Not yet due	5,630,021	5,318,370	40,539	38,847	5,589,482	5,279,523
Past due:						
1 month	364,616	379,728	24,453	31,801	340,163	347,927
2 - 3 months	268,833	322,027	46,049	62,104	222,784	259,923
4 - 6 months	128,480	142,406	44,165	55,231	84,315	87,175
7 - 9 months	94,918	118,566	50,605	69,909	44,313	48,657
10 - 12 months	63,810	118,198	48,944	94,057	14,866	24,141
Over 12 months	2,444	8,886	2,442	8,881	2	5
Total	6,553,122	6,408,181	257,197	360,830	6,295,925	6,047,351

(Unit: Thousand Baht)						
Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2016	2015	2016	2015	2016	2015
Hire purchase and installment sales receivables						
Not yet due	3,352,810	3,359,815	33,049	33,147	3,319,761	3,326,668
Past due:						
1 month	228,878	269,183	22,698	26,684	206,180	242,499
2 - 3 months	176,054	229,607	34,973	45,580	141,081	184,027
4 - 6 months	76,372	113,826	30,348	45,216	46,024	68,610
7 - 9 months	59,836	99,914	35,723	59,596	24,113	40,318
10 - 12 months	32,569	97,912	25,974	77,953	6,595	19,959
Over 12 months	2,302	2,458	2,300	2,453	2	5
Total	3,928,821	4,172,715	185,065	290,629	3,743,756	3,882,086

9.3 As at 31 December 2016 and 2015, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements			
	2016		2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,847,879	3,310,344	5,043,255	3,422,013
After one year but not more than five years	4,331,362	3,242,778	3,906,394	2,986,168
Total	9,179,241	6,553,122	8,949,649	6,408,181
Less: Amounts representing finance charges	(2,626,119)		(2,541,468)	
Present value of minimum lease payments	6,553,122		6,408,181	

(Unit: Thousand Baht)				
	Separate financial statements			
	2016		2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,094,452	2,058,566	3,388,149	2,268,250
After one year but not more than five years	2,398,295	1,870,255	2,437,087	1,904,465
Total	5,492,747	3,928,821	5,825,236	4,172,715
Less: Amounts representing finance charges	(1,563,926)		(1,652,521)	
Present value of minimum lease payments	3,928,821		4,172,715	

9.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 December 2016 and 2015, there are outstanding hire purchase receivable amounting to approximately Baht 214 million and Baht 395 million, respectively (the Company only: Baht 200 million and Baht 349 million, respectively) for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Company and its subsidiaries had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2016 and 2015 would be reduced by Baht 5 million and Baht 14 million, respectively (the Company only: Baht 5 million and Baht 13 million, respectively).

9.5 Hire purchase agreements of the Company and its subsidiaries have terms of 6 months to 5 years and require settlement in equal installments.

9.6 As at 31 December 2016 and 2015, the Company and its subsidiaries had transferred rights of claim under hire purchase agreements with outstanding balances (net of unearned hire purchase interest income) of Baht 1,360 million and Baht 3,615 million, respectively (the Company only: Baht 1,329 million and Baht 3,373 million, respectively), in order to secure credit facilities granted by commercial banks as disclosed in Notes 23 and 25.

10. Asset - backed loan receivables

10.1 As at 31 December 2016 and 2015, the balances of asset - backed loan receivables are as follows:

(Unit: Thousand Baht)						
	Consolidated financial statements					
	Current portion of asset - backed loan receivables		Long-term portion of asset - backed loan receivables		Total	
	2016	2015	2016	2015	2016	2015
Normal receivables						
Asset - backed loan receivables	307,497	158,325	71,609	35,280	379,106	193,605
Interest receivables	11,562	5,136	-	-	11,562	5,136
Less: Unearned interest income, net	(89,089)	(47,878)	(14,994)	(6,669)	(104,083)	(54,547)
Total normal receivable	229,970	115,583	56,615	28,611	286,585	144,194
Terminated agreements receivables						
Asset - backed on receivables	9,879	782	656	194	10,535	976
Interest receivables	1,264	114	-	-	1,264	114
Less: Unearned interest income, net	(2,833)	(253)	(98)	(44)	(2,931)	(297)

(Unit: Thousand Baht)						
	Consolidated financial statements					
	Current portion of asset - backed loan receivables		Long-term portion of asset - backed loan receivables		Total	
	2016	2015	2016	2015	2016	2015
Total terminated agreements receivables	8,310	643	558	150	8,868	793
Total receivables	238,280	116,226	57,173	28,761	295,453	144,987
Less: Allowance for doubtful accounts	(12,008)	(3,133)	(1,697)	(704)	(13,705)	(3,837)
Asset - backed on receivables, net	226,272	113,093	55,476	28,057	281,748	141,150

10.2 As at 31 December 2016 and 2015, the balances of asset - backed loan receivables (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)						
Consolidated financial statements						
Aging	Asset - backed loan receivables		Allowance for doubtful accounts		Asset - backed loan receivables, net	
	2016	2015	2016	2015	2016	2015
Asset backed loan receivables						
Not yet due	239,307	127,330	2,369	1,273	236,938	126,057
Past due:						
1 month	27,242	11,419	2,646	1,142	24,596	10,277
2 - 3 months	20,036	5,445	4,007	1,089	16,029	4,356
4 - 6 months	4,970	714	1,988	285	2,982	429
7 - 9 months	2,115	79	1,269	48	846	31
10 - 12 months	1,783	-	1,426	-	357	-
Total	295,453	144,987	13,705	3,837	281,748	141,150

10.3 As at 31 December 2016 and 2015, the future minimum loan payment receivable under loan agreements together with the present value of the net minimum loan payments receivable are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements			
	2016		2015	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	330,202	238,280	164,357	116,226
After one year but not more than five years	72,265	57,173	35,474	28,761
Total	402,467	295,453	199,831	144,987
Less: Amounts representing finance charges	(107,014)		(54,844)	
Present value of minimum loan payments	295,453		144,987	

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

10.5 As at 31 December 2016, the Company's subsidiary had transferred rights of claim under loan agreements with outstanding balances (net of unearned interest income) of Baht 52 million, in order to secure credit facilities granted by commercial bank as disclosed in Note 25.

11. Loans and interest receivables

The Company provided loans to the Company's subsidiary in Singapore who in turn loaned out to borrowers in Cyprus and Singapore. These borrowers or parties related to the borrowers are also shareholders of the Company and have pledged their shares in the Company against those loans with the Company's subsidiary in Singapore. The composition of this receivable is as follow:

Location of borrowers	Interest rate (% per annum)	Consolidated financial statements			
		2016		2015	
		Thousand USD	Equivalent to Thousand Baht	Thousand USD	Equivalent to Thousand Baht
Cyprus	14.5 - 17.0	39,519	1,415,973	16,572	598,065
Singapore	14.5 - 25.0	56,272	2,016,263	56,197	2,028,060
Others (USD)	5.0 - 10.0	1,247	44,696	128	4,615
Others (THB)	7.0	-	-	-	18,780
Total loans		97,038	3,476,932	72,897	2,649,520
Interest receivables			281,788		108,002
Total loans and interest receivables			3,758,720		2,757,522
Less: Current portion			(882,435)		(2,152,934)
Long-term portion of loans and interest receivables			2,876,285		604,588

(Unit: Thousand Baht)

	Interest rate (% per annum)	Separate financial statements	
		2016	2015
Loans and interest receivables	7.0	-	18,780
Less: Current portion		-	(18,780)
Long-term portion of loans and interest receivables		-	-

The loans were subject to pledging of securities of properties in Cyprus and Brazil, Cypriot government bonds, stocks of other overseas companies and shares of the Company as owned by the borrowers. The collaterals (including the shares of the Company which were valued at the closing price in the Stock Exchange of Thailand at the end of the year) covered 106 percent and 238 percent respectively of the outstanding amount of loans to these two groups of borrowers. But if ignoring the value of the pledged shares of the Company, the remaining value of the collaterals amounted to 60 percent and 53 percent respectively of the outstanding amount of loans to these two groups of borrowers. The periods of the loans were various in the range of 3 months to 3 years. The principals were all due for repayment upon maturity. Some loan principals as became due during the year were

rolled over and subsequently modified and extended to periods of 2-3 years. The loan balances which are subject to the mentioned amendments amounted approximately to Baht 2,129 million (USD 59 million).

