



GL

First, Fast & Forward



รายงานประจำปี 2562
บริษัท กรู๊ปลีส์ จำกัด (มหาชน)
GROUP LEASE PUBLIC COMPANY LIMITED

ANNUAL REPORT 2019



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CONTENT

	Page
Message from the Chairman	3
Report of the Audit Committee	4
Policy and Business Overview	6
Nature of Business	10
Risk Factors	15
General Information	19
Shareholders	22
Dividend Payment Policy	25
Management Structure	26
Corporate Governance	55
Corporate Social Responsibilities	65
Internal Control and Risk Management	67
Related Party Transactions	72
Financial Highlight	78
Management Discussion and Analysis	83
Responsibility of the Board of Directors on Financial Statement	96
Report of Auditor and Financial Statement	97

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.international



Skol Harnsuthivarin
Chairman of the Board of Directors
Group Lease Public Company Limited

Message from Chairman

Throughout the period of the past year, the Board of Directors of Group Lease Public Company Limited has acknowledged the report of the operations result of the Company and its subsidiaries from the management at each of the Board of Directors' monthly meetings. From the report of the management, it is heard that the operations result is satisfied and at good standard. The tendency is positive continuously. Even though currently, the operations of the Company are facing high competition, the Board of Directors believes that under capabilities of the management and the staff of the Company will be able to manage to bring about prosperity to the Company with stability, provided that the operations must be operated with transparency, accountability in accordance with the principal of good governance, good ethics, elimination of corruption to remain as least as possible or disappear. The management of business must be carried out by avoiding risky operations which may cause damages to the Company and the stakeholders.

In order to operate the business in accordance with the said guidelines, during the past two years, the Board of Directors of the Company with the cooperation of the management, the Company has made available or amended the Charter of the Company, Ethics and the policy of the following matters for enforcement i.e.

- The Charter of Board of Directors
- The Charter of Audit Committee
- The Charter of Corporate Governance Committee
- The Charter of Risk Management Committee
- Business Code of Ethics
- Anti-corruption Policy and Whistleblowing Policy

We strongly believe that with the cooperation from Directors, management team and employees in complying with the Charters, Code of Ethics, and the established policies, the business of the Company shall move forward steadily and sustainably.

Lastly, we would like to express our sincere gratitude to our business partners, the management and the employees for their continued support and cooperation.

Report of the Audit Committee

The Audit Committee of Group Lease Public Company Limited comprises of 5 Independent Directors who have not involved in any management function in the Company's operation and all 5 Independent Directors possess the required qualifications in compliance to the rules of the SET and SEC. The list of Audit Committee appears as follow:

Name	Position	Starting date	No. of meeting attendance
			Total No. of meeting
1. Mr. Skol Harnsuthivarin	Chairman of Audit Committee	23 Feb. 2018	10/10
2. Mr. Viboon Engkagul	Audit Committee	12 Feb. 2018	09/10
3. Mrs.Sumalee Chokdeeanant	Audit Committee	23 Feb. 2018	10/10
4. Dr.Pholdej Therdphithakvanij	Audit Committee	19 Jul. 2011	09/10
5. Mr.Troy Andrews Schooneman	Audit Committee	23 Feb. 2018	05/10

Audit Committee has carried out their duties as assigned by the Board of Directors and complied to the Audit Committee Charter which was set in accordance with the good governance for Audit Committee set forth by the SET which for the year 2019 can be summarized as follows:

- **Financial Statement**

The Audit Committee has considered and reviewed significant information in the Company's separate quarterly and yearly 2019 and consolidated financial statement of Group Lease Public Company Limited and its subsidiaries with the management and the external auditor and they are of the view that those financial statements are accurate, reliable and has disclosed significant information completely, sufficiently in a timely manner and had complied with the rules, laws, financial reporting standard as well as the generally accepted accounting principles.

- **Internal Control System and Compliance to the Law and good Corporate Governance**

The Audit Committee has considered the sufficiency of the internal control system, the compliance of the laws and good corporate governance of the Company and its subsidiaries based on the Management Letter of the external auditor, report from the Internal Audit Department including the supplementary information acquired from the meeting with the Company's top management and is of the view that the company has internal control system, compliance to the law and corporate governance which are appropriate and sufficient for its business operation.

- **Transactions that may cause conflicts of interest**

Audit Committee has considered the related party transactions or the transactions which may have conflict of interest based on justification, transparency and sufficient disclosure in compliance with the rules and regulations set forth by the Stock Exchange of Thailand and the Securities & Exchange Commission. Audit Committee is of the opinion that the Company's related transactions have done under the normal commercial condition for the best interest of the Company.

- **The Selection and nomination of external auditor**

Audit Committee has considered from the appropriate qualifications, independence quality, performance and remunerations of the external auditor and selected KPMG Phoomchai Audit Ltd. to recommend the Board of Directors to propose for appointment by the shareholders as the Company's external auditor for the year 2019.

The Audit Committee has carried out its duties prudently and independently striving for the Company to operate its business under good corporate governance, transparency and fairness and auditable for the interest of the Company and justified to its shareholders, the stakeholders including the employees, management and other related persons. Audit Committee has made its self-assessment for the year 2019 to assess its duties performing in order to ensure that the duties carried out are efficient and can achieve the assigned objectives successfully.

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, current assets financing and personal loans. Since the year 2004, the core business of the Company has been concentrated on the hire purchase of motorcycles only.

In 2007, a new shareholder, APF Group, completed a takeover 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.'

Since 2017, the Company had multiple successful new market entrances and had operations in seven countries, namely, Thailand, Singapore, Cambodia, Laos, Indonesia, Myanmar and Sri Lanka. The Company and its subsidiary in Thailand are principally engaged in the activity of hire-purchase and loan (with vehicle registration as guarantee) such as motorcycle and automobile. Overseas subsidiaries are principally a business management, consulting including financing services to the corporates, other investment holding company, hire purchase, microfinance business and consumer finance business under joint financing arrangements. Such financing is provided under Digital Finance Platform which is 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. The Technology Oriented software network and POS network has a low operating cost, is capital light, and quickly expandable to meet demand.

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.

The objectives or strategies for business operation (during 2018-2022) are to be the leading GLOCAL (global and local at the same time) finance company that supports emerging entrepreneurs and shares in our consumers' growth while being a leader in client and employee satisfaction. Our low cost and high technology network will enable us to locally meet the needs of our customers while being easily expandable worldwide. This can be fulfilled by developing innovative products to satisfy unmet customer demands, enhancing relationship with local partners, optimizing (POS) network including developing of strategic business partners to reinforce local business operations for current and future product expansion as well as developing strategic funding partners in each market with local currency. The Company shall also focus on the compliance with good corporate governance and social responsibilities

Changes and Important Development

In 2012, the Company had made investment 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 since the rules in Singapore are modern and international and the financial transaction cost is low.

In 2013, the Company expanded into Cambodia by acquiring GL Finance Plc. or GLF 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. 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 operated Point of Sales in Honda Dealer shops and Kubota agricultural machinery dealer shops all over Cambodia

In 2013, there was a change in par value of the Company's shares from 5 THB to 0.50 THB without any effect on the Company's registered capital. As a result, the amount of shares were increased and purpose was to increase the liquidity of the Company's shares. The change of par value and the split of shares did not affect the existing shareholders' rights and the total value of registered capital remained unchanged.

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.

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 in 2017, Thanaban had altogether 64 branches and total 326 second-hand motorcycle partnerships. For the year 2018, Thanaban initiated new products, MotoBuy while emphasized and gave more importance on the screening of potential customers to improve loan quality and maximize operation efficiency. The Bank of Thailand regulated that from 1 February, 2019 onward, the business on personal loan that has vehicle registration as guarantee shall need a license and be under the supervision of the Bank of Thailand. Thanaban has already applied for such license.

In May 2015, using the same successful, proven business model in Cambodia, the Company began operating business in Laos. Due to this strategy, operations in Laos began contributing to consolidated net profits within four months. In total, we concluded 2015 with the highest amount of revenue, highest amount of net profit, and our largest portfolio ever. 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 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 in 2016 through acquisitions with Commercial Credit and Finance Plc and BG Microfinance Myanmar Co, respectively which gave us insight into a new product for us, microfinance group loans. Additionally, we acquired part of a Singaporean company, Began Innovation Technology Pte, to position us with additional knowledge and skills to further expand into the Myanmar market. We also expanded into three new markets: Indonesia, Sri Lanka, and Myanmar. In Indonesia, we expanded organically and 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, Began Innovation Technology Pte, which operates IT

Platform Building business, to position us with additional knowledge and skills to further expand into the Myanmar market.

In 2017, the Company worked to improve and build our current markets and continued to achieve profit. However, in the third quarter, the Company recorded a significant loss due to provisions related to persons and loans questioned by the Thai SEC and related to our investment in Sri Lanka. During the fourth quarter, we had no such exceptional items and were back to profitable. The Company's current strategy is to focus on our current markets and continue to expand and improve current operations there.

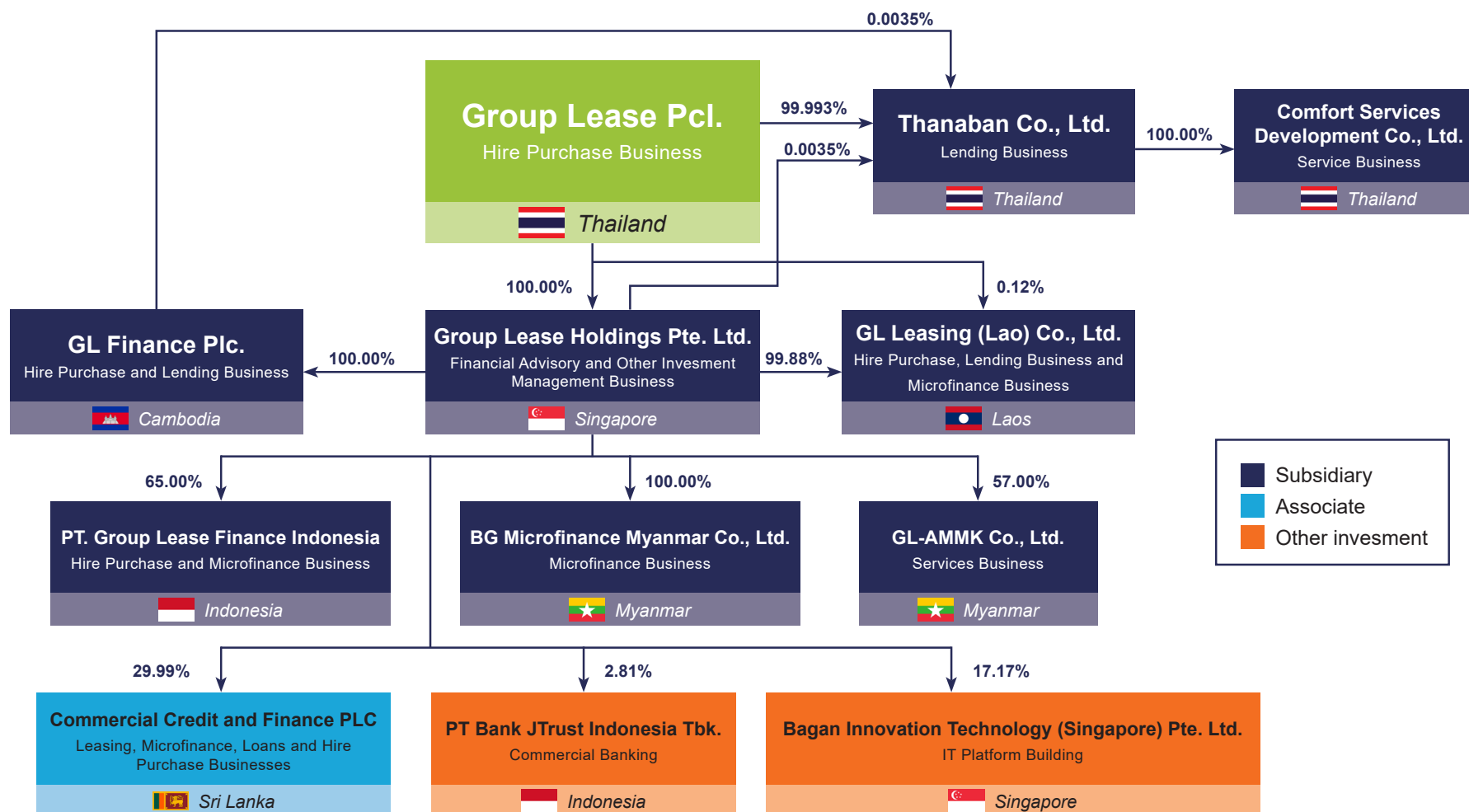
On 3 July, 2018, the Company opened a new wholly own subsidiary in Thailand having Thanaban Co., Ltd. as shareholder named Comfort Service Development Co., Ltd. (CSD) with a registered capital of 4 million Baht. CSD operates registration services business such as the changing of registration data of motorcycles and cars, changing of location of the registration plate, type of the plate, annual tax renewal and compulsory insurance, etc. serving as supplementary services on various types of registrations to our customers.

In 2018, we revised our 2017 financial statement to comply with the Thai SEC. We remained profitable and focused on our current markets. Also in 2017, the Company found itself involved in a legal dispute with one of its creditors which has continued through now (litigation details appear in the notes to financial statement for FY2019 ending 31 December 2019 No. 34.1-34.3). However, the Company and its subsidiaries are currently able to operate business as normal. In 2018 and going forward, our strategy is to continue to improve our efficiency through digital optimization, strengthen our corporate governance with international best practices, use our global network and connections to improve our local and close to the customer operations, and continue to expand our platform of products so that we meet the needs of the customer at multiple life stages. Over the next five years, the Company will upgrade its "Digital Finance" model to "Life Cycle Finance" and evolve from being a "Leasing Company" to "Multi Finance Company".

In 2019, the Company's subsidiaries expanded into new products for its hire-purchase, microfinance and loan services by the cooperation with new dealers such as 3-wheeler car from Bajaj in Myanmar and Cambodia, Howo Truck from Laos and Oppo mobile phone in Myanmar, and some other new products in the future. The Company will continue to grow and meet our mission of providing innovative finance products to emerging entrepreneurs to improve their economic development.

The Shareholding Structure of the Group Companies

The group companies' structure and their respective business and shareholdings are as follows:



Nature of Business

The Company and its subsidiaries in Thailand and overseas currently operate the businesses which nature can be described as follows:

Hire Purchase and lending

The Company and its subsidiaries are principally engaged in the activity of hire purchase and lending through Digital Finance Platform business model. We facilitate the financing services between consumers and suppliers/dealers for a variety of products such as motorcycles, agricultural machinery, truck and other vehicles, etc. For consumers the entire process of financing is made easy starting from the loan application to the monthly installment through e-payment. For suppliers/dealers our reliable and efficient platform also facilitate them in the entire product selling process varying from marketing, customers' scoring which knowledge derived from our long experience on financing business to money collection through our POS networks and integrated e-finance system. As a result, we earn revenues from interest income on hire-purchase from the customers and the consulting service and interest income on lending from the suppliers/dealers.

Microfinance

Microfinance is a financial assistance concept that provides small loans to individuals or communities who have no access to banking facilities, for the purpose of establishing or developing their own enterprise. In the purpose of improving the quality of life for people and communities in remote areas, the Company provides loans to customer along with the training programs such as self-development, positive thinking, leadership skills and career development to help and enhance people or community's sustainable growth.

The Company started Microfinance business in Myanmar since 2016 which received good feedback and has been very successful for many years. In the year 2019, the company has expanded its business to Indonesia and Laos to further build upon to success we have had with our existing hire purchase.

Business management and consulting

Since 2017, the Company partners with Century Finance Company Limited, a Myanmar finance company for a variety of products such as motorcycles, three-wheeler, agricultural machinery and truck. The Company set up a subsidiary in Myanmar, GL-AMMK, by using our expertise and efficiency in digital finance combine and complement with Century Finance's extensive network throughout Myanmar to provide a broad range of financial services to the booming Myanmar markets, especially for people in the rural areas.

Century Finance's lending business grew rapidly along with the Myanmar's economic growth causing the subsidiary company (GL-AMMK) to receive more business management and consulting service income. For this year, the Company aims to expand its business by providing new products to customers.