The chargeable interest rates were in the range of 14.5 percent to 25 percent per annum. The interest earned during the year on these loans amounted to Baht 485 million (average earned rate of 17 percent). The amount represents 38 percent of the consolidated profits for the year 2016.

Terms and conditions of lending, management, monitoring and subsequent modifications of the unpaid loans were based on expertise of the Company's directors and top executives and their relationship with the borrowers. They have specialized knowledge on the business of these specific borrowers. This group of borrowers was not considered by the Company's management as under its control or influence or related to the Company.

As at 31 December 2016 and 2015, the balances of loans and interest receivables aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Loans and interest receivables				
Not yet due	3,664,898	2,757,522	-	18,780
Past due:				
1 - 3 months	80,584	-	-	-
6 - 12 months	13,238	-	-	-
Total	3,758,720	2,757,522	-	18,780

12. Assets foreclosed

As at 31 December 2016 and 2015, assets foreclosed are presented as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Reposessed assets	66,823	43,080	40,078	23,758
Less: Allowance for diminution in value of assets foreclosed	(15,930)	(10,132)	(15,130)	(8,849)
Assets foreclosed, net	50,893	32,948	24,948	14,909

13. Other receivables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accrued income	4,403	7,681	2,957	2,797
Advance payment - related parties	20,500	18,960	12,381	-
Advance payment	26,036	39,942	749	72

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Other receivable - sales of assets Foreclosed	6,156	12,569	6,114	11,308
Other receivables - related parties	24,328	-	12,836	13,314
Other receivables - consulting services	57,329	7,218	-	-
Other receivables	50,021	43,650	1,914	5,139
Total	188,773	130,020	36,951	32,630
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current receivables, net	186,247	127,494	34,425	30,104

14. Other current assets

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Prepaid expenses	72,502	76,913	66,952	67,348
Undue input tax	1,536	1,106	1,466	1,036
Deposit for assets to be leased - related party	175,457	-	-	-
Withholding tax deducted at source	45,103	19,414	12,685	8,603
Others	3,169	2,483	2,332	2,483
Total	297,767	99,916	83,435	79,470

15. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company, as disclosed in Note 40.4.

16. Investments in subsidiaries

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

(Unit: Thousand Baht)								
Company's name	Paid-up capital		Shareholdings percentage (%)		Cost		Dividend received during the year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
Thanaban Company Limited	565,000 Thousand Baht	565,000 Thousand Baht	100.00	100.00	629,696	629,696	-	-
Group Lease Holdings Pte. Ltd.	214,448 Thousand SGD	22,912 Thousand SGD	100.00	100.00	5,387,211	570,208	-	-
GL Leasing (Lao) Company Limited	16,300,000 Thousand LAK	1,040,000 Thousand LAK	0.32	5.00	213	213	-	-
					6,017,120	1,200,117	-	-

Investment in GLH

On 22 March 2016, a meeting of the Board of Directors of the Company approved additional investment in 10.8 million ordinary shares of GLH (or 100% of the shares of the subsidiary in issue) at a price equal to the par value of SGD 1 per share, or a total of SGD 10.8 million (equivalent to Baht 276.16 million), in order to fund investment in a subsidiary company in Indonesia. On 29 March 2016, the Company entered into an agreement to lend GLH USD 8.0 million and on the same date, the Company entered into a loan capitalisation agreement with GLH to convert the loan of USD 8.0 million, to investment in GLH, totaling SGD 10.8 million. On 15 April 2016, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

On 17 October 2016, a meeting of the Board of Directors of the Company approved additional investment in 180.7 million ordinary shares of GLH (or 100% of the shares of the subsidiary in issue) at a price equal to the par value of SGD 1 per share, or a total of SGD 180.7 million (equivalent to Baht 4,540.84 million), in order to fund the expansion of the Group and the operations in ASEAN markets. On 17 October 2016, the Company entered into an agreement to lend GLH USD 129.0 million and on the same date, the Company entered into a loan capitalisation agreement with GLH to convert the loan of USD 129.0 million, to investment in GLH, totaling SGD 180.7 million. On 17 October 2016, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 31 December 2016, investment in GLH in the separate financial statements amounted to SGD 214.45 million (2015: SGD 22.90 million).

Investment in GLL

As at 31 December 2015 the shareholdings percentage of GLL held by the Company and GLH were 5% and 95%, respectively. During the period, GLL increased its ordinary shares capital from 130,000 shares to 2,037,500 shares, with all new issued shares owned by GLH. As a result, the shareholdings percentage of GLL held by the Company and GLH changed to 0.32% and 99.68%, respectively. Since the Company holds its investment in GLL through GLH, the Company recorded the investment in GLL as investment in subsidiary in the separate financial statements.

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

(Unit: Thousand Baht)								
Company's name	Paid-up capital		Shareholdings percentage (%)		Cost		Dividend received during the year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
Held by Group Lease Holdings Pte. Ltd.								
GL Finance Plc.	10,300 Thousand USD	10,300 Thousand USD	100.00	100.00	359,470	359,470	-	-
GL Leasing (Lao) Company Limited	16,300,000 Thousand LAK	1,040,000 Thousand LAK	99.68	95.00	71,478	4,030	-	-
PT. Group Lease Finance Indonesia	100,000,000 Thousand IDR	-	65.00	-	172,133	-	-	-
					603,081	363,500	-	-

Investment in GLL

On 12 January 2016, a meeting of the Board of Directors of the Company passed resolutions approving an additional investment of LAK 15,260 million (equivalent to Baht 67.4 million) in GLL by GLH, and the conversion of a loan from GLH to equity in GLL to support the increase in share capital. The share certificate has been issued on 1 February 2016 and the capital increase registration with the Central Bank of Lao has been approved on 4 January 2017.

Investment in GLFI

On 7 September 2015, a meeting of the Board of Directors of GLH passed a resolution to establish PT. Group Lease Finance Indonesia ("GLFI"), which is a subsidiary domiciled in Indonesia with an authorised share capital consisting of 400,000 ordinary shares sold at a price equal to par value of IDR 1,000,000 per share, or for a total of IDR 400 billion. GLFI is a joint investment among GLH, JTrust Asia Pte. Ltd. and an Indonesian partner. As per the deed of establishment of GLFI signed on 23 December 2015, GLFI initially called up share capital of 100,000 ordinary shares, equal to IDR 100 billion.

On 22 March 2016, a meeting of the Board of Directors of the Company approved the investment in the Indonesian subsidiary by GLH, totaling 65,000 ordinary shares (or 65% of the 100,000 paid up shares of GLFI in issue) and representing a total payment of IDR 65 billion (equivalent to Baht 173.44 million). GLFI registered its establishment and paid up share capital with the Ministry of Law and Human Rights of the Republic of Indonesia on 14 April 2016.

All rights and obligations to all the shares of the Indonesian partner as at 31 December 2016, totaling 10,000 non-voting and 5,000 ordinary shares (or 15% of the 100,000 paid up shares) have been transferred to GLH who effectively controls 80% of the total shares outstanding of GLFI. This is reflected in the recognition of the comprehensive income in the consolidated financial statements.