Financing to corporates and investment

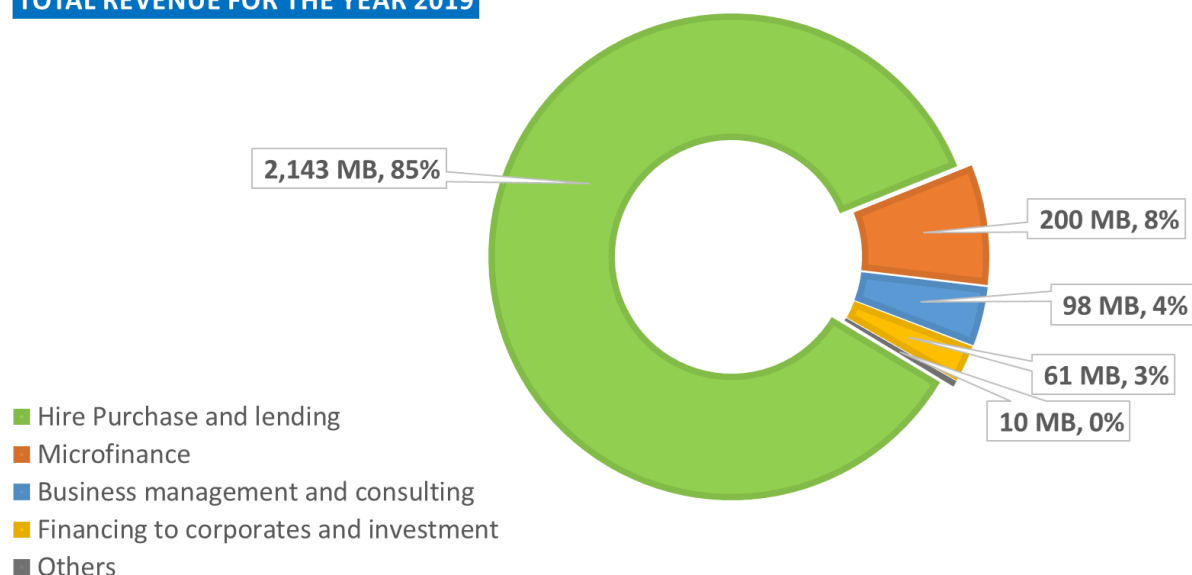
The Company provides financing to small and medium-sized enterprises that need the fund for business operation. The Company realizes the importance of small and medium-sized enterprises that their business might be the key to drive the overall economic growth. In addition, the Company also invests in debt and equity securities to generate more revenue for the company.

Revenue Structure of the Group Company

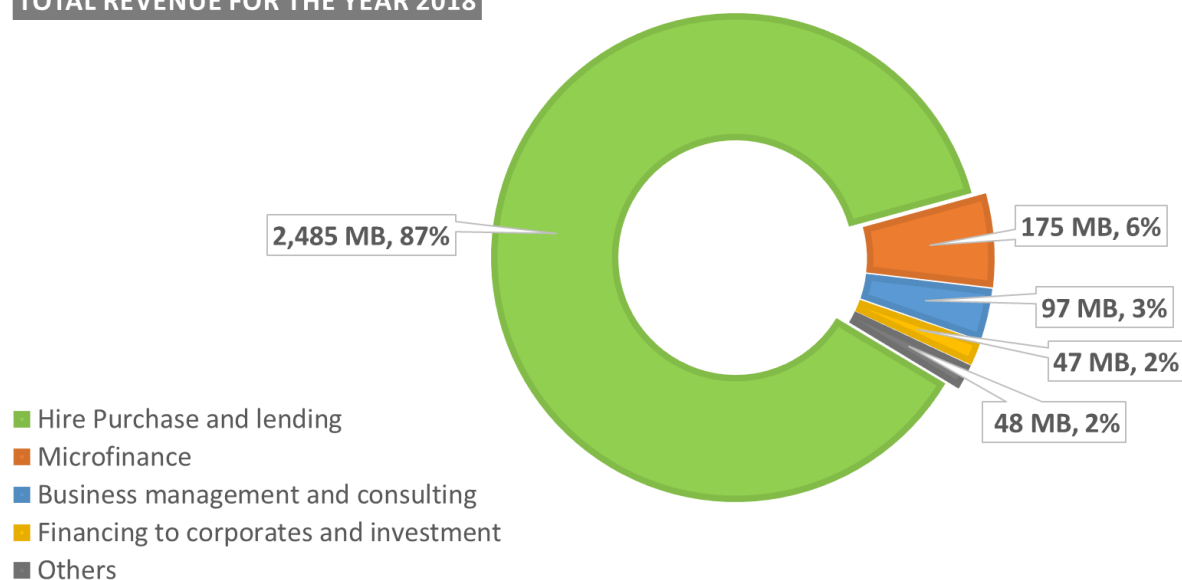
The Group Company are organized into business units based on its products and services as disclosed in Note no. 6 of the consolidated financial statements for the year ended 31 December 2019.

Revenue information regarding the Group Company' operating segments are as follow;

TOTAL REVENUE FOR THE YEAR 2019



TOTAL REVENUE FOR THE YEAR 2018



Competition Situation

The competition situation on hire-purchase business has been very high with so many companies both listed and non-listed in the stock exchange of Thailand entering into the industry. Our competitive strategy is to provide rapid services and principally focus on fulfilling the satisfaction of the individual customers as well as the dealers. Market survey and regular visiting to our customers and dealers could enhance the Company to acquire the real needs of the customers which able to provide us the useful data for the efficient improvement that can better meet the needs of the customers. For instance, currently we found that customers need on-site service so we provided hire-purchase service at their home or office. Such service has proven to be our competitive advantage.

Additionally, in order to maintain the satisfactory level in our services, the Company realizes the importance of getting the problems solved which arising from complaints filed by the customers. Therefore, special unit was set up to receive complaints through various channels such as telephone, e-mail and internet, etc. In 2019, there were only less than 1 percent of complaints filed to the Company which is considered a satisfactory level.

Moreover, we have expanded internationally, which very few of our competitors have done. This allows us to participate in the growth of ASEAN and other markets, rather than being dependent on one economy. As individual countries do not meet growth expectations, which happen, we can use the strength of our other markets to take advantage of those local slowdowns while our local competitors cannot.

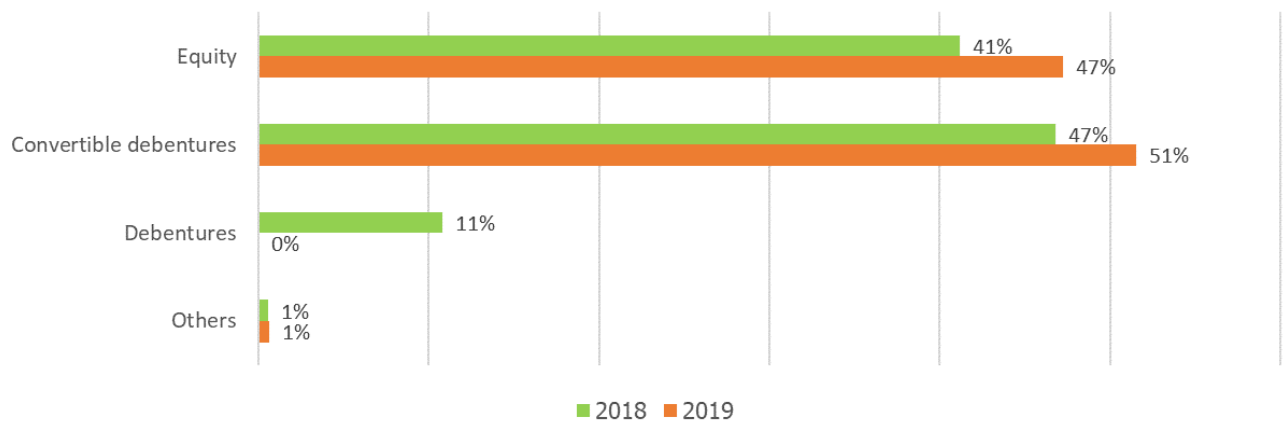
We will continue to focus on using our Digital Finance Platform to meet the needs of individual customers and dealers which will allow us to outperform our competitors and achieve above average growth and profit returns.

Procurement of Fund

The Company has a policy to find funding sources by focusing on long-term fund in line with the nature of the company's lending service business. In the past, the Company has issued additional shares offering, debentures and convertible debentures which are the low-cost funding sources and low risk from fluctuations in market interest rates.

In addition, the group company also finance from long-term and short-term loans by borrowing from local financial institutions of each country.

Sources of fund of the Company group as of 31 December 2019 and 2018 comprised of:



	Equity	Convertible debentures	Debentures	Others	Total
	<i>(million Baht)</i>				
2019	5,479	5,977	-	76	11,532
2018	5,654	6,430	1,487	83	13,653

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, 2019, total loan outstanding balance from external parties was Baht 6,053 million. Being convertible debentures of Baht 5,977 million and the rest Baht 76 million being the short-term loans from commercial bank and deposit from customers.

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. By doing this, the Company has managed to reduce the risk of not getting the funding from external parties.

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 applied hedge accounting for net investment in foreign operations. The Company hedges currency risk arising from the translation of the financial statements of foreign subsidiaries with the convertible debentures denominated in the same foreign currency. Currently the Company has managed to match the cash outflow used in financing activities with the cash inflow from business operation in the same 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 - 48 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, 2019, the group Company had non-performing loans of Baht 451.44 million or 6.92% of total receivables. Compared to non-performing loans as of December 31, 2018, which was Baht 488.01 million or 6.45% of total receivables, the NPL decreased by Baht 36.57 million. However, the Company set an allowance for doubtful debt of Baht 476.73 million and Baht 492.89 million as of December 31, 2019 and 2018, respectively. The allowance for doubtful debts set in 2019 can still cover the NPL like in the year 2018.

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	2019	2018	2017
Loss on sales of repossessed motorcycles;	(286.83)	(329.16)	(245.35)

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 buildup of repossessed assets.

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.

Risk from the newly issued or the changing of Laws in relation to the Company's Business

In the year 2019, there were 3 announcements or Act issued that have impact on the Company's business:

- *Announcement on Personal Loan to provide credit service with vehicle registration as guarantee under the supervision of the Bank of Thailand*

The Bank of Thailand issued an announcement on 31 Jan, 2019 which has effect on 1 February, 2019 to control the interest rate and other service fees and fine rate on overdue from the personal loan to provide credit service with vehicle registration as guarantee under the supervision of the BOT in aggregation must not exceeding 28% per annum (effective rate). As a result, the Company shall have the risk of loss of income since we can collect lower interest income and fees from the customers.

- *Announcement from Debt Collection Commission B.E 2562*

The Debt Collection Commission announced on 30 July, 2019 to limit the number of time so that the debt collector can acknowledge the debtor or the person designated by the debtor for debt collecting to not more than once per day. Such announcement shall have direct impact on the Company's collection of debts since currently the Company assigned our staff as well as outsource to do the collection of debts from our debtors. Consequently, there is a risk that both the staff and outsource may contact the same debtor more than once a day. However, the Company has already adjusted our internal debt collection policy to be in line with the announcement from Debt Collection Commission B.E 2562

- *Personal Data Protection Act B.E 2562*

The Personal Data Protection Act B.E. 2562 which announced on 28 May, 2019 and shall be in effect on 27 May, 2020 prescribed the prohibiting of keeping, using or disclosing personal data of other persons if the data owner does not give prior consent or in that instance. Since at present, the Company is keeping customers' data and using them as data base for other products, it needs to be well aware and prepared for the compliance with the Personal Data Protection Act more completely and correctly.

The Company is aware that keeping or using the other person's personal data without prior consent from the data owner or disclosing such data for undeserved own benefit is subject to the risk of criminal or administrative or fine penalties. As a result, the Company is preparing on the adjustment of its systems and internal policy to facilitate the compliance with the Personal Data Protection Act B.E. 2562 to be ready before such Act is being in effect.

Risk from losing litigation case

Currently, the Company has quite a few litigation cases which are during the Court consideration. In the event that the final judgement is that the Company loses any case, it needs to follow the result of the judgement of the respective case and it might incur some financial and or other impacts on the Company as well. However, the Company is trying its best to process each litigation case to its utmost advantages.

General Information

General Information

Company Name	: Group Lease Public Company Limited (GL)
Head Office Address	: 63 Soi 1 Thetsabannimitrtai Road, Ladyao, Chatuchak, Bangkok 10900.
Core Business	: 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 / www.grouplease.international
E-mail	: glpcl@grouplease.co.th / 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	: 762,769,079 Baht divided into 1,525,538,158 ordinary shares (as of 30 December, 2019)

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 GLH)
Address	: 270-274 Kampuchea Krom Blvd, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, the Kingdom of Cambodia
Core business	: Hire-purchase and Lending Business
Telephone	: +855 (0) 23 990 325
FAX	: +855 (0) 23 990 327
Home Page	: www.gl-f.com
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 GL)
Address	: 63 Soi 1 Thetsabannimitrtai Road, Ladyao, Chatuchak, Bangkok 10900.
Core business	: Lending Business
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 99.88% by GLH and 0.12% by GL)
- Address** : Premier Building 2nd floor, unit No. 10, Phiawat, Sisattanak District, Vientiane Capital, Lao PDR
- Core business** : Hire-purchase, lending and microfinance business
- 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 5,230,090 shares or equal to US\$5,119,151 (41,840,720,000 Kips)
-
- 5. Company name** : PT. Group Lease Finance Indonesia (PTGLFI)
 (held 65% by GLH)
- Address** : Gedung Sahid Sudirman Center, Jl. Jenderal Sudirman Kav. 86, Jakarta Pusat, Jakarta 10220
- Core business** : Hire-purchase & 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 GLH)
- 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 18,849,080 shares or equal to US\$20,840,969 (18,849,080,000 Kyat)
-
- 7. Company name** : GL-AMMK Co.,Ltd. (held 57% by GLH)
- Address** : No. 1, Thitsar Street, Yankin Township, Yangon. Myanmar
- Core business** : Operational services for financing business
- Amount and type of share** : Ordinary shares of 3,000,000 shares or equal to US\$3,000,000 (4,080,000,000 Kyat)
-
- 8. Company name** : Comfort Service Development Co.,Ltd. (held 100% byTNB)
- Address** : 63 Soi 1 Thetsabannimit tai Rd., 1 FL, Ladyao, Chatuchak, Bangkok 10900.
- Core Business** : Registration services Business
- Registration Number** : 0105561113835
- Telephone** : +662 (0) 2580-4488
- Registered Capital** : 4,000,000 Baht divided into 800,000 ordinary shares at 5 Baht par value
- Paid-up capital** : 4,000,000 Baht divided into 800,000 ordinary shares

- 9. Company name** : Commercial Credit and Finance Plc.
(held 29.99% by GLH)
- Address** : No. 106, Yatinuwara Veediya, Kandy, Sri Lanka
- Core business** : Leasing, Microfinance, Lending and Hire purchase business
- Telephone** : 0112000000
- Home Page** : www.cclk.lk
- Amount and type of share** : Ordinary shares of 318,074,365 shares or equal to US\$11,487,304 (2,150,640,315 LKR)
- 10. Company name** : Bagan Innovation Technology (Singapore) Pte. Ltd.
(held 17.17% by GLH)
- Address** : Singapore
- Core business** : IT Platform Building Business
- Amount and type of share** : Ordinary shares of 15,278 shares or equal to US\$3,393,423

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. Choekchai Ngamwutikul CPA Registration No. 9728
KPMG Phoomchai Audit Ltd.
48-50 Fl. Empire Tower, No. 1 South Sathorn Rd.,
Yannawa, Sathorn, Bangkok 10120
Tel. 0-2677-2000
Email Address : info@kpmg.co.th
- Legal Advisor** : Hunton Andrews Kurth (Thailand) Ltd.
34 floor Q house Lumpini Building 1
South Sathorn Road Thungmahamek,
Sathorn Bangkok 10120.
Tel. 0-2645-8800
- Bondholder's representative** : Bank of Ayudhya Public Company Limited
1222 Rama III Road, Bang Phongphang,
Yannawa, Bangkok 10120
Tel. 0-2296-2000

Shareholders

List of top 10 shareholders as of 30 December, 2019 are as follows:

	Name	Amount (shares)	%
1	A.P.F.Group : - Engine Holdings Asia Pte.Ltd. ¹ - A.P.F.Holdings Co., Ltd. ²	560,476,744 402,565,553 157,911,191	36.74 26.39 10.35
2	Thai NVDR Co., Ltd.	236,408,743	15.50
3	SIX SIS LTD	185,852,842	12.18
4	UOB KAY HIAN PRIVATE LIMITED	102,450,000	6.72
5	Thailand Securities Depository Co., Ltd. for depositor	73,555,803	4.82
6	Mr. Jesada Lertnantapanya	50,415,300	3.30
7	CITIBank Nominees Singapore Pte Ltd-Thai Focused Equity Fund Ltd.	28,757,240	1.89
8	South East Asia UK (Type C) Nominees Limited	12,580,896	0.82
9	Mrs. Sopa Pruekdamrongchai	10,647,600	0.70
10	Mr. Sinthu Vesvarut	6,425,000	0.42
	Total	1,267,570,168	83.09

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

Other securities issued were Debenture and Convertible Debenture which details as follows:

1. 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

***Remark:** The principal amount had been paid back in full in redemption of the debenture on 12 September, 2019*

2. 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

3. Type	:	Convertible Debenture
Amount of unit	:	500 units
Face value	:	USD100,000 per 1 convertible debenture
Amount of the ordinary shares reserved for the exercise	:	24,753,449 shares
Conversion to common stock	:	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	:	Baht 70 per share
Term	:	3 years since the date of issuance
Interest rate	:	5.00% per annum
Issue date	:	20 March 2017
Maturity date	:	20 March 2020

4. Type	:	Convertible Debenture
Amount of unit	:	200 units
Face value	:	USD100,000 per 1 convertible debenture
Amount of the ordinary shares reserved for the exercise	:	9,901,380 shares
Conversion to common stock	:	1 convertible debenture (face value of USD 100,000 or equal to 3,465,480 Baht) can be redeemed by converting it to 49,507 shares of common stock
Conversion price	:	Baht 70 per share
Term	:	3 years since the date of issuance
Interest rate	:	5.00% per annum
Issue date	:	30 March 2017
Maturity date	:	30 March 2020

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, business expansion and any other related business management factors should also be taken into 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.

Dividend policy of the Company's subsidiary is to pay dividend from the net profit from the operating result after tax and other legal reserves. The Board of each subsidiary shall consider from the profit from operating result, financial condition and fund requirement and propose to the shareholder for dividend payment approval.

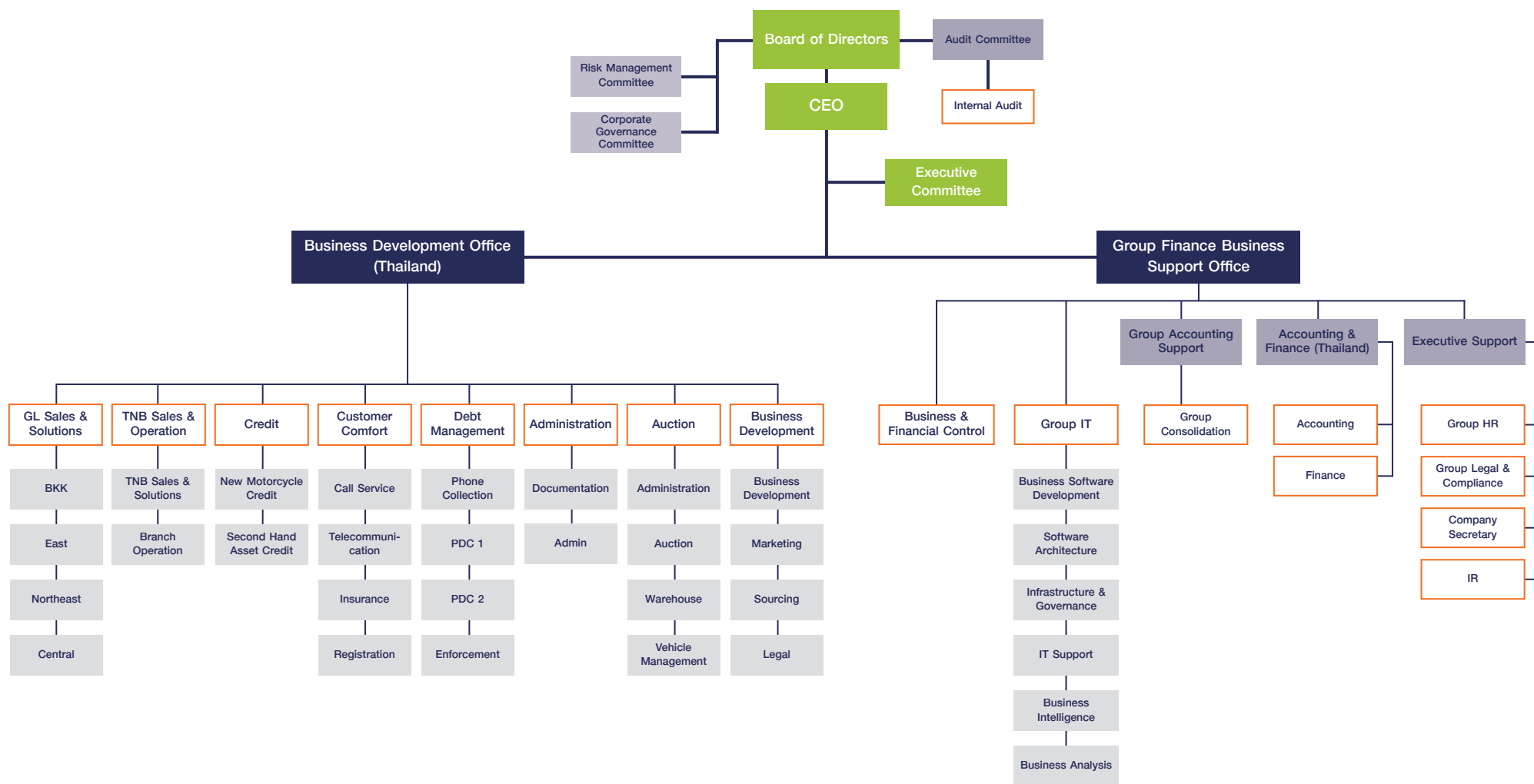
Dividend payment records for the past years are as follows:

Separated Financial Statement					
Year	2019	2018	2017	2016	2015
Earnings per share	0.17*	0.16*	(1.10)	0.32	0.29
Dividend per share	N/A	N/A	-0-	0.274	0.16
% of dividend per net profit	N/A	N/A	-0-	86.13	67.97

* The Company had a retained deficit (unappropriated) for 2019 and 2018 of Baht 279.36 million and 540.32 million, respectively.

Management Structure

Organization Chart



Board of Directors

- Number and Proportion** As of 31 December, 2019, the Company's Board of Directors consisted of 13 members. However, in January, 2020, there was 1 non-executive director resigned so that the Board member was reduced to 12 members in which 3 persons are Executive Directors, 4 persons are non-executive Directors and 5 persons are Independent Directors which made a ratio of 42% of the total Board which is better than the rule set forth for the listed company for check and balance so that no single group can make decision on their own.

The Company's Board of Directors consists of directors who possess various qualifications in terms of experiences in skills and expertise which are useful to the Company such as accounting, finance, marketing, hire-purchase business, administration as well as legal backgrounds.

- Term of Office** The term of office of the Board of Directors was clearly stated in the Company's Articles of Association. One-third or the closest to one-third of the directors who were in the position the longest shall retire by rotation every year and can be re-elected by the Annual General Shareholders' Meeting.

As of 31 December, 2019, the name of Board of Directors together with their respective position and term of office including the Board Meeting attendance for the year 2019 are listed in the table below:

Name	Title / Term of Office	Board of Directors' Meeting	
		Total Attendance	Total number of meeting
1. Mr. Skol Harnsuthivarin	Chairman of the Board of Directors / Independent Director and Chairman of Audit Committee /2018-2020	13	14
2. Mr. Tatsuya Konoshita	Executive Director/ Chief Executive Officer / 2018-2021	12	14
3. Mr. Muneo Tashiro	Executive Director / Chief Operating Officer /2019-2022	14	14
4. Mr. Alain Jean Pascal Dufes	Executive Director / Group Chief Finance & Business Support Officer /2018-2021	14	14
5. Mr. Regis Rodolphe Martin *	Non-executive Director / 2017-2020	0	14
6. Mr. Riki Ishigami	Non-executive Director / 2019-2022	14	14
7. Mr. Yusuke Kozuma	Non-executive Director / 2019-2022	14	14
8. Mr. Tomohiko Shoji	Non-executive Director / 2018-2020	14	14
9. Mr. Kaname Hashimoto	Non-executive Director / 2018-2020	14	14
10. Dr. Pholdej Therdphithakvanij	Audit Committee / Independent Director /2019-2021	13	14
11. Mr. Viboon Engkagul	Audit Committee / Independent Director /2019-2022	13	14
12. Mrs. Sumalee Chokdeeanant	Audit Committee / Independent Director /2018-2021	12	14
13. Mr. Troy Andrew Schooneman	Audit Committee / Independent Director /2017-2020	10	14
Remark : * He was requested to remain his directorship in the Company during 2019, because of possible impact during the litigation. After reviewing with the legal advisor, it was agreed to accept his resignation effective on 20 Jan 2020.			

- Directorship of the Directors in Listed Companies The Company limits the number of directorship of the Company's Directors in the listed companies at 5 companies so that they can devote their time for the Company more fully. At present, there has not been any director who takes up directorship in the listed company more than 5 companies (including the Company).
- The Aggregation and Segregation of Role At present, Chairman of the Board of Directors of the Company is an Independent Director and is a different person from the Chief Executive Officer. In addition, both roles are clearly separated in order to balance between management and good corporate governance.

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 primary objectives and goals for sustainable growth by implementing strategies and yearly plans and ensure that they are in line with such objectives and goals and also control and supervise the Management team to be in accordance with the set strategies and goals as well as to encourage the revision of such objectives, goals and strategies from time to time as may be deemed appropriate or necessary by the Board of Directors but, in any event, not less than once every 5 years in order to ensure that they are in line and appropriate with the Company's business environment, situation and potential.
2. To arrange the Annual General Shareholders' meeting within four months after the year end period and determine the agenda items and give opinions to be proposed to the Meeting for approval such as the dividend payment, Board of Directors' and other sub-committee's remunerations and the appointment of directors, etc.
3. To ensure that the Company complies with the Securities & Exchange Act as well as the SET's rules and regulations, for example, regarding the related transactions and the acquisition and disposal of significant assets so that it complies with the rules of the SET and other laws in relation with the Company's business including the good corporate governance and risk management policies of the Company.
4. To establish significant and necessary policies that govern the Company's business operations so that the Company shall be operated under good corporate governance and risk management principles, including the setting up of the Company's rules and regulations which have been screened and proposed by the management or the Audit Committee or other sub-committees and monitor its implementation.
5. To arrange the Board of Directors' Meeting at least once every quarter.
6. To prepare the financial statements, the balance sheets and Profit & Loss statements of the Company and have them audited by an external auditor and presented to shareholders for approval in the shareholders' meeting.
7. To monitor the Company's operating results to ensure that the Company is continuously achieving the set target according to the business plan and budget.

8. Directors have to inform the Company promptly if they have any conflict of interest directly or indirectly in any of the Company's contracts, or the increasing and decreasing of the Company's shares or debenture holdings.
9. Directors have the duty to keep the inside information of the Company strictly confidential, especially information that has not been disclosed to public or information that has an impact on the Company's business operation or share price

Authorities of the Board of Directors

1. To approve the annual plan and budget of the Company.
2. To approve the appointment of executives as proxies 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 by the Board of Directors.
3. One director signing with Company's seal affixed shall be binding upon the Company. The Board of Directors shall have the authority to appoint the authorized directors.
4. When it deems it appropriate, the Board of Directors shall have the authority to occasionally appoint a person or several persons to be the Company's advisor.
5. To approve the credit for hire-purchase for the customers in excess of the amount which the General Manager is authorized by the Board of Directors to approve.
6. To approve the procurement of tangible assets, or maintenance in excess of the amount which the Executive Director is authorized by the Board of Directors to approve.
7. To approve the establishment, merger and acquisition or dissolution of the Company's subsidiaries as well as any other investment by the Company.
8. To approve the Corporate Governance Policy and other significant policies of the Company.
9. To approve the appointment of sub-committees and determine their roles and responsibilities, including changes in structure, term of office and renewal or other changes which may significantly affect such committee's operation.
10. To approve related party transactions between the Company, its subsidiaries, associates and related persons as prescribed in the Securities & Exchange Act B.E 2535 amended by the Securities & Exchange Act (No. 5) B.E. 2559.
11. To approve credit facilities to the Company's subsidiary and associated companies. For the purposes of this clause, a subsidiary company means a company whose shares are directly or indirectly held by the Company in an amount exceeding 50 percent of its total issued shares, and associated company means the Company whose shares are directly or indirectly held by the Company in an amount exceeding 20 percent but not exceeding 50 percent of its total issued shares.

12. To approve interim dividend payment.
13. To approve the acquisition or disposal of or the transfer of significant assets of the Company 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.
14. To establish a proper management structure including the appointment or removal of high-level management such as the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Executive Committee/Director, Managing Director and other equivalent positions.

However, such authorization granted to the Board of Directors shall not empower the Board of Directors or its proxies to have the authority to approve the transactions in which itself or other related persons have conflicts of interest with the Company or its subsidiaries or other type of transactions to comply with the rules and regulations of the Stock Exchange of Thailand. The approval of such related transactions should be proposed for approval from the Board of Directors' meeting and/or the shareholders' meeting as prescribed in the Company's Articles of Association or 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.

Authorized directors

The directors who have authority to sign on behalf of the Company are Mr. Tatsuya Konoshita or Mr. Muneo Tashiro or Mr. Alain Jean Pascal Dufes, one of the Directors signs with the Company's seal will be binding upon the Company.

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 2019, the overall average result of the self-assessment of Board of Directors was rated 91.58% which considered excellent and was improving compared to the past 2 years as shown in the table below:

Board of Directors' self-assessment result:

Criteria	Full Score	Score			%			Result		
		2019	2018	2017	2019	2018	2017	2019	2018	2017
1. Board structure and qualifications	28	25.91	25.33	24.4	92.54	90.46	87.14	Excellent	Excellent	Good
2. The Board Meeting	24	22.33	22.17	22.7	93.04	92.38	94.58	Excellent	Excellent	Excellent
3. Duties & responsibilities of the Board	40	36.17	34.50	33.3	90.43	86.25	83.25	Excellent	Good	Good
4. Others : -relationship with the management team -Directors' self-development	8	7.17	7	6.5	89.63	87.50	81.25	Good	Good	Good
Total Scores	100	91.58	89	86.9	91.58	89	86.9	Excellent	Good	Good

Directors and Management Development

- **Training** The Company realizes that it is important for the Company's directors and management to be well developed in terms of knowledge and capabilities in management, corporate governance as well as the necessary skills needed in performing their duties in order to work more professionally. As a result, our directors and management are supported and encouraged to participate in various training courses arranged by those professional entities such as Thai Institute of Directors Association, Federation of Accounting Profession, Thai Listed Companies Association as well as the regulators such as the SET and SEC, etc. The interested and related courses will be proposed for their participation and the Company will absorb all the training expenses.

In 2019, our Chairman, Mr. Skol Harnsuthivarin had participated in Chairman Forum under the topic of "Successful Corporate Culture Change: from Policy to Practice" arranged by the Thai Institute of Directors Association on 25 September, 2019.

In addition, Mrs. Sumalee Chokdeeanant, Independent Director and Audit Committee together with Mr. Vittawat Arunakasikor, CFO-Thailand had participated in the seminar to disseminate study results and audit adjustments of listed company for the fiscal year 2018 arranged by the SEC on 16 December, 2019.

In order to enhance the knowledge of the Management and the staff in different departments with regards to the newly issued Personal Data Protection Act B.E 2562 which will take effect in May, 2020 and since such Act shall have some effects on the hire-purchase business of the Company, Management as well as the staffs in various departments such as Credit, Marketing, Collection, Legal including Company Secretary were enrolled in the training course "Personal Data Protection Act B.E. 2562 : Legal Principle, guideline of Hire-purchase Business" arranged by Thai Motorcycle Hire-purchase Association and facilitated by Associate Professor Kanathip Thongraveewong on 18 November, 2019 so that all concerned departments shall be well prepared and be ready when such Act becomes effective.

Moreover, for the year 2019, Chief Financial Officer and Chief Accountant of the Company had successfully completed the continuing development course in accounting knowledge of 6 hours/year each in compliance with the SEC and SET and the Department of Business Development.

- Preparation for new directors 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 and the Director's Handbook published by the SEC. In addition, the new directors shall be informed about how to comply with the Securities & Exchange Act especially regarding the sections prescribed for the directors of listed company such as the rule and method in preparing report on securities holding and changes of the holding in compliance with Section 59, etc.

- Succession Plan The middle manager shall report the succession plan in case they cannot perform their duties to the Supervisor to select those who mainly possess knowledge, skill and experiences with leadership characteristic and good human relationship who is acceptable by the subordinate to become his successor.

Management

As of 31 December, 2019, the Company had total 5 executives according to the SEC's definition in which the executives from the subsidiary companies in other countries are excluded detail as follows :

No.	Name	Title
1.	Mr. Tatsuya Konoshita	Chief Executive Officer
2.	Mr. Muneo Tashiro	Chief Operating Officer
3.	Mr. Alain Jean Pascal Dufes	Group Chief Finance & Business Support Officer
4.	Mr. Boris Zschorsch	Group Deputy Chief Financial Officer, Accounting & Audit
5.	Mr. Vittawat Arunakasikor	Chief Financial Officer-Thailand

Duties and responsibilities of Chief Executive Officer

1. To manage the normal business operations of the Company.
2. To monitor the Company's operations according to the plan and policy set forth by the Board of Directors
3. To approve the payment of expenses within the annual budget that has already been approved by the Board of Directors.
4. To approve the recruitment, placement, transfer and removal of employees including the adjustment of the employees' salary
5. Being the authorized representative of the Company who is empowered to manage the Company's business in accordance with the Company's objectives, Articles of Association, restriction and instruction
6. To approve the various operations binding upon the Company regarding the Company's normal course of business within the limit of not exceeding the authorized amount determined by the Board of Directors and also be able to grant proxy or assign other persons whose deemed appropriate to carry out such duty if deemed necessary under his own discretion. However, such delegation should be under the rules of laws and the rules and regulations of the Company.

However, the authority empowered to the CEO mentioned above does not include the authorization that may allow the CEO 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 stipulated in the Company's Articles of Association or other related laws.

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 until present. The duties and responsibilities of Company Secretary are to arrange 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, keeping the report on interest of Directors' and Management and their related persons for Chairman of the Board and Chairman of the Audit Committee, preparing report on changing of shareholdings 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 or TSD, etc., supporting the directors to ensure their compliance with the related rules, laws and regulations, disclosing Company's news through the SET's disclosure system (Setlink) and assisting in Investor Relations function as coordinator.