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

(Unit: Million Baht)								
Company's name	Proportion of equity interest held by non-controlling interests (%)		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
PT. Group Lease Finance Indonesia	20	-	92.3	-	(1.03)	-	-	-

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

(Unit: Million Baht)		
	PT. Group Lease Finance Indonesia	
	2016	2015
<i>Summarised information about financial position</i>		
Current assets	258	-
Non-current assets	29	-
Current liabilities	(24)	-

(Unit: Million Baht)			
	PT. Group Lease Finance Indonesia		
	For the year ended 31 December		
	2016	2015	
<i>Summarised information about comprehensive income</i>			
Revenue	18	-	
Profit (loss)	(5)	-	
Total	(5)	-	
<i>Summarised information about cash flow</i>			
Cash flow used in operating activities	(22)	-	
Cash flow used in investing activities	(6)	-	
Cash flow from financing activities	268	-	
Net increase in cash and cash equivalents	240		

17. Investment in associates

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

(Unit: Thousand Baht)								
Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage (%)		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
Held by Group Lease Holdings Pte. Ltd.								
Commercial Credit and Finance PLC	Leasing, Microfinance, Loans and Hire Purchase business	Sri Lanka	29.99	-	2,489,024	-	2,545,426	-
Total					2,489,024	-	2,545,426	-

During the current year, GLH entered into a sale and purchase agreement to purchase 95,390,500 ordinary shares of Commercial Credit and Finance PLC ("CCF") at a price of LKR 111 per share, or for a total of LKR 10,588 million (equivalent to approximately Baht 2,462 million) as disclosed in Note 2.1. As at 31 December 2016, GLH held 95,390,500 ordinary shares of CCF or 29.99% of the total share capital in CCF.

17.1 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)						
Associate	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
Commercial Credit and Finance PLC	48,355	-	8,048	-	-	-
Total	48,355	-	8,048	-	-	-

17.2 Fair value investments in listed associate

In respect of the investment in the associated company that is listed on the Stock Exchange of Sri Lanka, based on assumption that fair value is share price on Stock Exchange, the fair value is as follows:

(Unit: Million Baht)		
Associates	Fair values as at 31 December*	
	2016	2015
Commercial Credit and Finance PLC	1,285	-
Total	1,285	-

* This values corresponds to 29.99% and calculated on the share price on the Stock Exchange of Sri Lanka by using average buying and selling rate to convert the fair values of CCF as at 30 December 2016

17.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)		
	Commercial Credit and Finance PLC	
	2016	2015
Total assets	19,617	-
Total liabilities	(17,214)	-
Net assets	2,403	-
Shareholding percentage (%)	29.99	-
Share of net assets	721	-
Translation adjustment	6	-
The excess of purchase price over the net asset value	1,818	-
Carrying amounts of associates based on equity method	2,545	-

Summarised information about comprehensive income

(Unit: Million Baht)		
	Commercial Credit and Finance PLC	
	For the year ended 31 December	
	2016	2015
Revenue	649	-
Profit (loss)	228	-
Other comprehensive income	6	-
Total comprehensive income	234	-

18. Other long-term investments

(Unit: Thousand Baht)		
	Consolidated financial statements	
	2016	2015
Investments in other companies		
Bagan Innovation Technology Pte. Ltd.	61,848	-
JTrust Indonesia Tbk.	414,502	-
Total	476,350	-

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

On 26 October 2016, a meeting of the Board of Directors of the Company approved the acquisition of shares of PT Bank JTrust Indonesia Tbk. ("JTrust Bank"). On 13 December 2016, GLH acquired shares of JTrust Bank from JTrust Asia Pte. Ltd., a related party as disclosed in Note 7, totaling 28.15 trillion ordinary shares (or 3.12% of the paid up shares of JTrust Bank in issue) and representing a total payment of USD 11.70 million (equivalent to approximately Baht 414.50 million). JTrust Bank is incorporated in Indonesia and its main activity is commercial banking.

19. Property, plant and equipment

(Unit: Thousand Baht)								
	Consolidated financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2015	35,983	45,553	24,898	40,444	38,271	31,092	-	216,241
Additions	-	-	892	6,399	14,951	5,386	7,839	35,467
Disposals/ Write-off	-	-	(15)	(5,772)	(2,268)	(455)	-	(8,510)
Transfer in (out)	-	-	4,945	189	8,186	-	(8,143)	5,177
Exchange differences on translation of Financial statements in foreign currency	-	-	1,090	678	1,702	1,044	413	4,927
31 December 2015	35,983	45,553	31,810	41,938	60,842	37,067	109	253,302
Additions	-	-	-	7,675	16,764	5,842	21,629	51,910
Disposals/ Write-off	-	-	-	(72)	(174)	(1,808)	-	(2,054)
Transfer in (out)	-	-	-	390	7,726	362	(8,785)	(307)
Exchange differences on translation of Financial statements in foreign currency	-	-	306	(464)	(85)	(75)	157	(161)
31 December 2016	35,983	45,553	32,116	49,467	85,073	41,388	13,110	302,690

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	Total
Accumulated depreciation								
1 January 2015	-	40,124	6,838	26,627	21,253	20,757	-	115,599
Depreciation for the year	-	354	3,975	5,094	13,737	5,263	-	28,423
Depreciation on disposals/Write-off	-	-	(12)	(5,590)	(2,266)	(454)	-	(8,322)
Exchange differences on translation of Financial statements in foreign currency	-	-	153	159	741	567	-	1,620
31 December 2015	-	40,478	10,954	26,290	33,465	26,133	-	137,320
Depreciation for the year	-	355	4,792	6,311	18,571	6,584	-	36,613
Depreciation on disposals/Write-off	-	-	-	(44)	(106)	(1,808)	-	(1,958)
Exchange differences on translation of Financial statements in foreign currency	-	-	31	8	16	(12)	-	43
31 December 2016	-	40,833	15,777	32,565	51,946	30,897	-	172,018
Net book value								
31 December 2015	35,983	5,075	20,856	15,648	27,377	10,934	109	115,982
31 December 2016	35,983	4,720	16,339	16,902	33,127	10,491	13,110	130,672
Depreciation for the year								
2015								28,423
2016								36,613

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2015	35,983	45,553	14,381	23,618	19,722	20,158	-	159,415
Additions	-	-	409	2,543	7,772	3,652	-	14,376
Disposals/Write-off	-	-	(14)	(4,872)	(2,244)	(455)	-	(7,585)
Transfer in/out	-	-	-	-	7,949	-	-	7,949
31 December 2015	35,983	45,553	14,776	21,289	33,199	23,355	-	174,155
Additions	-	-	-	1,649	6,538	2,756	8,493	19,436
Disposals/Write-off	-	-	-	-	(55)	(1,808)	-	(1,863)

(Unit: Thousand Baht)								
	Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	Total
Transfer in/out	-	-	-	98	7,726	-	(8,493)	(669)
31 December 2016	35,983	45,553	14,776	23,036	47,408	24,303	-	191,059
Accumulated depreciation								
1 January 2015	-	40,124	6,662	19,070	14,703	16,434	-	96,993
Depreciation for the year	-	354	1,461	1,552	5,061	2,445	-	10,873
Depreciation on disposals/ write-off	-	-	(12)	(4,827)	(2,242)	(454)	-	(7,535)
31 December 2015	-	40,478	8,111	15,795	17,522	18,425	-	100,331
Depreciation for the year	-	355	1,411	1,963	10,247	3,232	-	17,208
Depreciation on disposals/ write-off	-	-	-	-	(37)	(1,808)	-	(1,845)
31 December 2016	-	40,833	9,522	17,758	27,732	19,849	-	115,694
Net book value								
31 December 2015	35,983	5,075	6,665	5,494	15,677	4,930	-	73,824
31 December 2016	35,983	4,720	5,254	5,278	19,676	4,454	-	75,365
Depreciation for the year								
2015								10,873
2016								17,208

As at 31 December 2016 and 2015, certain equipment items of the Company have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 94.7 million and Baht 77.5 million, respectively (the Company only: Baht 81.7 million and Baht 72.2 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2016 of Baht 26.5 million (2015: Baht 27.7 million) as collateral for bank overdraft and short-term loans from financial institutions and long-term credit facilities as discussed in Notes 23 and 25.