Details of Directors, Management, Controlling Person, Person supervising Accounting and Company Secretary for 2019

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
Directors and Management:							
Mr. Skol Harnsuthivarin Chairman of the Board, Chairman of Audit Committee and Independent Director / 23 February, 2018	76	Thai Barrister at Law, Institute of Legal Education of the Thai bar association under the Royal Patronage	-	-	<u>Listed Cos.</u> 02/2018 - Present	Chairman Chairman of Audit Committee and Independent Director	Group Lease Pcl.
		Bachelor of Law, Thammasat University			<u>Non-listed Cos.</u> 2008 - Present	Secretary of Rice Inspector Committee	The Thai Chamber of Commerce and Board of Trade of Thailand
					2010 – Sep 2016	Specialist Associate to the Constitutional Court Judge	Constitutional Court

Mr. Tatsuya Konoshita Director (Authorized Signer), Chief Executive Officer and Chairman of Executive Committee / 20 April, 2011	48	Bachelor of Arts (History), Osaka University, Japan	0.01	-	<u>Listed Cos.</u>		
					02/2018 - Present	Director, Chief Executive Officer and Chairman of Executive Committee	Group Lease Pcl.
					10/2017 - 02/2018	Chairman of the Board, Chairman of Executive Committee and Chief Investor Relations Officer	Group Lease Pcl.
					03/2016 - 10/2017	Chairman of Executive Committee, Director and Chief Investor Relations Officer	Group Lease Pcl.
					2013 - Present	Rep.MD and CEO	Wedge Holdings Co., Ltd. (Investment Business)
					2012 - 12/2015	Director and CBDO	Group Lease Pcl.
					2011 - 2012	Director	Group Lease Pcl.
					2011 - 2013	Rep. Director and Chairman	Wedge Holdings Co., Ltd. (Investment Business)
					2008 - Present	Rep. Director 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>		
					01/2019 - Present	Commissioner	PT Group Lease Finance Indonesia(Digital Finance Business)
					2018 - Present	Chairman	Thanaban Co., Ltd. (Asset back loan business)
					06/2016 - Present	Director	Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management)
					2010 - Present	Rep.MD	Asuka Foods Co., Ltd. (Food business)

Mr. Muneo Tashiro Director (Authorized Signer), Chief Operating Officer and Risk Management Committee / 22 April, 2009	47	Bachelor of Arts(Literature),Osaka University, Japan	0.01	-	<u>Listed Cos</u>		
					12/2016 - Present	Director, COO and	Group Lease Pcl.
					2018 - Present	Risk Mngt Committee	
					2013 - Present	Executive Director	Wedge Holdings Co., Ltd. (Investment Business)
					2009 - 12/2016	Director	Group Lease Pcl.
					2008 - 2013	Chief Executive Officer and Managing Director	Wedge Holdings Co., Ltd. (Investment Business)
					2007 - 2008	Senior Executive Director	Wedge Holdings Co., Ltd. (Investment Business)
					<u>Non-listed Cos</u>		
					01/2019 - Present	Commissioner	PT Group Lease Finance Indonesia (Digital Finance Business)
					2018 - Present	Managing Director	Comfort Service Development Co., Ltd. (Registration Service Provider Business)
					2014 - Present	Director	GL Leasing (Lao) Co., Ltd. (Digital Finance business)
					12/2016 - Present	Director and Chairperson of the board	GL Finance Plc. (Digital Finance business)
					2016 - Present	Director and Managing Director	Thanaban Co., Ltd. (Asset back loan business)
					2014 - 2016	Director	Thanaban Co., Ltd. (Asset back loan business)
					2014 - 12/2016	Director	GL Finance Plc. (Digital Finance 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)

Mr. Alain Jean Pascal Dufes Director (Authorized Signer) and Group Chief Finance & Business Support Officer / the highest responsible person in Acctg. and Fin.(CFO) and Risk Management Committee / 6 December, 2016	56	Bachelor of Mathematics and Physical Sciences, MONTPELLIER <i>Academy France</i>	0.00	-	<u>Listed Cos.</u>		
		06/2019 - Present			Director and Group Chief Finance & Business Support	Group Lease Pcl.	
		2018 - Present			Officer and Risk Mngt Comm		
		02/2018 - 05/2019			Director and Chief Financial Officer	Group Lease Pcl.	
		12/2016 - 02/2018			Director	Group Lease Pcl.	
		<u>Non-listed Cos.</u>					
		03/2019 - Present			Director	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management)	
		2019 - Present			Director and General Manager	GL Leasing (Lao) Co., Ltd. (Digital Finance business)	
		2018 - Present			Director	Comfort Service Development Co., Ltd. (Registration Service Provider Business)	
		01/2017 - Present			Director and Deputy MD	GL-AMMK Co., Ltd. (Hire purchase Business)	
01/2017 - Present	Director and Deputy MD	BG Microfinance Myanmar Co., Ltd. (Microfinance)					
2016 - Present	Commissioner	PT Group Lease Finance Indonesia (Digital Finance Business)					

Dr. Pholdej Therdphithakvanij, Ph.D. Independent Director, Audit Committee and Chairman of Risk Management Committee / 20 April, 2011	51	- Doctor of Philosophy (Civil Engineering) Lehigh University, U.S.A. - Director Accreditation Program No. 89/2011, IOD	0.01	-	<u>Listed Cos.</u> 2011 - Present	Independent Director, Audit Committee and Chairman of the Risk Management Committee	Group Lease Pcl.
					2018 - Present		
					<u>Non-listed Cos</u> 2015 - Present		
					2014 - 2018		
					2012 - Present		
					2007 - 2012		
Mr. Viboon Engkagul Independent Director, Audit Committee and CG Committee / 12 January, 2018	71	Bachelor of Law, Chulalongkorn University - Director Accreditation Program No. 154/2018 by IOD	-	-	<u>Listed Cos.</u> 2018 - Present	Independent Director, Audit Committee and Corporate Governance Committee	Group Lease Pcl.
					<u>Non-listed Cos.</u> 1985 - Present		
Mrs. Sumalee Chokdeeanant Independent Director, Audit Committee and Risk Management Committee / 23 February 2018	61	MBA, Kasetsart University Bachelor of Laws, Sukhothai Thammathirat Open University	-	-	<u>Listed Cos.</u> 2018 - Present	Independent Director, Audit Committee and Risk Management Committee	Group Lease Pcl.

		Bachelor of Accounting, Thammasat University - Advance Audit Committee Program No. 15/2014 and - Director Certificate Program No. 164/2012 by IOD			<u>Non-listed Cos.</u> 2015 - Present 2015 - Present 2014 - present 2014 - Present 2011 - Present 2012 - 2017 2001 - 2017	Board of Trustees Consultant for audit committee Chairman of Audit Committee Board of Ethical Drafting Subcommittee Consultant for Board of Thammasat Uni. and Board of Academic Subcommittee Chairman of Audit Committee Managing Director	Thammasat University Government Housing Bank Cigna insurance Pcl. Federation of Accounting Profession Thammasat University Winsome Green Co., Ltd. Grant Thornton Co., Ltd.
Mr. Troy Andrew Schooneman Independent Director, Audit Committee, Chairman of CG Committee and Risk Management Committee member / 23 February 2018	54	LL.B., Monash University B.A. (Psychology), Monash University - Director Accreditation Program (DAP) No. 126/2016 by IOD	-	-	<u>Listed Cos.</u> 2018 - Present 02/2015 - 10/2016 <u>Non-listed Cos.</u> 06/2019 - Present 03/2018 - 06/2019 01/2008 - 09/2014 01/1999 - 01/2008	Independent Director, Audit Committee, Chairman of the Corporate Governance Committee and member of the Risk Management Committee Director & Chief Legal Officer Partner & Head of International Practice Group Partner & General Counsel	Group Lease Pcl. Demeter Corporation Pcl. Kudun and Partners Ltd. (Law firm) AC Investment Partners Pte. Ltd. Weerawong, Chinnavat & Partners Ltd. (Law Firms) White & Case, Thailand (Law Firms)

					04/1996 - 01/1999	Partner & Head of International Practice Group Senior Associate/Partner Associate	White & Case, Hong Kong (Law Firms)
Mr. Regis Martin* Director / 28 April, 2016 *Resigned 20 January, 2020	38	Master of Art in International Business, Master/DESS 212, University Paris IX Dauphine	-	-	<u>Listed Cos.</u>		
					02/2018 - 01/2020	Director	Group Lease Pcl.
					04/2016 - 02/2018	Director and Chief Financial Officer	Group Lease Pcl.
		Exchange program with the University of Chicago, international economics			2015 - 2016	Finance Director & Business Development Manager,	Group Lease Pcl.
					<u>Non-listed Cos.</u>		
		Bachelor and Master of Science in Applied Economics, University Paris IX Dauphine			2016 - 2018	Commissioner	PT Group Lease Finance Indonesia (Digital Finance)
					2016 - 2018	Director	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management)
					2015 - 2016	Chief Financial Officer	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management)
					2014 - 2018	Director	Thanaban Co., Ltd. (Asset back loan Business)
					2014 - 2015	Business Performance Manager	GL Finance Plc. (Digital Finance business)

Mr.Riki Ishigami Director/ 28 April 2016	41	Bachelor of Law, Asia University, Tokyo, Japan	0.014	-	<u>Listed Cos.</u> 04/2016 - Present	Director	Group Lease Pcl.
					<u>Non-listed Cos.</u> 08/2019 - Present	Risk Management Committee member	GL Finance Plc. (Digital Finance business)
					03/2017 - Present	Audit Committee member	Cambodian People Micro Insurance Plc.
					09/2016 - Present	Chairperson of the BOD	Cambodian People Micro Insurance Plc.
					05/2015 - Present	CEO	GL Finance Plc. (Digital Finance business)
					07/2014 - Present	Director	GL Finance Plc. (Digital Finance business)
					05/2015 - 08/2016	Director	Cambodian People Micro Insurance Plc.
					07/2014 - 04/2018	Director	Thanaban Co., Ltd. (Asset back loan Business)
					10/2011 - 04/2015	Chief Operating Officer	GL Finance Plc. (Digital Finance business)
Mr.Yusuke Kozuma Director/ 28 April 2016	44	Bachelor of Art Planning Department , OSAKA UNIVERSITY OF ARTS, Osaka	0.02	-	<u>Listed Cos.</u> 04/2016 - Present	Director	Group Lease Pcl.
					2014 - 2018	Corporate Consultant	Group Lease Pcl.
					<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)
					2011 - Present	Deputy CEO and Director	GL Finance Plc. (Digital Finance business)

Mr. Tomohiko Shoji Director / 26 April 2018	50	Sagamihara High School, Kanagawa-ken, Japan	-	-	<u>Listed Cos.</u>		
					04/2018 - Present	Director	Group Lease Pcl.
					06/2018 - Present	Representative Managing Director, Chief Operating Officer and Chief Financial	Showa Holdings Co., Ltd.
					02/2018 - Present	Officer	Wedge Holdings Co., Ltd.
					06/2009 - 06/2018	Representative Managing Director and CFO	Showa Holdings Co., Ltd.
					2011 - 2017	Director and CFO	Wedge Holdings Co., Ltd.
					2004 - 2008	Director and CFO	Nojima Co., Ltd.
						Director and General	
					2001 - 2008	Manager of Accounting & Finance	E-net Japan Co., Ltd
					<u>Non-listed Cos.</u>	Audit & Supervisor Board	
					08/2018 - Present	Member	Nihonbasi Honmachi Kashidokoro Co., Ltd.
					08/2018 - Present		Asuka Foods Co., Ltd.
					01/2012 - Present	Board Member and CFO	Showa Rubber Co., Ltd.
					10/2009 - 12/2011	Director and CFO	Showa Rubber Co., Ltd.
					08/2010 - 08/2018	Director and CFO	Asuka Foods Co., Ltd.
						Director and Fin. Officer	
					2001 - 2008	Director and Financial Officer	Telex Co., Ltd.
						Audit & Supervisor Board Member	

Mr. Kaname Hashimoto Director / 26 April 2018	49	Bachelor of Business Administration, Kwansei Gakuin University	-	-	<u>Listed Cos.</u> 04/2018 - Present 04/2014 - 04/2018 10/2013 - 03/2014	Director Business Development Manager Chief of Architecture materials Sales Department of East Japan	Group Lease Pcl. Group Lease Pcl. Sekisui Chemical Company Limited
					<u>Non-listed Cos.</u> 03/2019 - Present 02/2017 - Present 02/2017 - Present 09/2014 - Present 10/2008 - 09/2013	Director Managing Director Managing Director Managing Director Vice President	Group Lease Holdings Pte. Ltd. (Fin. Advisory & other investment management) GL-AMMK Co., Ltd. (Hire purchase Business) BG Microfinance Myanmar Co., Ltd. (Microfinance) GL Leasing (Lao) Co., Ltd. (Digital Finance business) Sekisui (Qingdao) Plastic Company Limited
Mr. Boris Zschorsch Group Deputy Chief Financial Officer/ 6 July, 2015	36	German Diploma (Master equivalent) in Business Administration from J.W. Goethe University in Frankfurt/Main, Germany French Master in Business Administration from Universite Paris Dauphine IX, Paris, France	-	-	<u>Listed Cos.</u> 2018 - Present 2015 - Present <u>Non-listed Cos.</u> 2015 - 2015 2010 - 2014	Non-Executive Director Group Deputy Chief Financial Officer, Accounting & Audit Senior Associate Senior Auditor	Commercial Credit and Finance Plc. (Financial Services Business) Group Lease Pcl. PricewaterhouseCoopers Singapore PricewaterhouseCoopers Luxembourg

Mr. Vittawat Arunakasikor Chief Financial Officer- Thailand and Risk Management Committee / 22 September 2016	42	- Graduate Diploma in Chartered Accountants, Institute of Chartered Accountants in Australia and New Zealand	-	-	<u>Listed Cos.</u>	Chief Financial Officer – Thailand and Risk Management Committee	Group Lease Pcl.
		- Master of Commerce major in Accounting, The University of Sydney			06/2019 - Present	Deputy Group CFO	Group Lease Pcl.
		- Diploma in Accounting, Sydney Institute of Technology TAFE NSW			2018 - Present	Group Accounting Analyst and Risk Management Manager	Group Lease Pcl.
		- Master of Engineering Studies major in Software Engineering, The University of Technology, Sydney			10/2018 - 05/2019	Financial Accountant	Harley-Davidson Inc
		- Bachelor of Engineering major in Industrial Engineering, Thammasat University			09/2016 - 09/2018	Shift Supervisor	Starbucks Coffee Company
					02/2009 - 09/2013	Finance Officer	Australian Army
					07/2001 - 06/2005	Senior Accountant/Auditor	KPMG Australia
					<u>Non-listed Cos.</u>		
					09/2013 - 09/2015		
					07/2005 - 02/2009		

Details of person supervising Accounting 2019

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 Natrada Kittikanchanakul Accounting Manager / 2 January, 2013	33	- Masters in Finance, Department of Accounting & Finance, Strathclyde University, UK - Bachelor of Accounting Faculty of Commerce and Accountancy, Thammasat University <u>CPD Training Course for person supervising Accounting FY2019</u> 1. TFRS 16 Leases Code: 6206-06-058-012-01 by NYC Management Co.,Ltd. (7 hrs.) 2. Introduction to accounting and financial statement analysis Code: 6210-06-121-014-04-E by CPD Tutor Co.,Ltd. (e-learning 14 hrs.) Total 21 hrs. acquired for year 2019	-	-	Mar 2019 - Present	Accounting Manager	Group Lease Pcl.
					Jan2013 - Mar 2019	Treasury Debt and Capital Market Manager	
					Jan 2013 - May 2014	Internal auditor	The Siam Commercial Bank PCL
					Nov 2008 - Jan 2013	Assistant Manager - Audit	KPMG Phoomchai Audit Ltd

Details of Company Secretary 2019

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 and member and secretary of the CG Committee / 22 November, 2011	62	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	-	-	2018 - Present	Company Secretary and Member and Secretary of the CG Committee	Group Lease Pcl.
					2016 - 2018	Company Secretary	Group Lease Pcl.
					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.

Details of Positions held in the Company, its Subsidiary and Related Companies of Directors, Executives and controlling person as of the year 2019

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.	GL-AMMK Co., Ltd.	CSD Co., Ltd.	Engine Holdings Asia PTE. LTD.	Wedge Holdings Co., Ltd.	Commercial Credit and Finance Plc.	Cambodian People Micro Insurance
1. Mr. Skol Harnsuthivarin	X /// ////												
2. Mr. Tatsuya Konoshita	C //	/		X		/					C,000		
3. Mr. Muneo Tashiro	//	/	X	/,000	/	/			/, 000	/	//		
4. Mr. Regis Martin*	/												
5. Mr. Riki Ishigami	/		/, C										X, ////
6. Mr. Yusuke Kozuma	/		/,DC										
7. Mr. Alain Dufes	//	/			/,00	/	/,0000	/,0000	//				
8. Dr. PholdejTherdphithakvanij	/// ////												
9. Mr. Viboon Engkagul	/// ////												
10. Mrs. Sumalee Chokdeeanant	/// ////												
11. Mr. Troy Schooneman	/// ////												
12. Mr. Tomohiko Shoji	/										//		
13. Mr. Kaname Hashimoto	/	/			000		000	000					
14. Mr. Boris Zschorsch	0											/	
15. Mr. Vittawat Arunakasikor	0												

*Resigned on 20 January, 2020

Remarks	X	means	Chairman	C	means	CEO	DC	means	Deputy CEO
	/	means	Director	//	means	Executive Director	///	means	Independent Director & Audit Committee
	0	means	Executives	00	means	General Manager	000	means	MD
	0000	means	Deputy MD						

Details of Directors of Subsidiary Companies 2019

Subsidiary Companies Name of Directors	TNB	GLH	GLF	GLL	PT GLFI	BGMM	GL-AMMK	CSD
1. Mr. Mitsuji Konoshita		X		X	X ¹	X	X	
2. Mr. Tatsuya Konoshita	X	/			/ ¹			
3. Mr. Muneo Tashiro	/, //	/	X	/	/ ¹			/, ///
4. Mr. Riki Ishigami			/, //					
5. Mr. Yusuke Kozuma			/, //					
6. Mr. Alain Dufes		/		/, ///	/ ¹	/, //	/, //	/, //
7. Mr. Kaname Hashimoto		/		/, ///		/, ///	/, ///	
8. Mr. Thanachart Kaoworakarn	/, //							/, //
9. Mr. Charas Liengvithayakun**	/, //							
10. Mr. Chumpon Kittichaisombat**	/, //							
11. Mr. Anukoon Methapreechakul***	/, //							
12. Mr. Fumio Kyuma			/	/				
13. Mr. Ouch Sophoan			/					
14. Mr. Charlie Ng							/	
15. Mr. Hitoshi Ikeya							/	
16. Mr. Aung Moe Kyaw							/	
17. Mr. Frederic Solbani*					/			
18. Mr. Didie Soewondho					/ ¹			
19. Mr. Bernad Tjahjadi					/, //			
20. Mr. Benjamin Criballet						/	/	
21. Mr. Balasingam Ananthatheerthan						/		
22. Ms. Chaw Su Myat*						/		

*Appointed during year 2019

**Retired during year 2019

***Removed during year 2019

Remarks X means Chairman

/ means Director

// means Executive Director

/// means Managing Director

//// means General Manager

X¹ means President Commissioner

/¹ means Commissioner

TNB : Thanaban Co., Ltd. Thailand

GLF : Group Lease Finance Plc., Cambodia

GLFI : PT Group Lease Finance Indonesia, Indonesia

GL-AMMK: GL-AMMK Co., Ltd., Myanmar

GLH : Group Lease Holdings Pte. Ltd., Singapore

GLL : GL Leasing (Lao) Co., Ltd., Laos PDR

BGMM : BG Microfinance Myanmar Co., Ltd., Myanmar

CSD: Comfort Services Development Co., Ltd., Thailand

Remunerations of Directors and Management

Monetary Remunerations

Board of Directors: Regarding the monetary remunerations for Board of Directors in 2019, the Board of Directors proposed in the Annual Shareholders Meeting 2019 to consider and approve no change of remunerations to directors and subcommittees from the year 2018 in which the Board of Directors had an opinion that such remunerations were still reasonable when compared to the industry and the experience, obligation, scope of responsibilities including the contribution expected from each director that can sufficiently and appropriately maintain them with the Company and also significantly in relation with the Company's operating result as well. The monetary remunerations for the year 2019 were detailed as follows:

1. Monthly remuneration only for Independent Directors 70,000 Baht per person per month
2. Meeting allowance for Board of Directors: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman of the Board: 30,000 Baht per attendance
 - Board member: 20,000 Baht per member per attendance
3. Meeting Allowance for Subcommittees:
 - Meeting allowance for Audit Committee: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman : 20,000 Baht per attendance
 - Member : 10,000 Baht per member per attendance
 - Meeting allowance for Corporate Governance Committee: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman : 20,000 Baht per attendance
 - Member : 10,000 Baht per member per attendance
 - Meeting allowance for Risk Management Committee: payable pursuant to the actual number of meeting attendance as follows:
 - Chairman : 20,000 Baht per attendance
 - Member : 10,000 Baht per member per attendance

Employee or management of the Company who is the member of subcommittee shall not receive any remuneration of the subcommittee.
4. Other remuneration: -none-

For the monetary remunerations of the subsidiaries' directors, the Board of Directors of each company / country was assigned to determine its own remunerations which also consist of Meeting fee and bonus as deemed appropriate and reasonable when compared to the local industry and the obligation or scope of responsibilities and also significantly in relation with each company's operating result as well.

Details of the monetary remunerations payment of the Directors received from the Company and its subsidiaries for the year 2019 are tabled below:

Unit : Baht

Name	Position	Meeting fee					Total	
		Board of Directors		Audit Committe e	CG Commit tee	Risk Manage ment Comm.		
		Company	Sub- sidiary **				Company	Sub- sidiary **
1. Mr. Skol Harnsuthivarin ^{1/}	Chairman of the board/Chairman of Audit Committee/ Independent Director	1,230,000	-	200,000	-	-	1,430,000	-
2. Mr. Tatsuya Konoshita	Director/ Chief Executive Officer	240,000	4,423,590	-	-	-	240,000	4,423,590
3. Mr. Muneo Tashiro	Director/Chief Operating Officer	280,000	3,159,193	-	-	-	280,000	3,159,193
4. Mr. Alain Dufes	Director/Chief Finance & Business Support Officer	280,000	5,036,421	-	-	-	280,000	5,036,421
5. Mr. Regis Martin *	Director	-	-	-	-	-	-	-
6. Mr. Riki Ishigami	Director	280,000	1,273,914	-	-	-	280,000	1,273,914
7 .Mr. Yusuke Kozuma	Director	280,000	1,091,926	-	-	-	280,000	1,091,926
8. Mr. Tomohiko Shoji	Director	280,000	-	-	-	-	-	280,000
9. Mr. Kaname Hashimoto	Director	280,000	4,862,387	-	-	-	280,000	4,862,387
10. Mr. Pholdej Therdphithakvanij ^{1/}	Audit Committee/ Independent Director/Chairman of Risk Mngt. Committee	1,100,000	-	90,000	-	80,000	1,270,000	-
11.Mr. Viboon Engkagul ^{1/}	Audit Committee/ Independent Director/ CG Committee	1,100,000	-	90,000	30,000	-	1,220,000	-
12. Mrs. Sumalee Chokdeeanant ^{1/}	Audit Committee/ Independent Director/ Risk Mngt. Committee	1,080,000	-	100,000	-	40,000	1,220,000	-
13. Mr. Troy Schoonerman ^{1/}	Audit Committee/ Independent Director / Chairman of CG Committee and Risk Mngt. Committee	1,040,000	-	50,000	60,000	20,000	1,170,000	-
Total		7,470,000	14,985,044	530,000	90,000	140,000	8,230,000	14,985,044

Remark ^{1/} being the independent director and the Board of Directors' remunerations already include monthly Independent Director's remunerations of 70,000 Baht per person per month.

* He was requested to remain his directorship in the Company during 2019 because of possible impact during the litigation. After reviewing with the legal advisor, it was agreed to accept his resignation effective on 20 Jan 2020.

** The meeting fee of subsidiaries was paid in THB, USD or JPY currencies depending on the engagement letter. The above amount was transformed into THB using the exchange rate as of 30 December, 2019.

Executives: The monetary remunerations for executives in 2019 consisted of monthly salary and annual bonus paid to 5 executives at total 14.78 million Baht details as follows:

No. of Executive and Remunerations	2019	2018	2017
Number of executive (person)	5	6	6
Salary and bonus (million Baht)	14.78	18.29	22.72

Other Remunerations

Other Remunerations of Directors

-none-

Other remunerations of Executives

- Provident Fund

The Company provides provident fund to staff and executives by contributing 2% and 5% of basic salary of the employees. In 2019, the total amount of provident fund contributions for total 5 executives was paid at total amount of 0.64 million Baht.

The Shareholding of Directors and Executives of the Company as of 30 December, 2019:

No.	Name	Type of share	Amount as of		Change	Spouse & minor child
			Jan 2019	Dec 2019		
1.	Mr. Skol Harnsuthivarin	Ordinary share	-	-	-	N/A
		GL-NVDR	-	-	-	N/A
2.	Mr. Tatsuya Konoshita	Ordinary share	147,950	147,950	-	N/A
		GL-NVDR	10,000	10,000	-	N/A
3.	Mr. Alain Dufes	Ordinary share	-0-	6,000	+6,000	-
		GL-NVDR	10,000	40,000	+30,000	-
4.	Mr. Muneo Tashiro	Ordinary share	147,950	147,950	-	-
		GL-NVDR	182,400	182,400	-	-
5.	Mr. Regis Martin*	Ordinary share	-	-	-	-
		GL-NVDR	77,300	77,300	-	-
6.	Mr. Riki Ishigami	Ordinary share	210,786	210,786	-	-
		GL-NVDR	530,000	530,000	-	-
7.	Mr. Yusuke Kozuma	Ordinary share	290,333	290,333	-	-
		GL-NVDR	217,750	217,750	-	-
8.	Mr. Viboon Engkagul	Ordinary share	-	-	-	-
		GL-NVDR	-	-	-	-
9.	Mrs. Sumalee Chokdeeanant	Ordinary share	-	-	-	-
		GL-NVDR	-	-	-	-
10.	Mr. Troy Schooneman	Ordinary share	-	-	-	N/A
		GL-NVDR	-	-	-	N/A
11.	Mr. Pholdej Therdphithakvanij	Ordinary share	147,950	147,950	-	-
		GL-NVDR	-	-	-	-
12.	Mr. Kaname Hashimoto	Ordinary share	-	-	-	-
		GL-NVDR	-	-	-	-
13.	Mr. Tomohiko Shoji	Ordinary share	-	-	-	-
		GL-NVDR	-	-	-	-
14.	Mr. Boris Zschorsch	Ordinary share	-	-	-	-
		GL-NVDR	8,500	8,500	-	-
15.	Mr. Vittawat Arunakasikor	Ordinary share	-	-	-	-
		GL-NVDR	-	-	-	-

Human Resources

The total number of employees as of 31 December, 2019, 2018 and 2017 divided by departments are shown below:

unit : person

Department	2019	2018	2017
Credit and Marketing	380	441	445
Collection	242	248	263
Accounting and Finance	43	56	50
Human Resources & Admin.	55	72	70
Operations & Business Support	121	106	117
Information Technology	49	76	68
Total	890	999	1,013

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 2019, the Company paid total remunerations of 366.61 million Baht (Bonus of 2019 was paid in Jan. 2020).

In 2019, the number of employees and the remunerations paid to the subsidiaries' employees in other countries which were somewhat paid on the same principle as the Company or may be different in relation to each country's law, detail as follows:

Subsidiaries	Number of employees	Remunerations (Million Baht)
GLH	20	78.49
GLF	420	64.74
GLL	129	15.78
GLFI	297	15.76
BGMM	535	32.72
GL-AMMK	399	25.73

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, on various courses appropriately depending on the related duties of the employees.

Corporate Governance

Corporate Governance Policy

The Board of Directors of Group Lease Public Company Limited (the Company) realizes the importance of having good corporate governance in order to add value to the Company which, in turn, will contribute to the long-term interests of the Company's shareholders, employees, suppliers, customers and to society as a whole. Consequently, Corporate Governance Policy of the Company has been set up and has been updated to be in relation to the Corporate Governance Code for listed Companies 2017 which focus more on the Board of Directors' roles and responsibilities to oversee that the company is always operates its business transparently, ethically, respecting the right of and be responsible for the shareholders and other stakeholders and at the same time striving for competitiveness and good performance including the resilience under various risk factors that might arise. For the year 2019, the Board of Directors has reviewed the corporate governance policy of the Company to serve as appropriate guideline for its directors, management and all employees which reads as follows:

1. Responsibilities of the Board:

- Establish clear leadership role and responsibilities of the Board by strengthening Board effectiveness and defining objectives that promote sustainable value creation.
- Ensure that the Company conducts its business with transparency, ethics, respecting the rights and responsibilities to the shareholders and all groups of stakeholders while being able to compete and successfully achieve good operating result including being resilience under various risk factors that might occur to the Company.

2. Internal Control System:

- Strengthen the effective risk management system and internal control in cooperation between the Board, the Audit Committee and the executives in order to conduct business in compliance with the good corporate governance principle by evaluating, reviewing and improving the effectiveness of the auditing/monitoring system regularly.

3. Nurture Innovation for work:

- Nurture new innovation such as using new information technology to support employees in performing their duties or providing service to customers or suppliers as appropriate based on ethics, responsibilities to all relevant stakeholders and create sustainable value to the Company.

4. Development of Human Resources:

- Ensure good personnel management in the field of development and education of operation and allocation of compensation and benefits that are suitable to duties and responsibilities in order to motivate and in line with the direction and strategy of the Company.

5. Transparency:

- Conduct business with transparency and ensure financial integrity by disclosing information required by law, regulation and stipulation issued by the relevant regulators.

6. Conflict of Interest:

- Monitor transactions which may cause conflict of interest or involve conflict between departments and ensure transparency and fairness without focusing on the interests of any one party.

7. Responsibilities to Society and Environment:

- Promote or support participation in activity that will build good relationship between the Company and internal and external stakeholders of the Company including supporting arranging activity to help society and save environment.

8. Right and Equality:

- Respect legal right of shareholders by treating them fairly and equally such as the right to profit sharing from the Company, the right to receive sufficient and equal information about the Company, right to attend the Shareholders' Meeting to exercise voting in order to ensure that shareholders are involved in making decision on important matters of the Company, etc.

9. Good Corporate Governance:

- Enhance responsibilities towards all groups of stakeholders and society by encouraging directors, executives and employees to perform their duties in compliance with laws, business code of ethics and corporate governance code.

The report on compliance with good corporate governance policy of the Company for the year 2019 can be viewed on the Company's website under Investor Relations / Corporate Governance

Sub-committees

In the year 2019, the Board of Directors' structure consists of 3 sub-committees, namely, Audit Committee, Corporate Governance Committee and Risk Management Committee in order to enhance the efficiency of the good corporate governance of the Company. Details of the sub-committees are as follows:

Audit Committee

Structure of Audit Committee

As of 31 December 2019, Audit Committee of the Company consisted of 5 Independent Directors out of the total 13 members of the Board of Directors which made the ratio of 38%. Mrs. Sumalee Chokdeeanant is the Audit Committee member who possesses the knowledge and experience in auditing financial statement of the Company. The Audit Committee has a 2-year term of office and those who retire by rotation can be re-elected by the resolution from the Board of Directors. Currently, the Board of Directors set up policy to limit the maximum term of office of the Independent Directors to 9 consecutive years to avoid the lack of independence. Should the Board of Directors be of the opinion that such Independent Director still possesses qualifications which are beneficial to the Company and is still able to remain independent in providing opinions, the Meeting

of the Board of Directors can consider extending the term of office of such Independent Director as deemed appropriate.

List of Audit Committee, term of office of the Audit Committee and the meeting attendance of the Audit Committee Meeting in 2019 is shown below:

Name of Audit Committee	Position/ Term of Office	Audit Committee Meeting	
		No. of Meeting held	No. of Attendance
1. Mr. Skol Harnsuthivarin	Chairman of Audit Committee and Independent Director/ 11 May 2019- 11 May 2021	10	10
2. Mrs. Sumalee Chokdeeanant	Audit Committee member/ Independent Director/ 11 May 2019-11 May 2021	10	10
3. Dr. Pholdej Therdphithakvanij	Audit Committee member/ Independent Director/ 11 May 2019-11 May 2021	10	9
4. Mr. Viboon Engkagul	Audit Committee member/ Independent Director/ 11 May 19-11 May 2021	10	9
5. Mr. Troy Schooneman	Audit Committee member/ Independent Director/ 23 Feb 2018-23 Feb 2020	10	5

The Qualifications of Audit Committee

Audit Committee must be an Independent Director.

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

- Holding no more than 1 % of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company including the shareholding of persons related to the independent directors
- Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties of the Company, parent company, subsidiary, affiliate, subsidiary in the same level, major shareholder(s), or controlling parties of the company, unless having passed the above characteristic for not less than 2 years.
- Not by blood or legally registered, parents, spouse, siblings and children and their spouse, of other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
- Not currently having or never had any relations with the company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company, unless having passed the above characteristic for not less than 2 years.

- Not currently being or never been the company's auditor, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company, unless having passed the above characteristic for not less than 2 years.
- Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers, unless having passed the above characteristic for not less than 2 years.
- Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
- Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
- Not under any conditions that may impede the person from having independent views towards the company's operations.

All Independent Directors of the Company have the qualifications required of the Independent Director who are also members of the Audit Committee in accordance with the Notification of Capital Market Supervisory Board Ref: Tor.Jor 39/2016 RE: Application for Approval and Granting of Approval for offering of newly issued shares (Codified) dated 30 September, 2016.

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 for appointment or removal of 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 2019, the Audit Committee has done its yearly self-assessment and the result was 93.75% which is considered excellent and maintain the same level as the previous year in which details are as follow:

Criteria	Full Score	Score	%	Result
Total	64	60	93.75	excellent
1. AC Structure and qualifications	12	12	100.00	excellent
2. AC Meeting	24	22	91.67	excellent
3. Duties & responsibilities of AC	28	26	92.86	excellent

Corporate Governance Committee

Composition of Corporate Governance Committee

The Board of Directors had a resolution to establish the Corporate Governance Committee of the Company on 16 March, 2018 in order to take the roles and responsibilities of setting up corporate governance policies and providing opinions, advices, monitoring and auditing the Company's business operation, including overseeing the performance of duties of the Board of Directors, management and staff to be in compliance with the principle of Good Corporate Governance. The Corporate Governance Committee composed of 3 members and a secretary in which majority of members should be the Independent Director. The Committee shall have a 3-year term of office and the retired by rotation member can be re-elected. The appointment as well as re-election or the renewal of the term of office of the Corporate Governance Committee shall be done by the Board of Directors.