20. Intangible assets

(Unit: Thousand Baht)					
	Consolidated financial statements				
	Exclusive right agreement	Computer software	Leasehold	Software under development	Total
Cost					
1 January 2015	115,726	6,885	-	6,555	129,166
Acquisitions during the year	-	10,793	19	16,790	27,602
Transfer in (out)	-	3,918	-	(14,060)	(10,142)

(Unit: Thousand Baht)

	Consolidated financial statements				
	Exclusive right agreement	Computer software	Leasehold	Software under development	Total
Exchange differences on translation of financial statements in foreign currency	10,973	181	-	32	11,186
31 December 2015	126,699	21,777	19	9,317	157,812
Acquisitions during the year	-	6,249	20	41,934	48,203
Transfer in (out)	-	669	-	-	669
Exchange differences on translation of financial statements in foreign currency	(905)	(40)	-	(3,910)	(4,855)
31 December 2016	125,794	28,655	39	47,341	201,829
Amortisation					
1 January 2015	32,146	1,098	-	-	33,244
Amortisation for the year	17,756	1,597	2	-	19,355
Exchange differences on translation of financial statements in foreign currency	4,054	92	-	-	4,146
31 December 2015	53,956	2,787	2	-	56,745
Amortisation for the year	3,593	3,255	9	-	6,857
Exchange differences on translation of financial statements in foreign currency	(331)	(1,238)	-	-	(1,569)
31 December 2016	57,218	4,804	11	-	62,033
Net book value					
31 December 2015	72,743	18,990	17	9,317	101,067
31 December 2016	68,576	23,851	28	47,341	139,796

(Unit: Thousand Baht)

	Separate financial statement		
	Computer software	Software under development	Total
Cost			
1 January 2015	-	6,450	6,450
Acquisitions during the year	10,000	12,562	22,562
Transferred in (out)	1,146	(14,060)	(12,914)
31 December 2015	11,146	4,952	16,098
Acquisitions during the year	5,281	16,858	22,139
Transferred in (out)	669	(615)	54
31 December 2016	17,096	21,195	38,291
Amortisation			
1 January 2015	-	-	-
Amortisation for the year	597	-	597
31 December 2015	597	-	597
Amortisation for the year	1,866	-	1,866
31 December 2016	2,463	-	2,463

(Unit: Thousand Baht)			
	Separate financial statement		
	Computer software	Software under development	Total
Net book value			
31 December 2015	10,549	4,952	15,501
31 December 2016	14,633	21,195	35,828

Exclusive right agreement

A related party entered into a 5-year Exclusive Right Agreement (automatically renewed for a further two years unless the parties mutually agree in writing not to renew the agreement within six months before the termination date) with a company who is the distributor of Honda motorcycles in Cambodia. The agreement grants the related party the exclusive rights to act as a finance agent arranging hire purchase finance for motorcycles branded "Honda". On 2 May 2012, the related party granted the exclusive rights to GLF for a fee of USD 100,000 and entered into a USD 2.9 million deposit agreement under which the related party is the representative agent to contact with such company. Conditions of the deposit agreement specify that if GLF fails to meet the minimum annual sales target set, the deposit will be forfeited in proportion to the period of six years as from 2013 to 2018.

In 2016 and 2015, GLF has met its sales target and has thus recorded a refund of the deposit equal to the proportion amount set in the agreement. The value of the exclusive right in consolidated financial statements was adjusted accordingly.

As at 31 December 2016, the value of exclusive right in consolidated financial statement amounted to USD 1.91 million (2015: USD 2.02 million).

21. Goodwill

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

(Unit: Thousand Baht)			
	Hire purchase services Thanaban Co.,Ltd.	Asset-backed Loans to Consumers Thanaban Co.,Ltd.	Hire purchase services GL Finance Plc.
Goodwill	66,122	5,750	50,285

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions used in value in use calculations are summarised below:

(Unit: % per annum)			
	Hire purchase services Thanaban Co.,Ltd.	Asset-backed Loans to Consumers Thanaban Co.,Ltd.	Hire purchase services GL Finance Plc.
Growth rates	2.0	2.0	1.3
Pre-tax discount rates	12.7	14.1	19.8

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

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

22. Other non-current assets

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Income tax and value added tax refundable	63,772	70,220	62,648	66,482
Deposits	37,865	34,689	1,856	1,519
Others	5,739	6,175	5,738	6,088
Total	107,376	111,084	70,242	74,089

23. Bank overdraft and short-term loans from financial institutions

	Consolidated financial statements			
	Interest rate		2016	2015
	2016	2015		
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	7.12	-	2,077	-
Short-term loans	3.80 - 6.25	5.25 - 7.00	554,183	349,050
Total			556,260	349,050

	Separate financial statements			
	Interest rate		2016	2015
	2016	2015		
	(% per annum)	(% per annum)	(Thousand Baht)	(Thousand Baht)
Bank overdraft	7.12	-	2,077	-
Short-term loans	3.80 - 6.25	5.25 - 7.00	446,690	349,050
Total			448,767	349,050

As at 31 December 2016 and 2015, short-term loans from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future, motorcycle registrations as requested by the lender of the Company and guarantee by subsidiary.

The short term loans of subsidiaries are guaranteed by the Company as disclosed in Note 40.4.

24. Other payables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Advances received from related parties	-	-	51,950	50,237
Accrued interest expenses to related parties	95,699	-	95,699	-
Accrued interest expenses	20,761	10,931	18,965	7,896
Accrued commission expenses	44,590	49,286	5,438	3,395
Accrued expenses	43,934	17,507	15,421	12,716
Total	204,984	77,724	187,473	74,244

25. Long-term loans

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

(Unit: Thousand Baht)				
	Consolidated financial statements			
	Balance		Interest rate per annum	Repayment condition
	2016	2015		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	577,130	1,449,160	At the rate of MLR - 1.0% per annum	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
<u>Loan agreement dated 21 June 2013</u>				
Credit facility No. 1	-	33,150	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 17 September 2013</u>				
Credit facility No. 1	-	79,670	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 26 December 2014</u>				
Credit facility No. 1	-	324,000	At the rate of MLR - 2.25% per annum	Eighteen equal installment, with first installment due on the second interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 20 December 2014</u>				
Credit facility No. 1	17,915	30,074	At the rate of 10.00% per annum	Six equal installment, with first installment due on six months after drawing down loans under credit facility and repayment every six months
<u>Loan agreement dated 25 March 2015</u>				
Credit facility No. 1	35,831	60,148	At the rate of 10.00% per annum	Six equal installment, with first installment due on six months after drawing down loans under credit facility and repayment every six months

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance		Interest rate per annum	Repayment condition
	2016	2015		
<u>Promissory note dated 23 October 2015</u>				
Promissory note No. 1	35,831	36,088	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
Promissory note No. 2	53,746	54,133	At the rate of 8.72% per annum	Repayment all principal after 2 years from agreement date
<u>Loan agreement dated 20 June 2016</u>				
Credit facility No. 1	47,960	-	At the rate of THBFIX1M + 1.90% per annum	Fifteen equal installment, with first installment due on the second interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 16 August 2016</u>				
Credit facility No. 1	30,633	-	At the rate of 6.75% per annum	Twelve equal installment, with first installment due on three months after drawing down loans under credit facility and repayment every three months
Less: Deferred front end fees	(913)	(3,976)		
Total	798,133	2,062,447		
Less: Current portion	(585,743)	(1,557,854)		
Long-term portion of long-term loans	212,390	504,593		

(Unit: Thousand Baht)

	Separate financial statements			
	Balance		Interest rate per annum	Repayment condition
	2016	2015		
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	577,130	1,449,160	At the rate of MLR - 1.0% per annum	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 21 June 2013</u>				
Credit facility No. 1	-	33,150	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 17 September 2013</u>				
Credit facility No. 1	-	79,670	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dated 26 December 2014</u>				
Credit facility No. 1	-	324,000	At the rate of MLR - 2.25% per annum	Eighteen equal installment, with first installment due on the second interest payment date after drawing down loans under credit facility.
Less: Deferred front end fees	-	(3,313)		
Total	577,130	1,882,667		
Less: Current portion	(402,990)	(1,522,177)		
Long-term portion of long-term loans	174,140	360,490		

Movements in the long-term loans account during the year ended 31 December 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	2,062,447	1,882,667
Add: Addition borrowings	1,765,633	1,655,000
Amortisation of deferred front end fees	4,059	3,313
Less: Repayment	(3,032,260)	(2,963,850)
Deferred front end fees payment	(1,000)	-
Exchange differences on translation of financial statements in foreign currency	(746)	-
Balance as at 31 December 2016	798,133	577,130

On 26 May 2011, the Company entered into a loan agreement with commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose of such loan is to repay the existing loan and for use in the expansion of business.