List of the Corporate Governance Committee, the term of office and the attendance of the committee for the year 2019 were as follows:

Name of Corporate Governance Committee	Position/ Term of Office	Corporate Governance Committee Meeting	
		No. of Meeting	No. of Attendance
1. Mr. Troy Schooneman	Chairman of the Corporate Governance Committee/ 16 Mar 18- 16 Mar 21	3	3
2. Mr. Viboon Engkagul	Corporate Governance Committee member / 16 Mar 18- 16 Mar 21	3	3
3. Ms. Siriphen Pongchairerks	Corporate Governance Committee member & Secretary/ 16 Mar 18- 16 Mar 21	3	3

Duties and Responsibilities of Corporate Governance Committee

The Committee is authorized to set the policies with respect to Corporate Governance Policy of the Company, including providing advices, recommendations, auditing and monitoring of the business operations of the Company, the performances of duties of the Board of Directors, management and staff of the Company to be in compliance to the good corporate governance by upholding the principles of Corporate Governance Code for Listed Companies 2017 (or any future amendments) of the Securities and Exchange Commission as guidelines of operation.

1. To set up the Corporate Governance Policy, Anti-corruption Policy and other policies with respect to the good corporate governance policy of the Company, including the Code Ethics and the Business Code of Ethics, under the framework of current laws rules and regulations of the related regulators, such as, the Stock Exchange of Thailand, Office of the Securities & Exchange Commission, the Ministry of Finance and other relevant agencies, as well as the good corporate governance guidelines under international standard and to be proposed to the Company's Board of Directors for consideration and approval and announcement as the guidelines of Good Corporate Governance practices for the Directors, management and every level of the staff.
2. To control, oversee and recommend guidelines in promoting the Company's Directors, management and staff to enhance Good Corporate Governance practices in consistent with the principle of the Company's Corporate Governance Policy, Anti-corruption Policy and other related policies as well as those derived from the good practices according to the ethics and the Business Code of Ethics, in carrying out business of the Directors, management, staff and employees of the Company.
3. To support the dissemination principal, guidelines, opinion, recommendation of the Good Corporate Governance practices for understanding of the management and staff in every level to have practical result, both in the Company and its subsidiaries.
4. To determine the framework of policy and operation plan with respect to Corporate Social Responsibilities (CSR) of the Company for both short-term and long-term in order to propose to the Board of Directors' for approval
5. To control, oversee and monitor the operation of CSR activities and the report on showing social responsibility to be proposed to the Board of Directors of the Company.
6. To review and improve the Corporate Governance policies and Anti-corruption policies or other policies in relation to the Good Corporate Governance of the Company including the Corporate Governance Committee Charter regularly at least once a year to be updated and in consistent with the international standard guidelines, as well as laws relevant rules and regulations to be proposed to the meeting of the Board of Directors of the Company for approval and disclosure in the annual report and Annual Report Disclosure Form.
7. To prepare report the result of annual evaluation of Good Corporate Governance to be proposed to the Board of Directors of the Company together with proposed recommendations for modification as appropriate.

8. The Committee may discuss and consult with the consultant or expert on Good Corporate Governance and may attend the training of Good Corporate Governance Course and if there is any expense thereof, it will be incur by the Company.
9. To perform other relevant tasks as assigned by the Board of Directors of the Company.

Risk Management Committee

Composition of Risk Management Committee

The Board of Directors had resolved the establishment of Risk Management Committee on 16 March 2018 together with the Corporate Governance Committee in order to determine policy, guideline and measures regarding the risk management of the Company and its subsidiaries to protect against and mitigate the potential risks that might cause damages to the Company and its subsidiaries. Risk Management Committee composed of at least 5 members and at least 3 members should be the Independent Director. Risk Management Committee shall have a 3-year term of office and the retired by rotation member can be re-elected. The appointment as well as re-election or the renewal of the term of office of the Risk Management Committee shall be done by the Board of Directors.

List of the Risk Management Committee, the term of office and the attendance of the committee for the year 2019 were as follows:

Name of Risk Management Committee	Position/ Term of Office	Risk Management Committee Meeting	
		No. of Meeting*	No. of Attendance
1. Dr. Pholdej Therdphithakvanij	Chairman of the Risk Management Committee/ 16 Mar 18- 16 Mar 21	4	4
2. Mrs. Sumalee Chokdeeanant	Risk Management Committee member/ 16 Mar 18-16 Mar 21	4	4
3. Mr. Troy Schooneman	Risk Management Committee member/ 16 Mar 18-16 Mar 21	4	2
4. Mr. Alain Dufes	Risk Management Committee member/ 16 Mar 18-16 Mar 21	4	1
5. Mr. Muneo Tashiro	Risk Management Committee member/ 16 Mar 18-16 Mar 21	4	3
6. Mr. Vittawat Arunakasikor	Risk Management Committee member & Secretary/ 16 Mar 18-16 Mar 21	4	4

Duties and Responsibilities of Risk Management Committee

1. Establish a risk management policy and procedures of the Company and its subsidiaries to mitigate or terminate the impact from the risks that might cause damages to the Company and its subsidiaries to be submitted to the Board and the Management for further action.
2. Review and update the risk management policy and procedures to be submitted to the Board and Management.
3. Establish criteria and method of risk assessment and determine the different level of risk to be submitted to the Board meeting and the Management for further action.
4. Discuss with the Management, Manager and Operation Dept. the Company's and its subsidiaries' risk assessment and risk management processes in various aspects pertaining to accounting, finance, human resources, procurement, cyber security, data base including other related rules and regulations of the Company and its subsidiaries whether there are any holes of risks.
5. Perform other functions pertaining to the risk assessment policy as assigned by the Board.

The Committee is authorized to invite any officer or employee of the Company and its subsidiaries to provide information or submit necessary documents or evidences and if deemed necessary, the Committee may retain special risk assessment counsel or enroll in training courses. Any expenses incurred should be responsible by the Company.

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 Notification of Capital Market Supervisory Board Ref: Tor.Jor 39/2016 RE: Application for Approval and Granting of Approval for offering of newly issued shares (Codified) dated 30 September, 2016. 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 main business of the Company, etc. Most importantly, ability to express opinion independently 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 and the highest level management of the Company (CEO), the Board of Directors shall consider from the caliber, experiences, vision and reliability of such person together with the background knowledge and skills which might be beneficial to the Company's business operation, which includes a 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 from the nomination from minor shareholders or from the existing executive or subsidiary or associated company's director or introduced by existing directors or other persons or the representatives from the major shareholder, etc.

The Company's Articles of Association states that in each of annual general meeting, one-third of directors (1/3) or the nearest amount 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 rule and method of vote casting on 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 making 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 or associated company by which the number of directors is in relation with the Company's proportion held in the subsidiary company or associated company. Such Board of Directors shall have the responsibilities to ensure the best interest of the subsidiary or associated 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 and in compliance with the rules and regulations in each related country. The obligation includes the keeping of data and accounting records of the subsidiary and associated companies that are auditable and also able to submit for consolidation to the Company within the timeframe. In addition, the Board of Directors shall receive the report on operating result of the subsidiary and associated companies regularly.

Governance on Inside Information Usage

The Company has set up policy governing the usage of significant inside information that may have impact on the changing of the Company's share price which is non-public to seek illegal benefit in buying or selling of the Company's share. Such policy was set up in writing and included in the code of ethics of the directors, executives and employees which was approved and announced. In 2019, the Board of Directors has reviewed and improved the policy regarding the inside information usage and securities trading of the Company to be more appropriate which summarized as follows:

- Those insiders and others who can access to or who know the detail of significant inside information are forbidden to disclose the financial and non-financial information that may have impact on the changing of the Company's share price to other outsiders or to unrelated persons before such information is disclosed to public by the Company through the SET's system.
- Those insiders and others who know the detail of the Company's financial information are forbidden to buy or sell the Company's share during the period of 30 days prior to the disclosure of such financial information to general investors and 24 hours after the disclosure of the other non-public information that may have impact on the Company's share price is disclosed to public by the Company through the SET's system.
- Directors and executives has to report on securities holding and the changes of the securities held according to Section 59 of the Securities & Exchange Act B.E. 2535 and according to the rules and methods prescribed by the Notification of the Office of the SEC No. SorChor 38/2561 RE: Preparation of reports on changes in securities and derivatives holding of directors, executives, auditors, plan makers and plan administrators which was effective 15 August, 2018. Such report should be notified to the Company Secretary who will report them to the Board of Directors in the next Board of Directors' meeting. The forbidden period shall be notified to all concerns in advance by the Company Secretary so that they can comply correctly.
- In the event that the insiders including those who have access to or who know the detail of the significant inside information violating the rule by disclosing the non-public financial information or other non-financial information that may have impact on the Company's share or using such information in buying or selling the Company's share are

subject to disciplinary action and penalty according to the Securities & Exchange Act, Section 296 which is 2 years of imprisonment or a fine of not more than double of the received benefits but not less than 500,000 Baht or both fine and imprisonment.

In addition, whenever there is a new director or executive who is in the position which needs to report on the securities holding of the Company's shares according to the SEC's rule or to comply to the Section 59 of the Securities & Exchange Act B.E 2535 and Notification of the Office of Securities & Exchange Commission No. SorChor 38/2561 RE: The Preparation of Report on Changes to the Securities and Derivatives Holding of Director, Executive, Auditor, Plan Preparer and Plan Administrator effective on 15 August, 2018, the Company Secretary shall inform those persons of the duty to do so in order for them to comply correctly.

Remunerations of External Auditor

The Audit Committee selected the audit firm who possesses the qualifications required by the Stock Exchange of Thailand and proposed to the Board of Directors to be proposed and approved for the appointment from the shareholders to be the external auditor of Group Lease Pcl. For the year 2019, KPMG Phoomchai Audit Limited was selected and approved as the external auditor of the Company for fiscal year 2019. The audit fee and the review and audit fee for consolidated financial statement for the year 2019 was Baht 9.4 million and the out-of-pocket expenses total 0.50 million Baht being the travelling, accommodations and photo copying expenses with other non-audit fee of 0.35 million Baht being the professional fee for providing advisory services on the new standard of Accounting (TFRS9).

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 fairness 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 unethically 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 unethical 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 incidents 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.

Additional information can be viewed on the Company's website under Investor Relations / Corporate Governance / Report on Corporation Governance 2019 Section 3 Roles of Stakeholders.

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 a number of 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 or other jobs which suit 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. 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 base 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.

Additional information regarding Community, society and environment can be viewed on the Company's website under Investor Relations / Corporate Governance / Report on Corporate Governance 2019 Section 3 Role of Stakeholders.

Internal Control and Risk Management

The Company has given importance of having effective and efficient internal control system by setting up Internal Audit Department to be responsible for the assessment of the adequacy of the internal control system of the Company and to monitor the improvement implementation of the mistakes or errors found during the business operation of the Company on a continuous basis. Moreover, in order to enhance the independence and balance of their audit role fully, the Internal Audit Department is put under the direct supervision of the Audit Committee.

During the Company's Board of Directors' Meeting No. 1/2020, held on 14 January, 2020 which consisted of the 5 Independent Directors and Audit committee, report on internal control systems assessment regarding the internal control and risk management of the Company was presented and clarified by the management. The Board of Directors was of the view that the Company has good internal control system appropriate for its business operation and governs the 5 factors of the Internal Control system of the international standard (COSO-ERM), namely organization and control environment, risk management, management control activities, information & communications and monitoring, which can be summarized as follows:

1. Organization and control environment

The Company realizes the importance of having good corporate governance that it can enhance the sustainability growth of the Company. Therefore, good Corporate Governance policy and operational guideline was set up and prescribed in the Business Code of Ethics of the Company 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 against the Company's interest so that all the management and employees can acknowledge, understand and comply strictly. In case of any violation, disciplinary actions were also clearly defined.

The Audit Committee who are independent from the Company's management shall oversee and develop the efficiency of internal control system such as the segregation of significant functions which will enhance the check and balance. The Company also establishes the Internal Audit Department to report directly to the Audit Committee. Supervision line has also been clearly defined and the business objectives as well as the performance indicators to evaluate the operation efficiency towards the Company's objective of the employees were also set up to provide motivation or rewards to those employees who successfully achieve the goal while providing remedies for those who fail such as training or advices, etc.

2. Risk Management

Management gives significant importance to risk management issue by setting up effective systematic risk management process in order to be able to control and mitigate the risk that may arise from both internal and external factors such as fraud or breaching of rules which may obstruct the Company's achievement of its goal. Risk Management Committee was consequently set up by the Board of Directors to oversee the risk management of the overall Company to establish the risk management policy and communicate risk threatened matters and prevention to the employees for their better understanding and compliance as well as to assess the result of risk management and report to the Board of Directors.

3. Management Control Activities

The Company set up its organization structure and the scope of roles and responsibilities in relation to its business operation and work procedures. There was an audit system that enhanced the check and balance among different sections, departments in terms of the operation, revision and approval process. Authorization guidelines regarding the credit line and signing authority of all levels of the management were prescribed clearly and the rules/orders were appropriately reviewed and adjusted to be in line with the current operation to be able to check and confirm with each other to avoid mistakes from the operation or to protect against fraud. In addition, the assessment on the impact from various factors both internal and external such as the newly issued laws governing the business, the changing of business model which may have impact on the Company shall be inspected by the Compliance Unit and Internal Audit Department of the Company in order to ensure that the Company has fully complied to the new laws and related rules and report them to the Audit Committee and subsequently to the Board of Directors. In addition, there was a control on the compliance with the financial reporting standard and the generally accepting accounting standard that is appropriate to the Company's business by reporting those facts in the financial report showing the right or obligation of the Company and disclosed completely and correctly having the Company's auditor auditing the accuracy.

4. Information Technology System and Communication

The Company always gives importance to the ongoing development of the information technology system and communication system of the Company so that the compiling and analyzing of data were done accurately and in a timely manner. Securities of the information system were also taken into consideration so that it can monitor the accessing and utilizing of data as well as the maintaining of security system of the significant business data. Currently, the Company has provided intranet and e-mail system as its means of communicating the Company's information, policies and rules and regulations to its employees. Investor Relations (IR) channel is used to communicate the information to outside investors and public. We also have effective filing system of various supporting documents of accounting transactions booking in which all documents are kept in categories for transparency and for future evidence. We also have management information system which may facilitate the efficiency of decision making of the management and the Board of Directors in their planning and problem solving to enhance the potential growth of the Company.

5. Monitoring

Management meeting is regularly arranged to monitor the operating result of the Company and its subsidiaries and to solve any emerging problems arisen from other factors that might threaten the Company and its subsidiaries' normal business operations. The management must report on the incidents occurred from the breaching of laws and the impact from the execution of new laws on the Company's business or report any significant errors which might cause serious effects on its image, financial status and operation including the improvement guidelines or the solutions that have been implemented to the Audit Committee or the Board of Directors together with the regular report on the progress of such improvement.

An Internal Audit Department is established to possess the independence characteristic and reports directly to the Audit Committee to be responsible for the audit function and assessment of the efficiency and effectiveness of all of the internal control systems of the Company to ensure that it has the sound internal control system appropriate for its business and that the employees comply fully to the internal control provision and also audit the compliance of the laws and related regulations of the Company. The annual internal audit plan was set up based on the Risk Based Audit Approach and the internal control guideline from Committee of Sponsoring Organization of the Tread way Commission (COSO) and have been reviewed and approved by the Audit Committee.

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 withdrawal 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 and Head of Compliance Unit together with duties and responsibilities 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.

Detail of Internal Audit Manager as of 2019

Name / Position / Starting date	Age	Education / Training	Working Experience		
			Period	Position	Organization/Type of Business
Mr. Chissanuphong Chinna Internal Audit Manager / 1 April, 2016	46	Education: Master of Accounting, Ramkhamhaeng University Training and seminar: <ul style="list-style-type: none"> - Personal Data Protection Act BE 2562 - Draft TFRS9 for Hire purchase and leasing - How to do KYC in accordance with the new standards that will be enforced in 2019 and guidelines for Anti-Money Laundering Act and New ordinance in 2019 for executives, financial institutions and entrepreneurs according to 16 (3) - Guidelines for the disclosure of CG Code information according to the principle apply or explain - Enterprise Risk Management Integrating with strategy and COSO 2017 - Tools and Techniques for the audit manager - Risk management and outsource agent management - CEO & Integrated Management Audit - Asset and liability management for financial institutions - Information technology risk monitoring - Fraud Risk Management - Significant Activities & Possible Impaired Loan - How to assess the risks in order to plan the audit - New accounting standards - A long-term lease accounting standards. - Information security policy - Allocation of debt in the hire purchase system - KPI FOR AUDITOR and writing audit reports 	2016 - Jan2020	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	Senior Auditor	Siam City Bank Pcl. (Commercial Bank)
			1995 - 1996	Branch-Credit Officer	Siam City Factoring Pcl. (financial institution)

Detail of Head of Compliance Unit as of 2019

Name / Position / Starting date	Age	Education / Training	Working Experience		
			Period	Position	Organization/Type of Business
Mrs. Arunothai Pongsuwan / Legal Supervisor and Head of Compliance Unit / 7 May, 2019	35	<u>Education :</u> - Barrister at Law - LL.B. from Ramkhamhaeng University <u>Training and seminar :</u> - Personal Data Protection Act. B.E. 2562 - Smart Disclosure Program - Debt Collection Act - Training for Lawyer's License - Intellectual Properties Law	2019 - Present	Legal Supervisor and Head of Compliance	Group Lease Pcl.
			2017 - 2019	Lawyer	The Law Indeed Office (Legal Advisory Service)
			2016 - 2017	Senior Litigator	Paiboon Legal Counsellors Co., Ltd. (Legal Advisory Service)
			2014 - 2016	Lawyer	The Law Indeed Office (Legal Advisory Service)
			2011 - 2014	Contract Specialist	Universal Utilities PCL (Produce and sale tap water)
			2009 - 2011	Lawyer	Umpol and Associate Law Office (Legal Advisory Service)
			2008 - 2009	Lawyer Assistance	Umpol and Associate Law Office (Legal Advisory Service)

Duties & Responsibilities of Compliance Unit

1. Being a center of studying and gathering of related laws, notification, and / or the rules and regulations, etc. issued by the regulators that govern the Company's business operation including the internal rules and regulations of the Company for more convenience in terms of storing and searching.
2. Being a training center on both existing and newly issued or amended laws, rules and regulations, etc. issued by the regulators that govern the Company's business operation in each department in order to enhance the employees' knowledge and understanding so that they are able to comply correctly.
3. Adjusting and updating the operation manual of each department to be more appropriate and always be in line with the current laws and regulations.
4. Setting up Compliance Checklist for each department to serve as monitoring tool to assess the accuracy and completeness for the compliance with laws, rules and regulations efficiently.
5. Preparing quarterly report on the result of the law or regulation compliance of each department summarizing the findings as well as the reason for failure to comply with the laws and regulations together with the recommended solution provided to the employees and management in order that they can improve their operation more efficiently.

Related Party Transactions

The financial statement of Group Lease Public Company Limited as of December 31, 2019 and 2018 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)
BG Microfinance Myanmar Co., Ltd.	Subsidiary (held by a subsidiary)
GL-AMMK Co., Ltd.	Subsidiary (held by a subsidiary)
Comfort Services Development Co., Ltd.	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Company's director is major shareholder of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholder of that company / Common director
Engine Holdings Asia Pte. Ltd.	Company's director is major shareholder of that company / Common director
Cambodian People Micro Insurance PLC.	Common director with the Company and GLF
JTrust Asia Pte. Ltd.	Shareholder of GLFI
APF Trading Plc.	Common director with GLF
PT Bank JTrust Indonesia Tbk.	Common shareholder with GLFI
JTrust Co., Ltd.	Ultimate parent company of shareholder of GLFI
Commercial Credit and Finance PLC.	Associated company
Wedge Holdings Co., Ltd.	Company's director is major shareholder of that company / Common director
Showa Holdings Co., Ltd.	Company's director is major shareholder of that company / Common director
Century Finance Company Limited	Common director with GL-AMMK
PT Showa Rubber Indonesia	Common director with the Company

Related transaction between the company and subsidiary companies as at 31 December 2019 and 2018

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 19	31 Dec 18		
GL Finance Plc.	The Company	Other payables	401	16		GL Finance Plc. paid for the company as a general business.
		Other receivables	155	-		Advance received from GL Finance Plc. to the Company for the normal business.
Group Lease Holdings Pte. Ltd.	The Company	Services and administrative expenses	628	655	Contract	The company receive software services from Group Lease Holdings Pte. Ltd. as a kind of license fee with the market rate as in the general business condition
		Interest Income	349,771	371,652	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	5,517,775	5,511,143		
		Increase	301,810	315,905		
		Decrease	(640,203)	(270,499)		
		Loss from ex-rate	(389,180)	(38,774)		
		Ending Balance	4,790,202	5,517,775		
		Other receivables	-	8,262		Advance received from Group Lease Holdings Pte. Ltd. to the Company for the normal business.
		Other payables	-	543		Group Lease Holdings Pte. Ltd. paid for the Company for the normal business.

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 19	31 Dec 18		
Thanaban Company Limited	The Company	Other income	105,520	88,189	Contract	The company provide management service and other services for Thanaban company limited. as a kind of management fee based on general business condition and has the highest benefit to the company.
		Other receivables	64,886	29,127		
		Other current liabilities	225	562		Advance received from providing the telephone system with the general business conditions and for the highest benefit of the company.
		Interest Income	12,002	-	5.50% per annum	Thanaban Company Limited borrow unsecured loans from the company with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivables from subsidiary</u>				
		Beginning balance	-	-		
		Increase	462,002	-		
		Decrease	(462,002)	-		
		Ending Balance	-	-		
		Interest Expense	-	1,273	7% per annum	The company borrow unsecured loans from Thanaban Company Limited with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Long-term loans from and interest payable to subsidiary</u>				
		Beginning balance	-	40,000		
		Increase	-	1,273		
		Decrease	-	(41,273)		
		Ending Balance	-	40,000		
PT. Group Lease Finance Indonesia	The Company	Other receivables	129	42		Advance received for the normal business.
Comfort Services Development Co., Ltd.	The Company	Other payables	64	2		Comfort Services Development Co., Ltd. paid for the company as a general business.

Other Related transactions between the company and related parties as at 31 December 2019 and 2018

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 19	31 Dec 18		
JTrust Asia Pte. Ltd.	The Company	Interest expense	280,210	292,428	5% per annum	The Company has issued convertible debentures to JTrust Asia Pte. Ltd. in foreign currency 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	5,433,801	5,844,051		
		Other payables	645,675	402,786		
Engine Holding Asia Pte. Ltd.	The Company	Other payables	461	461		The Company entered into a side agreement with Engine Holding Asia Pte. Ltd. to hedge foreign exchange risk. The Company recognized foreign exchange loss based on this agreement in other payable. During 2017, both parties agreed to cancel this agreement.
		Allowance for doubtful accounts – Other payables	(461)	(461)		
		Net	-	-		

Other Related transactions between related parties as at 31 December 2019 and 2018

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 19	31 Dec 18		
Director of the company and subsidiary	GL Finance Plc.	Other receivables	588	1,863		GL Finance Plc. paid advance for the director of subsidiary as a general business.
		Allowance for doubtful accounts - Other receivables	(588)	(1,863)		
		Net	-	-		
		Other current liabilities	84	82		Director of the subsidiary paid advance for GL Finance Plc. as a general business.
		Allowance for doubtful accounts – Other current liabilities	(84)	(82)		
		Net	-	-		
A.P.F. Group Co., Ltd.	GL Finance Plc.	Other receivables	4,026	4,333		GL Finance Plc. paid advance for A.P.F. Group Co., Ltd. as a general business.
		Allowance for doubtful accounts - Other receivables	(4,026)	(4,333)		
		Net	-	-		
Cambodian People Micro Insurance PLC.	GL Finance Plc.	Other receivables	68	72		GL Finance Plc. paid advance for Cambodian People Micro Insurance Plc. as a general business.
		Allowance for doubtful accounts - Other receivables	(68)	(72)		
		Net	-	-		
	Group Lease Holdings Pte Ltd	Other income	768	3,877	Contract	Group Lease Holdings Pte Ltd has entered into an IT service agreement with Cambodian People Micro Insurance PLC. to provide IT services as a general business.
		Other receivables	4,342	8,121		
		Allowance for doubtful accounts - Other receivables	(4,342)	(8,121)		
		Net	-	-		

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 19	31 Dec 18		
APF Trading Plc.	GL Finance Plc.	Other receivables	148,851	160,184		GL Finance Plc. paid advance for APF Trading Plc. as a general business.
		Allowance for doubtful accounts - Other receivables	(148,851)	(160,184)		
		Net	-	-		
		Other current assets	171,520	76,470		GL Finance Plc. paid advance for APF Trading Plc. for distributed motorcycle to GL Finance Plc.
		Other current liabilities	687	-		
		Allowance for doubtful accounts - Other current liabilities	(687)	-		APF Trading Plc. paid advance for GL Finance Plc. as a general business.
		Net	-	-		
	Group Lease Holdings Pte Ltd	Other income	384	1,939	Contract	Group Lease Holdings Pte Ltd. has entered into an IT service agreement with APF Trading Plc. to provide IT services as a general business.

		Other receivables	2,171	4,175		Group Lease Holding Pte Ltd. paid advance payment for AFP Trading Plc. as a general business.
		Allowance for doubtful accounts - Other receivables	(2,171)	(4,175)		
		Net	-	-		
Century Finance Company Limited	GL-AMMK Co.,Ltd.	Other receivables	8,046	6,590		GL-AMMK Co.,Ltd. paid advance payment for Century Finance Company Limited. as a general business.
		Other current liabilities	4,555	2,199		Century Finance Company Limited. paid advance for GL-AMMK Co.,Ltd. as a general business.

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 19	31 Dec 18		
Century Finance Company Limited	Group Lease Holdings Pte Ltd	Other long-term investments	192,718	192,718	6.50% per annum	Group Lease Holdings Pte. Ltd. invested in convertible loans of Century Finance Company Limited. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		Other receivables - Accrued interest receivable from other long-term investments	5,724	6,160		
		Interest income	11,503	11,974		
Showa Holding Co.,Ltd.	Group Lease Holdings Pte Ltd	Other current liabilities	1,068	1,254		Showa Holding Co., Ltd. paid advance payment for Group Lease Holdings Pte. Ltd. as a general business.
		Allowance for doubtful accounts - Other current liabilities	(1,068)	(1,254)		
		Net	-	-		
PT Showa Rubber Indonesia	PT. Group Lease Finance Indonesia	Services and administrative expenses	1,483	-	Contract	PT. Group Lease Finance Indonesia receive marketing and advertisement service from PT Showa Rubber Indonesia.

Preconditions and Reasons for Connected Transactions

Audit Committee reviewed the connected transactions which were recorded during the fiscal year ending December 31, 2019 as summarized above and considered them to be indispensable, fair and justifiable in terms of conditions and prices, and/or within the arm's length basis. The transactions were also approved by the management or the Board of Directors (Board) prior to execution.

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
2019	KPMG Phoomchai Audit Ltd.	Mr. Chokechai Ngamwutikul	9728	Unqualified
2018	EY Office Limited	Ms. Pimjai Manitkajohnkit	4521	Qualified
2017	EY Office Limited	Mr. Sophon Permsirivallop	3182	Qualified

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

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2019		2018		2017 (Restated)		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets												
Current assets												
Cash and cash equivalents	3,091.52	24.30	3,745.00	25.63	3,079.90	21.41	365.98	2.90	409.89	2.92	119.94	0.88
Current investments	105.65	0.83	18.05	0.12	47.80	0.33	-	-	-	-	-	-
Current portion of hire purchase receivables	2,942.55	23.13	3,535.37	24.19	3,194.77	22.21	1,979.10	15.70	2,206.92	15.71	2,024.73	14.80
Current portion of loan receivables	232.75	1.83	282.24	1.93	269.59	1.87	-	-	-	-	-	-
Current portion of microfinance receivables	626.83	4.93	554.32	3.79	378.43	2.63	-	-	-	-	-	-
Current portion of consumer finance receivables under joint financing arrangements	6.09	0.05	5.36	0.04	14.08	0.10	-	-	-	-	-	-
Current portion of disputed corporate loans	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of corporate loans and interest receivables	41.05	0.32	42.12	0.29	0.55	0.00	-	-	-	-	-	-
Inventories	0.31	0.00	0.28	0.00	0.04	0.00	-	-	-	-	-	-
Assets foreclosed	59.55	0.47	61.28	0.42	87.95	0.61	16.20	0.13	8.67	0.06	12.31	0.09
Short-term loan to and interest receivables from subsidiaries	-	-	-	-	-	-	144.13	1.14	209.98	1.50	165.55	1.21
Other receivables	120.36	0.95	89.33	0.61	82.42	0.57	71.71	0.57	42.18	0.30	22.39	0.16
Other current assets	219.58	1.73	141.58	0.97	247.71	1.72	35.37	0.28	37.15	0.26	92.43	0.68
Total current assets	7,446.24	58.52	8,474.93	57.99	7,403.24	51.48	2,612.49	20.72	2,914.79	20.75	2,437.35	17.81
Non-current assets												
Pledged fixed deposit at financial institution	0.34	0.00	5.85	0.04	11.65	0.08	0.34	0.00	0.34	0.00	0.34	0.00
Investment in associate	1,766.76	13.88	1,976.90	13.53	2,022.55	14.06	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	3,590.30	28.48	3,590.30	25.56	3,590.30	26.24
Other long-term investments	535.51	4.21	671.00	4.59	671.00	4.67	-	-	-	-	-	-
Long-term portion of hire purchase receivables	2,162.14	16.99	2,676.39	18.31	3,358.40	23.35	1,544.40	12.25	2,013.08	14.33	2,094.61	15.31
Long-term portion of loan receivables	64.20	0.50	13.04	0.09	76.82	0.53	-	-	-	-	-	-
Long-term portion of microfinance receivables	21.71	0.17	6.72	0.05	39.53	0.27	-	-	-	-	-	-
Long-term portion of consumer finance receivables under joint financing arrangements	0.32	0.00	19.31	0.13	42.51	0.30	-	-	-	-	-	-
Long-term portion of loans	-	-	-	-	40.84	0.28	-	-	-	-	-	-
Long-term portion of loans to subsidiaries	-	-	-	-	-	-	4,646.08	36.86	5,307.79	37.79	5,345.59	39.07
Property, plant and equipment	91.34	0.72	118.88	0.81	135.52	0.94	52.62	0.42	60.85	0.43	71.49	0.52
Intangible assets	103.99	0.82	116.81	0.80	116.00	0.81	67.87	0.54	79.03	0.56	74.48	0.54
Goodwill	317.87	2.50	336.77	2.30	338.66	2.35	-	-	-	-	-	-
Deferred tax assets	134.62	1.06	122.46	0.84	53.06	0.37	57.58	0.46	44.19	0.31	32.89	0.24
Other non-current assets	79.45	0.62	75.07	0.51	72.21	0.50	34.40	0.27	34.48	0.25	35.13	0.26
Intangible assets	103.99	0.82	116.81	0.80	116.00	0.81	67.87	0.54	79.03	0.56	74.48	0.54
Total non-current assets	5,278.25	41.48	6,139.20	42.01	6,978.75	48.52	9,993.59	79.28	11,130.06	79.25	11,244.83	82.19
Total assets	12,724.49	100.00	14,614.13	100.00	14,381.99	100.00	12,606.08	100.00	14,044.85	100.00	13,682.18	100.00

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2019		2018		2017 (Restated)		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity												
Current liabilities												
Pledged fixed deposit at financial institution	-	-	-	-	65.24	0.45	-	-	-	-	-	-
Trade accounts payable	6.94	0.05	10.21	0.07	4.92	0.03	1.18	0.01	1.50	0.01	1.49	0.01
Deposits from customers	57.36	0.45	40.62	0.28	22.91	0.16	-	-	-	-	-	-
Short-term loans and interest payable	18.22	0.14	19.60	0.13	-	-	-	-	-	-	-	-
Current portion of long-term loans	-	-	22.39	0.15	102.76	0.71	-	-	-	-	-	-
Current portion of long-term loans from subsidiary	-	-	-	-	-	-	-	-	-	-	40.00	0.28
Current portion of debentures	-	-	1,486.81	10.17	-	-	-	-	1,486.81	10.59	-	-
Current portion of convertible debentures under court cases	1,476.77	11.61	-	-	-	-	1,476.77	11.71	-	-	-	-
Current portion of convertible debentures - other	590.70	4.64	-	-	-	-	590.70	4.69	-	-	-	-
Income tax payable	27.19	0.21	84.40	0.58	75.64	0.53	-	-	27.57	0.20	14.92	0.10
Insurance premium payables	10.66	0.08	9.45	0.06	9.16	0.06	5.19	0.04	8.27	0.06	4.79	0.03
Other payables	834.86	6.56	539.40	3.69	266.32	1.85	710.64	5.64	440.34	3.14	255.44	1.78
Derivatives Liability	-	-	-	-	0.61	0.00	-	-	-	-	-	-
Total current liabilities	3,136.89	24.65	2,342.25	16.03	676.66	4.70	2,844.29	22.56	2,027.62	14.44	393.04	2.73
Convertible debentures under court cases	3,909.56	30.72	5,794.58	39.65	5,833.89	40.56	3,909.56	31.01	5,794.58	41.26	5,833.89	40.56
Long-term portion of long-term loans	-	-	-	-	19.49	0.14	-	-	-	-	-	-
Long-term portion of debentures	-	-	-	-	1,469.59	10.22	-	-	-	-	1,469.59	10.22
Convertible debentures - other	-	-	635.36	4.35	639.57	4.45	-	-	635.36	4.52	639.57	4.45
Provisions for long-term employee benefits	21.21	0.17	18.39	0.13	11.77	0.08	21.21	0.17	18.39	0.13	11.77	0.08
Deferred tax liabilities	47.92	0.38	43.22	0.30	3.23	0.02	-	-	-	-	-	-
Cash guarantee for damage on hire purchase agreements	2.06	0.02	2.18	0.01	2.18	0.02	2.07	0.02	2.06	0.01	2.06	0.01
Total non-current liabilities	3,980.75	31.28	6,493.73	44.43	7,979.72	55.48	3,932.84	31.20	6,450.39	45.93	7,956.88	55.33
Total liabilities	7,117.64	55.94	8,835.98	60.46	8,656.38	60.19	6,777.13	53.76	8,478.01	60.36	8,349.92	58.06
Shareholders' equity												
Issued and paid-up share capital (0.50 each)	762.77	5.99	762.77	5.22	762.77	5.30	762.77	6.05	762.77	5.43	762.77	5.30
Share premium	5,192.67	40.81	5,192.67	35.53	5,192.67	36.11	5,192.67	41.19	5,192.67	36.97	5,192.67	36.11
Retained earnings (Deficit)												
Appropriated Legal reserve	92.26	0.73	92.26	0.63	92.25	0.64	92.26	0.73	92.26	0.66	92.26	0.64
Unappropriated (Deficit)	99.68	0.78	131.91	0.90	(144.39)	(1.00)	(278.21)	(2.21)	(540.32)	(3.85)	(774.90)	(5.39)
Other components of equity	(666.13)	(5.24)	(525.51)	(3.60)	(303.13)	(2.11)	59.46	0.47	59.46	0.42	59.46	0.41
Equity attributable to owners at the parent	5,481.25	43.08	5,654.10	38.69	5,600.17	38.94	5,828.95	46.24	5,566.84	39.64	5,332.26	37.08
Non-controlling interests	125.60	0.99	124.05	0.85	125.44	0.87	-	-	-	-	-	-
Total equity	5,606.85	44.06	5,778.15	39.54	5,725.61	39.81	5,828.95	46.24	5,566.84	39.64	5,332.26	37.08
Total liabilities and equity	12,724.49	100.00	14,614.13	100.00	14,381.99	100.00	12,606.08	100.00	14,044.85	100.00	13,682.18	95.13