During the year 2012 until the first quarter of 2013, the Company increased the long-term credit facilities with commercial banks based on the loan agreement of 26 May 2011 to Baht 2.5 billion. The purpose of such loan is to repay the existing loan and for use in the expansion of business.

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

On 20 June 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 200 million. The purpose of such loan is for use in the operating activities of the Company. In order to reduce the fluctuation of interest rate risk, the subsidiary has entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 4.90% per annum as disclosed in Note 42.2.

On 16 August 2016, a subsidiary entered into a loan agreement with a commercial bank to obtain long-term loan facilities totaling Baht 60 million. The purpose of such loan is for use in its operating activities.

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

The loans are secured by the transfer of rights of claim under hire purchase agreements, asset-backed loan agreements, the mortgage of land and construction thereon and/or to be constructed thereon in the future, and motorcycle registrations as requested by the commercial banks, corporate guarantee by GLH and proportional assets of GLF. As at 31 December 2016, GLF had total

assets to mortgage such loans amounting to USD 1.51 million (2015: USD 2.51 million).

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

(Unit: Million)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Baht	2,072.9	1,050.8	1,922.9	1,050.8
USD	-	0.2	-	-

26. Debentures

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

(Unit: Thousand Baht)					
Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				2016	2015
Debentures 1/2014	As detailed in the table below	3 years	27 February 2017	500,000	500,000
Debentures 1/2016	As detailed in the table below	3 years	29 September 2019	1,500,000	-
Less: Unamortised portion of deferred transaction costs				(47,782)	(6,390)
Debentures - net				1,952,218	493,610
Less: Current portion				(499,128)	-
Long-term portion of debentures				1,453,090	493,610

Details of the Company's debentures are as follows:

The Unsubordinated and partially secured Debentures of Group Lease Public Company Limited No. 1/2014, due 2017.

Name of debentures	"The Unsubordinated and partial secured Debentures of Group Lease Plc. No. 1/2014, due 2017"
Amount	Baht 500 million
Term	3 years, starting from date of issuance
Issued date	27 February 2014
Interest rate	From 27 August 2014 to 29 September 2014, interest rate at 4.17% p.a. from 30 September 2014 to the redemption date, interest rate at 4.55% p.a.
Interest payment schedule	Twice a year on 27 February and 27 August, starting from 27 August 2014
Principal repayment	On the redemption date of 27 February 2017
Covenants	Maintenance of debt to equity ratio, hire purchase receivables ratio and restriction on dividend payment and disposal and transfer of assets
Guarantee	Partial guarantee by a financial institution as disclosed in Note 40.4.

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

Name of debentures	"The Unsubordinated and partial secured Debentures of Group Lease Plc. No. 1/2016, due 2019"
Amount	Baht 1,500 million
Term	3 years, starting from date of issuance
Issued date	29 September 2016
Interest rate	at 2.84% p.a.
Interest payment schedule	Twice a year on 29 March and 29 September, starting from 29 March 2017
Principal repayment	On the redemption date of 29 September 2019
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and the proportion of shareholding of the major shareholders.
Guarantee	Partial guarantee by a financial institution as disclosed in Note 40.4.

27. Convertible debentures

On 24 June 2016, the Extraordinary General Meeting of Shareholders No.1/2016 approved the issue and offering of convertible debentures in an amount not exceeding USD 130 million or the equivalent in other currencies. The Meeting also approved an increase in the Company's registered capital to support the conversion of the convertible debentures, as disclosed in Note 30.2. On 2 August 2016, the Company issued convertible debentures to a specific foreign investor JTrust Asia Pte. Ltd. through a private placement, a related party as disclosed in Note 7, in accordance with the permission to offer convertible debentures granted to the Company by the Securities and Exchange Commission on 27 July 2016. Key terms and conditions of the convertible debentures are as follow:

Amount of unit	1,300 units
Type of debenture	Unsubordinated, unsecured convertible debenture without debenture holders' representative
Face value	USD 100,000 per 1 convertible debenture
Issue date	1 August 2016
Term	5 years since the date of issuance (1 August 2016 to 1 August 2021)
Interest rate	5.00% per annum
Interest payment	2 times a year on every 1 August and 1 February throughout the term of debentures specified in the terms and conditions If these fall on a holiday, the next business day
Redemption at maturity date	Holders have 2 options: a) Redeem in full in cash b) Convert into common stock
Conversion to common stock	1 convertible debenture (face value of USD 100,000 or equal to 3,540,000 Baht) can be redeemed by converting it to 88,500 shares of common stock
Conversion price	Baht 40 per share
Date of conversion	Last business day of each quarter

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

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

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

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

(Unit: Thousand Baht)	
Nominal value of issue of convertible debentures	4,521,832
Transaction costs	(5,996)
Net proceeds	4,515,836
Amount classified as equity	(10,043)
Amortised – transaction cost	494
Balance as at 31 December 2016	4,506,287

During the current year, the Company entered into side agreements with related party to hedge against foreign currency both of principle and interest payable on convertible debentures as disclosed in Note 7.

28. Advances received for issuance of convertible debentures

The balance amounting to USD 13 million (equivalent to Baht 465.80 million) as at 31 December 2016 are advances received from JTrust Asia Pte. Ltd. and Creation Investments Sri Lanka LLC. on the convertible debentures as approved by the Extraordinary General Meeting of the Company as disclosed in Note 30.3. At 31 December 2016, The Company was still in the process of finalisation of the issuance.

29. Provision for long-term employee benefits

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

(Unit: Thousand Baht)		
	Consolidated / Separate financial statements	
	2016	2015
Provision for long-term employee benefits at beginning of year	7,480	6,379
Included in profit or loss:		
Current service cost	3,209	197
Interest cost	158	228
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	4,171	(421)
Financial assumptions changes	(1,477)	129
Experience adjustments	(3,056)	2,828
Benefits paid during the year	(1,764)	(1,860)
Provision for long-term employee benefits at end of year	8,721	7,480

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

(Unit: Thousand Baht)		
	Consolidated / Separate financial statements	
	2016	2015
Administrative expenses	3,367	425

The Company expects to pay Baht 1.3 million of long-term employee benefits during the next year (2015: Baht 1.8 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 22.8 years (2015: 22.3 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)		
	Consolidated / Separate financial statements	
	2016	2015
Discount rate	2.2	3.3
Salary increase rate	1.8-4.4	7.0
Turnover rate	9.0-22.0	16.6

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: million Baht)		
	As at 31 December 2016	
	Consolidated / Separate financial statements	
	Increase 1.0%	Decrease 1.0%
Discount rate	(0.53)	0.60
Salary increase rate	0.59	(0.53)
Turnover rate	(0.60)	0.63

(Unit: million Baht)		
	As at 31 December 2015	
	Consolidated / Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	(0.18)	0.19
Salary increase rate	0.19	(0.18)
Turnover rate	(0.19)	0.20

30. Share capital

30.1 Resolutions of the Annual General Meeting of the shareholders

On 28 April 2016, the Annual General Meeting of the Company passed the following significant resolutions:

- 1) Approved the payment of a dividend from the operating results of the year 2015 totaling no more than Baht 237.96 million, or Baht 0.1560 per share, to the Company's shareholders. The dividend was paid to the shareholders on 26 May 2016.
- 2) Approved an increase in the debenture facilities, which were originally approved by the Extraordinary General Meeting of the Company's shareholders No. 1/2013 held on 8 November 2013, from Baht 2.0 billion to Baht 2.5 billion.

30.2 Resolutions of the Extraordinary General Meeting of the shareholders No.1/2016

On 24 June 2016, the Extraordinary General Meeting no.1/2016 of the Company's shareholders passed the following significant resolutions:

- 1) Approved the issuance and offering by private placement of up to USD 130 million of convertible debentures to a specific foreign investor (JTrust Asia Pte. Ltd.), or an equivalent amount in other currencies.
- 2) Approved the issue of warrants (GL-W4) per the following details:

Allocation	:	Allocated to the existing shareholders of the Company in a ratio of 1 warrant for every 9 existing ordinary shares
Number offered	:	170,000,000 units
Offering price	:	Baht 0
Term	:	Not exceeding 2 years from the issue date
Exercise ratio	:	1 warrant per ordinary share
Exercise price	:	Baht 40.00
Exercise period	:	Last business day of every month until the expiry date
Offering period	:	Within 1 year after approval by the shareholders
Listing	:	Warrants to be listed on the Stock Exchange of Thailand

- 3) Approved a decrease in the registered capital of the Company from Baht 769.59 million to Baht 762.69 million, by cancelling the 13.79 million registered ordinary shares of the Company that were not yet issued. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 29 June 2016.
- 4) Approved an increase in the registered capital from the previous registered capital of Baht 762.69 million to a new registered capital of Baht 905.22 million by issuing an additional 285.05 million ordinary shares with a par value of Baht 0.50 each to be reserved for the exercise of conversion rights, as follows:
- Baht 85.0 million of additional registered capital generated through the issue of 170.0 million new ordinary shares with a par value of Baht 0.50 each to be reserved for the exercise of warrants (GL-W4).
 - Baht 57.52 million of additional registered capital generated through the issue of 115.05 million new ordinary shares with a par value of Baht 0.50 each to be reserved for the exercise of conversion rights by holders of the convertible debentures.
- The Company registered the increase in its registered share capital with the Ministry of Commerce on 29 June 2016.
- 5) Approved the amendment of the Company's Memorandum of Association to increase/decrease the registered capital to Baht 905.22 million (1,810.44 million shares with a par value of Baht 0.50 each).

30.3 Resolutions of the Extraordinary General Meeting of the shareholders No.2/2016

On 6 December 2016, the Extraordinary General Meeting no.2/2016 of the Company's shareholders passed the following significant resolutions:

- 1) Approved GLH's acquisition of 95,390,500 ordinary shares of Commercial Credit and Finance PLC ("CCF") (or 29.99% of total share capital in CCF), at a purchase price equal to LKR 111 per share or a total of LKR 10,588 million. CCF is a listed company and incorporated in Sri Lanka and its main activities are Leasing, Microfinance, Loans and Hire Purchase businesses.
- Approved a related party transaction in relation to the acquisition, by the subsidiary, of approximately 22.27% of the total issued share capital of CCF from Creation Investments Sri Lanka LLC.
- 2) Approved GLH's acquisition of 1,387,680 ordinary shares of BG Microfinance Myanmar Co., Ltd ("BGMM"), (or 100.00% of total share capital in BGMM) at a purchase price equal to USD 5.77 per share or a total of USD 8.01 million. BGMM is incorporated in Myanmar and its activity is microfinance business.
- Approved a related party transaction in relation to the acquisition, by GLH, of approximately 28.1% of the total issued and paid-up share capital of BGMM from CCF.

- 3) Approved the provision of financial assistance to the Myanmar company, Century Finance Co., Ltd. ("CF"), by subscribing to convertible debentures in an aggregate principal amount of up to USD 28.5 million which can be converted into 57% of total share capital in CF in the event that there is any change in law or regulations which would allow a foreign entity to hold share(s) in a finance company licensed by the Central Bank of Myanmar and all relevant authorisations, consents and approvals (if required) have been obtained or effected.
- 4) Approved the establishment of a company, GL-AMMK Co.,Ltd. ("Service Co"), of which GLH will hold 57% of the registered and paid up share capital. Its main activity will be providing all front and back office support to Century Finance.
- 5) Approved the issuance and offering by private placement of up to USD 50 million of convertible debentures to a specific foreign investor (JTrust Asia Pte. Ltd), or an equivalent amount in other currencies.
- 6) Approved the issuance and offering by private placement of up to USD 20 million of convertible debentures to a specific foreign investor (Creation Investments Sri Lanka LLC), or an equivalent amount in other currencies.
- 7) Approved an increase in the Company's registered share capital by Baht 17,327,414.50 from Baht 905,217,625.50 to Baht 922,545,040 by issuing 34,654,829 ordinary shares with a par value of Baht 0.50 per share, and the amendment of Clause 4 of the Company's memorandum of association to be consistent with the increase of the Company's registered share capital as per the following details:
 - a. Approved an increase in the registered capital of the Company by Baht 12,376,724.50 by issuing 24,753,449 newly issued ordinary shares with a par value of Baht 0.50 per share to be reserved for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd.
 - b. Approved an increase in the registered capital of the Company by Baht 4,950,690 by issuing 9,901,380 newly issued ordinary shares with a par value of Baht 0.50 per share to be reserved for the conversion of the convertible debentures to be issued and offered to Creation Investments Sri Lanka LLC.

30.4 Additional share subscription from the exercise of warrants

During the current year, the Company received additional share subscription totaling Baht 4.99 million from the exercise of warrants, as detailed below.

	Warrant	Ordinary share	Exercise price	Amount
	(units)	(shares)	(Baht/share)	(Million Baht)
GL-W4	124,719	124,719	40.00	4.99

As at 31 December 2016, the Company had share subscription received in advance amounting to Baht 0.37 million in its paid up share capital from the exercise of GL-W4 totaling 9,133 units.

The Company registered the increase in its paid up share capital from the exercise of such warrants with the Ministry of Commerce on 5 January 2017.

30.5 Reconciliation of number of ordinary shares

During the current year, the movements of registered and paid-up capital and premium on ordinary shares of the Company are as follows:

	Number of ordinary shares (Thousand Shares)	Registered capital (Thousand Baht)
<u>Registered share capital</u>		
At the beginning of the year	1,539,175	769,587
Increase	319,704	159,852
Decrease	(13,789)	(6,894)
At the end of the year	1,845,090	922,545

	Number of ordinary shares (Thousand shares)	Paid-up capital (Thousand Baht)	Share premium (Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	1,427,285	713,643	4,254,634
Increase in capital from exercising of the rights of the convertible debenture	98,100	49,050	931,999
Increase in capital from exercising of the rights of the warrant	125	62	4,927
At the end of the year	1,525,510	762,755	5,191,560

31. Warrants

As at 31 December 2016, details of outstanding warrants, which were issued by the Company, are as follows:

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

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

Type of warrant	Number of warrants outstanding as at 1 January 2016	Number of warrants issued during the year	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2016
GL-W4	-	165,098,969	133,852	164,965,117

32. Dividends

Dividends declared in the second quarter of 2016 consist of the following:

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividends from 2015 operations	Annual General Meeting of the shareholders on 28 April 2016	231,240	0.1560
		231,240	0.1560

Dividends declared in the second quarter of 2015 consist of the following:

Dividends	Approved by	Total dividend	Dividend per share
		(Thousand Baht)	(Baht)
Dividends from 2014 operations	Annual General Meeting of the shareholders on 27 April 2015	66,673	0.0625
		66,673	0.0625

33. Statutory reserve

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

34. Other income related to hire purchase activities

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

35. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salary and wages and other employee benefits	542,746	493,764	334,465	316,799
Service agreement expenses	30,831	33,965	28,174	31,600
Debt following expenses	21,517	24,238	18,938	20,453
Depreciation	36,614	28,423	17,208	10,873
Amortisation	6,858	19,355	1,866	597
Registration fee	14,451	12,689	5,955	5,950
Rental fee	36,663	26,594	4,508	4,344
Professional fee	32,821	22,661	3,877	8,675

36. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	174,687	92,786	91,918	64,805
Deferred tax:				
Relating to origination and reversal of temporary differences	27,345	50,289	27,082	19,991
Income tax expense reported in the statement of comprehensive income	202,032	143,075	119,000	84,796

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax on actuarial loss	73	507	73	507
Total	73	507	73	507

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

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	1,264,851	725,966	600,927	425,008
Applicable tax rate	17%-25%	20%, 17%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	243,546	166,871	120,185	85,002
Effects of non-taxable income and expenses	(25,008)	(33,542)	(1,185)	(206)
Others	(16,506)	9,746	-	-
Total income tax expenses reported in the statement of comprehensive income	202,032	143,075	119,000	84,796

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

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	48,815	71,562	40,238	60,351
Allowance for diminution of value foreclosed assets	3,132	2,027	3,026	1,770
Reserve for employee benefits	1,744	1,496	1,744	1,496
Loss brought forward	5,575	-	-	-
Others	173	77	9	-
Prepaid commission expenses	(10,269)	(10,353)	(10,269)	(10,353)
Accumulated depreciation and amortisation	(3,140)	-	-	-
Amortised transaction cost of convertible debentures - liability component	(1,100)	-	(1,100)	-
Amortised transaction cost of convertible debentures - equity component	(3)	-	(3)	-
Amortised transaction cost of debentures	(9,404)	(1,278)	(9,404)	(1,278)
Amortised front end fees of short-term loan	-	(663)	-	(663)
Total	35,523	62,868	24,241	51,323

37. Earnings per share

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

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

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

	Consolidated financial statements					
	Weighted average					
	Profit for the year		number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the year	1,063,844	582,891	1,525,423	1,190,879	0.697	0.489
Effect of dilutive potential ordinary shares						
GL-W3	-	-	-	62,725		
GL-WD	-	-	-	3,041		
GL-W4	-	-	12,472	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	1,063,844	582,891	1,537,895	1,256,645	0.692	0.464

	Separate financial statements					
	Weighted average					
	Profit for the year		number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the year	481,927	340,212	1,525,423	1,190,879	0.316	0.286
Effect of dilutive potential ordinary shares						
GL-W3	-	-	-	62,725		
GL-WD	-	-	-	3,041		
GL-W4	-	-	12,472	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	481,927	340,212	1,537,895	1,256,645	0.313	0.271

However, no calculation of diluted earnings per share for the year ended 31 December 2016 was required for convertible debentures since the effect of diluted earnings per share is antidilutive.

38. Segment information

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

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

- Hire purchase services for motorcycles segment
- Business management and consulting service, financing to corporates and investment holding.

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

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

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

The following tables present revenue and profit, total assets and total liabilities information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2016 and 2015, respectively.

(Unit: Thousand Baht)					
	For the year ended 31 December 2016				
	Hire Purchase service	Business management and consulting services, financing to corporates and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,949,691	-	1,949,691	-	1,949,691
Asset - backed loan interest income	116,926	-	116,926	-	116,926
Interest on loan receivables	-	484,859	484,859	-	484,859
Other interest income	24,101	932	25,033	-	25,033
Consulting service fee income	-	63,062	63,062	-	63,062
Other income related to the activities of hire purchase	218,791	-	218,791	-	218,791
Others	64,159	(378)	63,781	-	63,781
Inter-segment revenue	418,085	238,171	656,256	(656,256)	-
Total revenue	2,791,753	786,646	3,578,399	(656,256)	2,922,143
Services and administrative expenses	(928,729)	(65,409)	(994,138)	106,762	(887,376)
Bad debts and doubtful accounts	(313,270)	-	(313,270)	-	(313,270)
Loss on disposals of foreclosed assets	(232,251)	-	(232,251)	-	(232,251)
Share of profit from investment in associate	-	-	-	48,355	48,355
Financial cost	(455,325)	(323,340)	(778,665)	505,916	(272,749)
Income tax expenses	(170,899)	(31,134)	(202,033)	-	(202,033)
Segment profit	691,279	366,763	1,058,042	4,777	1,062,819

(Unit: Thousand Baht)					
	For the year ended 31 December 2016				
	Hire Purchase service	Business management and consulting services, financing to corporates and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	36,164	21,855	58,019	(1,786)	56,233
Segment total liabilities	1,240	-	-	-	1,240

(Unit: Thousand Baht)					
	For the year ended 31 December 2015				
	Hire Purchase service	Business management and consulting services, financing to corporates and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,898,441	-	1,898,441	-	1,898,441
Asset - backed loan interest income	25,485	-	25,485	-	25,485
Interest on loan receivables	-	173,365	173,365	-	173,365
Other interest income	2,103	100	2,203	-	2,203
Consulting service fee income	-	72,680	72,680	-	72,680
Other income related to the activities of hire purchase	210,125	49,825	259,950	-	259,950
Others	113,577	(56,998)	56,579	-	56,579
Inter-segment revenue	215,579	241,777	457,356	(457,356)	-
Total revenue	2,465,310	480,749	2,946,059	(457,356)	2,488,703
Services and administrative expenses	(833,959)	(64,693)	(898,652)	114,280	(784,372)
Bad debts and doubtful accounts	(356,567)	-	(356,567)	-	(356,567)
Loss on disposals of foreclosed assets	(355,030)	-	(355,030)	-	(355,030)
Financial cost	(356,011)	(137,659)	(493,670)	226,902	(266,768)
Income tax expenses	(130,533)	(12,542)	(143,075)	-	(143,075)
Segment profit	433,210	265,855	699,065	(116,174)	582,891
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	38,458	(56,350)	(17,892)	(16,287)	(34,179)
Segment total liabilities	1,101	-	1,101	-	1,101

Geographic information

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

(Unit: Thousand Baht)		
	2016	2015
Revenue from external customers		
Thailand	1,608,594	1,825,920
Cambodia	653,922	398,554
Singapore	548,475	238,972
Laos	93,375	25,257
Indonesia	17,776	-
Total	2,922,142	2,488,703
Non-current assets (other than financial instruments, deferred tax assets and investment in associate)		
Thailand	196,179	170,940
Cambodia	184,549	181,959
Singapore	40,031	18,176
Laos	3,330	3,182
Indonesia	6,401	-
Total	430,490	374,257

Major customers

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

39. Provident fund

The Company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2016 and 2015, the Company contributed Baht 8.1 million and Baht 7.5 million, respectively to the fund.

40. Commitments

40.1 Capital commitments

As at 31 December 2016, the Company had capital commitments of approximately Baht 0.01 million, relating to the purchase of software licenses (2015: Baht 0.44 million).

40.2 Operating lease commitments

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

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

	Consolidated financial statement						
	2016				2015		
	Thousand Baht	Thousand LAK	Thousand USD	Thousand IDR	Thousand Baht	Thousand LAK	Thousand USD
Payable:							
In up to 1 year	15,280	-	157	1,216,631	15,983	237,757	173
In over 1 and up to 5 years	13,705	-	36	1,216,631	11,567	-	102

(Unit: Thousand Baht)

	Separate financial statement	
	2016	2015
Payable:		
In up to 1 year	6,851	7,000
In over 1 and up to 5 years	2,802	3,409

40.3 Service commitments

As at 31 December 2016, the Company is required to pay fees of USD 0.02 million, JPY 0.6 million and Baht 0.4 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (2015: USD 0.03 million, JPY 0.5 million and Baht 0.7 million per month) and financial service consulting fees Baht 1.14 million.

40.4 Guarantees

- 1) As at 31 December 2016, the Company has letters of guarantee for short term loans of its subsidiaries in term of Standby Letter of Credit issued by banks amounting to USD 2.0 million and Baht 36.6 million.
- 2) As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 1,275.3 million (2015: Baht 300.3 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 1,275.0 million (2015: Baht 300.0 million) to guarantee debentures and Baht 0.3 million (2015: Baht 0.3 million) to guarantee electricity use and use of post services.

41. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Long term loan receivables	-	-	3,440	3,440
Investment in associates	1,285	-	-	1,285
Other long-term investments	-	476	-	476

(Unit: Million Baht)				
	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	1,566	-	1,566
Convertible debentures	-	4,862	-	4,862
Derivatives Interest rate swap contracts	-	(1)	-	(1)

(Unit: Million Baht)				
	Consolidated financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Long term loan receivables	-	-	847	847
Liabilities for which fair value are disclosed				
Debentures	-	521	-	521
Derivatives Interest rate swap contracts	-	(1)	-	(1)

(Unit: Million Baht)				
	Separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	1,566	-	1,566
Convertible debentures	-	4,862	-	4,862

(Unit: Million Baht)				
	Separate financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	521	-	521
Derivatives Interest rate swap contracts	-	(1)	-	(1)

42. Financial instruments

42.1 Financial risk management

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

Credit risk

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

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase and installment sales receivables, asset-backed loan receivables, loans receivables, pledged fixed deposit at financial institution, bank overdraft and short-term loans from financial institutions, short term loan, long term loan, debentures and convertible debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)					
	Consolidated financial statements as at 31 December 2016				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalent	465.80	-	239.47	1,845.95	2,551.22
Hire purchase and installment sales receivables, net	3,142.21	3,153.72	-	-	6,295.93
Asset - backed loan receivables - net	226.27	55.48	-	-	281.75
Loan and interest receivables	882.43	2,876.29	-	-	3,758.72
Other receivables	-	-	-	186.25	186.25
Deposits at bank with restrictions	0.33	-	-	-	0.33
	4,717.04	6,085.49	239.47	2,032.20	13,074.20
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	504.18	-	52.08	-	556.26
Trade and other payables	-	-	-	228.14	228.14
Short-term loans from and interest payable to related party	4.40	-	-	-	4.40
Long-term loans	585.74	212.39	-	-	798.13
Debenture	499.13	1,453.09	-	-	1,952.22
Convertible debenture	-	4,506.29	-	-	4,506.29
Advance received for issuance of convertible debentures	-	-	-	465.80	465.80
	1,593.45	6,171.77	52.08	693.94	8,511.24

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2015				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalent	-	-	557.65	487.23	1,044.88
Hire purchase and installment sales receivables, net	3,198.88	2,848.47	-	-	6,047.35
Asset - backed loan receivables - net	113.09	28.06	-	-	141.15
Loan and interest receivables	2,152.93	604.59	-	-	2,757.52
Other receivables	-	-	-	127.42	127.42
Deposits at bank with restrictions	0.33	-	-	-	0.33
	5,465.23	3,481.12	557.65	614.65	10,118.65
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	349.05	-	-	-	349.05
Trade and other payables	-	-	-	135.38	135.38
Short-term loans from and interest payable to related parties	4.12	-	-	-	4.12
Long-term loans	148.91	144.35	1,769.18	-	2,062.44
Debenture	-	493.61	-	-	493.61
	502.08	637.96	1,769.18	135.38	3,044.60

(Unit: Million Baht)

	Separate financial statements as at 31 December 2016				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalent	465.8	-	1.62	1.30	468.72
Hire purchase and installment sales receivables, net	1,946.22	1,797.54	-	-	3,743.76
Short-term loans to and interest receivable from subsidiary	5,198.25	-	-	-	5,198.25
Other receivables	-	-	-	34.42	34.42
Deposits at bank with restrictions	0.33	-	-	-	0.33
	7,610.60	1,797.54	1.62	35.72	9,445.48
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	396.69	-	52.08	-	448.77
Trade and other payables	-	-	-	198.97	198.97
Short-term loans from related party	130.00	-	-	-	130.00
Long-term loans from subsidiary	53.30	-	-	-	53.30
Long-term loans	-	-	577.13	-	577.13
Debenture	499.13	1,453.09	-	-	1,952.22
Convertible debenture	-	4,506.29	-	-	4,506.29
Advance received for issuance of convertible debentures	-	-	-	465.80	465.80
	1,079.12	5,959.38	629.21	664.77	8,332.48

(Unit: Million Baht)					
	Separate financial statements as at 31 December 2015				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalent	-	-	1.84	550.39	552.23
Hire purchase and installment sales receivables, net	2,095.26	1,786.82	-	-	3,882.08
Short-term loans to and interest receivable from related parties	4,016.39	-	-	-	4,016.39
Other receivables	-	-	-	30.10	30.10
Deposits at bank with restrictions	0.33	-	-	-	0.33
	6,111.98	1,786.82	1.84	580.49	8,481.13
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	349.05	-	349.05
Trade and other payables	-	-	-	86.35	86.35
Long-term loans	112.82	-	1,769.85	-	1,882.67
Debentures	-	493.61	-	-	493.61
	112.82	493.61	2,118.90	86.35	2,811.68

Foreign currency risk

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

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December		Financial assets as at 31 December		Financial liabilities as at 31 December			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	13.06	2.04	145.71	-	62.75	28.65	145.71	0.01	35.8307	36.0886
JPY	-	10.00	-	-	-	-	-	-	0.3080	0.2996
SGD	0.05	0.40	-	0.02	-	-	-	-	24.8010	25.5195
HKD	-	0.01	-	-	-	-	-	-	4.6217	4.6579
EUR	-	0.04	-	-	-	-	-	-	37.7577	39.4388
LKR	332.1	-	-	-	-	-	-	-	0.2392	0.2506
KHR	5.06	-	-	-	-	-	-	-	0.00885	0.00895
THB	65.83	-	67.96	-	-	-	-	-	1	1

During the current year, the Company entered into an agreement to hedge foreign exchange risk for convertible debentures and related accrued interest expense with related party as disclosed in Note 7.

42.2 Fair values of financial instruments

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

(Unit: Million Baht)				
	Consolidated financial statements			
	2016		2015	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Other long term investments	476	476	-	-
Long-term portion of loans and interest receivables	2,876	3,440	605	847
Financial liabilities				
Long-term portion of debentures	1,453	1,566	494	521
Convertible debentures	4,506	4,862	-	-

(Unit: Million Baht)				
	Separate financial statements			
	2016		2015	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Long-term portion of debentures	1,453	1,566	494	521
Convertible debentures	4,506	4,862	-	-

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
Derivatives				
Interest rate swap contracts	(1)	(1)	-	(1)

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

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans to, other receivables, trade and other payables, and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase and installment sales receivables and asset-backed loan receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- For loan receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For non-marketable equity securities, their fair value is estimated by discounting expected future cash flow by capital assets pricing model.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair value.

As disclosed in Note 25, the subsidiary has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 December 2016 amounts to Baht 47.96 million. The contracts have 15 installments and mature in September 2017. At each of the maturity dates, the subsidiary is required to pay interest to the bank based on a fixed rate stipulated in the agreements (4.90% p.a.) and the bank is required to pay interest to the subsidiary at the floating rate plus a stipulated rate. The agreement contains other conditions. The subsidiary would have had unrealised losses of approximately

Baht 0.3 million, if it had recorded the above contracts at fair value.

- f) For fixed rate debentures and convertible debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the bonds with similar terms and conditions.

43. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.03:1 (2015: 0.42:1) and the Company's was 1.14:1 (2015: 0.41:1).

44. Events after the reporting period

44.1 Establishment of GL-AMMK Co.,Ltd.

On 6 December 2016, the Extraordinary General Meeting of the shareholders No.2/2016 approved the establishment of a company, GL-AMMK Co.,Ltd. ("Service Co"), as disclosed in Note 30.3. On 24 January 2017, Service Co has received its temporary registration certificate and currently in the process of capital injection.

44.2 Increase in share capital in BGMM

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

Subsequently on 25 January 2017, the meeting of GLH's Board of Directors passed a resolution to approve additional investment in 6,612,988.077 ordinary shares of BGMM (or 100% of new ordinary shares) at a price equal to the par value of MMK 1,000 per share, or a total of MMK 6,613 million. The ordinary shares capital of BGMM increase from 1,387,680 ordinary shares to 8,000,668.077 ordinary shares. The new share certificates and the capital increase registration with Government of the Republic of the Union of Myanmar are still in progress.

45. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2015 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)				
	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Other receivables	127,494	-	30,104	-
Other current assets	99,916	227,410	79,470	109,574

46. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2017.



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