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

Unit: Million Baht

	Consolidated financial statements						Separate financial statements					
	2019		2018		2017 (Restated)		2019		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenues												
Hire purchase interest income	1,766.06	70.28	2,055.27	72.05	2,070.08	69.50	1,229.27	63.33	1,330.32	68.22	1,226.68	54.40
Loan interest income	114.75	4.57	160.59	5.63	164.65	5.53	-	-	-	-	-	-
Microfinance interest income	179.22	7.13	159.21	5.58	51.59	1.73	-	-	-	-	-	-
Consumer finance under joint financing arrangements interest income	4.37	0.17	44.92	1.57	47.79	1.60	-	-	-	-	-	-
Corporate loan interest income	1.97	0.08	1.87	0.07	201.71	6.77	-	-	-	-	-	-
Hire purchase service fee income	89.92	3.58	86.02	3.02	17.08	0.57	-	-	-	-	-	-
Revenue from sales of goods	5.46	0.22	8.44	0.30	0.87	0.03	-	-	-	-	-	-
Other interest income	76.16	3.03	60.63	2.13	39.75	1.33	363.68	18.74	372.39	19.10	402.27	17.84
Consulting service fee income	-	-	-	-	20.41	0.69	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	102.00	5.25	84.00	4.31	84.00	3.73
Other income related to the activities of hire purchase	240.13	9.56	232.02	8.13	209.99	7.05	129.57	6.68	128.05	6.57	128.33	5.69
Other income related to the activities of microfinance	11.71	0.47	10.75	0.38	4.61	0.15	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-	343.84	15.25
Gain on exchange rate	-	-	-	-	120.57	4.05	104.80	5.40	13.35	0.68	46.06	2.04
Other income	23.08	0.92	33.00	1.16	29.26	0.98	11.77	0.61	21.84	1.12	23.63	1.05
Total revenue	2,512.83	100.00	2,852.72	100.00	2,978.36	100.00	1,941.09	100.00	1,949.95	100.00	2,254.81	100.00
Expenses												
Service and administrative expenses	1,256.09	49.99	1,218.85	42.73	1,144.95	38.44	689.72	35.53	596.51	30.59	583.58	25.88
Bad and doubtful debt expenses	428.25	17.04	560.31	19.64	323.04	10.85	318.86	16.43	366.22	18.78	200.58	8.90
Cost of sales of goods	4.69	0.19	7.64	0.27	0.76	0.03	-	-	-	-	-	-
Expense allowance on assets	135.49	5.39	-	-	2,445.54	82.11	-	-	-	-	2,426.82	107.63
Loss on disposals of assets foreclosed	286.83	11.41	329.16	11.54	245.35	8.24	250.84	12.92	271.82	13.94	216.50	9.60
Total expenses	2,111.35	84.02	2,115.96	74.17	4,159.64	139.66	1,259.42	64.88	1,234.55	63.31	3,427.48	152.01
Profit before share of profit from investment in associate, finance cost and income tax expenses	401.48	15.98	736.76	25.83	(1,181.28)	(39.66)	681.67	35.12	715.40	36.69	(1,172.67)	(52.01)
Share of profit from investment in associate	63.66	2.53	110.94	3.89	171.95	5.77	-	-	-	-	-	-
Finance cost	(361.74)	(14.40)	(396.48)	(13.90)	(445.35)	(14.95)	(354.34)	(18.25)	(388.44)	(19.92)	(424.15)	(18.81)
Income tax expenses	(125.00)	(4.97)	(161.67)	(5.67)	(152.37)	(5.12)	(65.21)	(3.36)	(88.54)	(4.54)	(81.45)	(3.61)
Profit (loss) for the year	(21.60)	(0.86)	289.55	10.15	(1,607.05)	(53.96)	262.12	13.50	238.42	12.23	(1,678.27)	(74.43)
Basic earnings (loss) per share (in Baht)	(0.02)		0.18		(1.05)		0.17		0.16		(1.10)	

Financial Ratio

	Consolidated financial statements			Separate financial statements		
	2019	2018	2017 (Restated)	2019	2018	2017
<i>Profitability Ratio</i>						
Yield Rate (%)	32.59	34.57	29.15	31.75	34.81	31.20
Interest Rate (%)	5.18	4.93	5.48	5.10	4.89	5.42
Net Yield Rate (%)	27.41	29.54	23.72	26.65	29.93	25.78
Net Profit (loss) Rate (%)	(0.86)	10.15	(53.96)	13.50	12.23	(74.43)
Return on Equity (%)	(0.39)	5.15	(23.34)	4.60	4.37	(26.41)
<i>Efficiency Ratio</i>						
Return on Total Assets (%)	(0.16)	2.00	(10.23)	1.97	1.72	(11.39)
Total Assets Turn Over Ratio (times)	0.18	0.20	0.19	0.15	0.14	0.15
<i>Financial Policy Ratio</i>						
Ratio of Liability to Equity (times)	1.27	1.53	1.51	1.16	1.52	1.57
Ratio of Total Receivable to Loan from (times)	0.95	0.90	1.07	1.30	1.13	1.19
Dividend Rate (%)	N/A	N/A	N/A	N/A	N/A	N/A
<i>Asset Quality Ratio</i>						
Ratio of Allowance for Doubtful Debt to Total Receivable (%)	23.56	21.71	19.91	9.43	7.57	4.62
Bad Debt to Total Receivable (%)	5.30	3.93	3.39	7.64	4.83	4.30
Ratio of Non-performing loan to Total Receivable (%)	4.99	3.81	2.55	9.29	6.75	4.78

Management Discussion & Analysis

Overall Operating Result

Group Lease Plc. We specialize in providing hire purchase financing for motorcycles. We also offer full after sales services, such as, third-party liability insurance renewal services, motorcycle registration renewal and motorcycle insurance policy renewal. A Company focuses on geographic diversification by expending business in foreign countries in order to diversify our customer base and to diversify product lines that is able to serve different financial needs of our customers in different regions. With investment in new product development, and new services with incorporation of new digital technology to cater the growing need of financing service. GL Thailand will continue developing innovative financial products and services, to become the leading finance company of Asia.

Overall Business in Thailand

The Company operates motorcycle hire-purchase financing business in Bangkok & Metropolitan and the vicinity provincial areas. Of which the main income a rise from such business and the overall operating result of this business relate to the motorcycle's manufacturing and sales industry. In the year 2019, the number of new registered motorcycle in Thailand were 1,876,710 units which was 3.39 % decrease from the year 2018 of 1,942,494 units. The overall motorcycle market slow down due to the slowdown in the Thai economy which has been affected by both the trade war and the strong appreciation of the Thai Baht. Causing the company to use new conservative strategy by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations. At the same time, the Company expand to more dealers to reach more good customers. At the end of 2019, the company have 148 active dealers, increasing from 116 dealers at the end of 2018.

Overview business in foreign countries

Today, the Group provides financial services in more than 7 countries: Thailand, Singapore, Cambodia, Laos, Indonesia, Sri Lanka and Myanmar. The Group provides different financial services in each country in order to serve different financial needs of our customers in different countries

Revenue

Consolidated financial statements

Revenue	Consolidated financial statements					
	2019		2018		2017 (Restated)	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,766.06	70.28	2,055.27	72.05	2,070.08	69.50
Loan interest income	114.75	4.57	160.59	5.63	164.65	5.53
Microfinance interest income	179.22	7.13	159.21	5.58	51.59	1.73
Consumer finance under joint financing arrangements interest income	4.37	0.17	44.92	1.57	47.79	1.60
Corporate loan interest income	1.97	0.08	1.87	0.07	201.71	6.77
Hire purchase service fee income	89.92	3.58	86.02	3.02	17.08	0.57
Other Incomes	356.53	14.19	344.84	12.08	425.46	14.30
Total	2,512.82	100.00	2,852.72	100.00	2,978.36	100.00

1. Hire-purchase interest income

In the year 2019, the Company's hire purchase interest income was Baht 1,766.06 million, decreased by Baht 289.21 million or 14.07% compared to 2018. The breakdown of hire purchase interest income can be explained by:

- GLF Finance Plc. (Cambodia) showed a decrease of Baht 153.99 million or 33%, resulting from the new conservative strategy to decrease portfolio in Cambodia by tightening our screening of potential customers to improve loan quality.
- GL (Thailand) showed a decrease of Baht 101.04 million or 8%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
- GL Leasing (Lao) Ltd showed a decrease of Baht 31.24 million or 28%, resulting from the mix product between automotive/Honda.
- PT Group lease Indonesia (GLFI) showed a decrease of Baht 7.37 million, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.
- Thanaban Company Limited "TNB" (Thailand) showed an increase of 4.43 million or 4%.

In the year 2018, the Company's hire purchase interest income was Baht 2,055.27 million, slightly decreased by Baht 14.83 million or 0.72% compared to 2017. The breakdown of hire purchase interest income can be explained by:

- GLF Finance Plc. (Cambodia) showed a decrease of Baht 168.67 million or 26.46%, resulting from the appreciation of the Thai Baht compared to USD 4.79% on average comparing 2017 & 2018 and the new conservative strategy to decrease portfolio in Cambodia by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations.
- GL Leasing (Lao) Ltd showed a decrease of Baht 9.04 million or 7.54%, resulting from the appreciation of the Thai Baht compared to Lao Kip by 6.61% on average comparing 2017 & 2018.
- GL and Thanaban Company Limited "TNB" (Thailand) showed an increase of 103.64 million and Baht 47.36 million, respectively, resulting from launching a new product and strategy to increase portfolio in Thailand.

2. Loan interest income

In the year 2019, Loan interest income was Baht 114.75 million, decreasing by Baht 45.84 million or 28.55%, resulting from the decrease in portfolio of TNB.

In the year 2018, loan interest income was Baht 160.59 million, decreasing slightly by Baht 4.06 million or 2.47%. It's mainly from TNB and GLF. TNB recorded Baht 156.87 million in income, a slight decrease of Baht 4.32 million or 2.68% and GLF Cambodia recorded a Baht 3.72 million slight increase of Baht 0.26 million or 7.75%.

3. Microfinance interest income

In the year 2019, Microfinance interest income was Baht 179.22 million, increasing by Baht 20.01 million or 12.57%, compared to the same period last year because of following reason:

- BG Microfinance Myanmar Co., Ltd. (BGMM) recorded Microfinance interest income of Baht 143.04 million this year, increasing Baht 15.04 million or 12%.
- PT Group lease Indonesia (GLFI) recorded Microfinance interest income of Baht 35.99 million in this year, increasing Baht 4.79 million or 15% , mainly from the increasing in microfinance portfolio operated by GLFI without joint financing.
- GL Leasing (Lao) Ltd recorded Microfinance interest income of Baht 0.18 million in this year.

In the year 2018, Microfinance interest income was Baht 159.21 million, increasing by Baht 107.62 million compared to the same period last year, reflecting the rapid growth of our customer base.

- BGMM recorded Microfinance interest income of Baht 128.00 million this year, increasing Baht 86.95 million or 211.81% from last year despite of the appreciation of the Thai Baht against Myanmar Kyat 9.64% on average comparing 2017 & 2018.
- GLF Indonesia recorded Microfinance interest income of Baht 31.21 million in this year, increasing Baht 20.67 million or 196.18% from last year despite of the appreciation of the Thai Baht against Indonesian Rupiah 10.47% on average comparing 2017 & 2018.

4. Hire purchase service fee income

In the year 2019, Hire purchase service fee income was Baht 89.92 million, increased by Baht 3.90 million or 4.54%, mainly from the increasing of number of contracts. Hire purchase service fee income relates to operational leasing services provided by GL-AMMK (Myanmar subsidiary) in partnership with Century Finance (Myanmar financial institution).

In the year 2018, Hire purchase service fee income was Baht 86.02 million, increasing by Baht 68.94 million or 403.48%, compared to previous year, despite of the appreciation of the Thai Baht against Myanmar Kyat 9.64% on average comparing 2017 & 2018. This is the result of a rapid growth of the hire-purchase portfolio of Century Finance in Myanmar.

Separate financial statements

Revenue	Separate financial statements					
	2019		2018		2017	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,229.27	63.33	1,330.32	68.22	1,226.68	54.4
Other Incomes	711.81	36.67	619.63	31.78	1,028.13	45.6
Total	1,941.08	100.00	1,949.95	100.00	2,254.81	100.00

From the Company's revenue structure, revenue mainly came from hire purchase interest income. In the year 2019, the hire-purchase interest income decreased by Baht 101.04 million or 7.60% from Baht 1,330.32 million in 2018 to Baht 1,229.27 million this year, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.

In the year 2018, the hire purchase interest income was Baht 1,330.32 million, (68.22% of total revenue) increased by Baht 103.64 million or 8.45% from 2017.

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, and registration fee. In the year 2019, other income increased from Baht 619.63 million to Baht 711.81 million, representing a increase by Baht 92.18 million or 14.88%, because of an increase in gain on exchange rate and management service fee income. Other incomes were mainly composed of the interest income from loans to foreign subsidiaries of Baht 363.68 million, other income related to the activities of hire purchase of Baht 129.57 million, management service fee income of Baht 102.00 million, gain on exchange rate of Baht 104.80 million, and other income of Baht 11.77 million.

In year 2018, other incomes were Baht 619.63 million, decreased from the year 2017 which were recorded at Baht 1,028.13 million or a decrease of 39.73% , mainly from a decrease in dividend income.

Expenses

Consolidated financial statements

Expenses before finance cost, income tax expenses and share of profit from investment in associate	Consolidated financial statements					
	2019		2018		2017 (Restated)	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	1,256.09	49.99	1,218.85	42.73	1,144.95	38.44
Bad debts and doubtful accounts	428.25	17.04	560.31	19.64	323.04	10.85
Cost of sales	4.69	0.19	7.64	0.27	0.76	0.03
Loss on disposals of foreclosed assets	286.83	11.41	329.17	11.54	245.35	8.24
Expense allowance - others	135.49	5.39	-	-	603.18	20.25
Total	2,111.35	84.02	2,115.97	74.18	4,159.64	139.66

In the year 2019, the Company's expenses before finance cost, income tax expenses and share of profit from investment in associate were recorded at Baht 2,111.35 million, decreased by Baht 4.62

million or 0.22% from Baht 2,115.97 million in the year 2018. It's decreased from the following factors:

- service and administrative expenses totaled Baht 1,256.09 million, increasing by Baht 37.24 million or 3.06% when compared to 2018, mainly resulting from an increase of legal fees due to the ongoing litigation by Baht 103.90 million. However, there was a decrease of payroll and staff benefits by Baht 63.37 million and a decrease of other service and administrative expenses by Baht 3.29 million.
- bad debts and doubtful accounts decreased compared to 2018 by Baht 132.06 million or 23.57%, mainly resulting of a decrease in portfolios size.
- There was a decrease in loss on disposal of foreclosed asset from Baht 329.16 million to Baht 286.83 million representing a decrease of Baht 42.33 million or 12.86%, which resulted from a lower repossession rate in Thailand.
- The Group has tested investment in PT Bank JTrust Indonesia Tbk. for impairment based on market price on 8th January 2020, the first day that shares were re-floated on the Indonesian Stock Exchange. The recoverable amount was determined to be lower than its carrying amount, hence, an impairment loss of Baht 135.49 million was recognised.

For the year 2018, the Company's expenses before finance cost, income tax expenses and share of profit from investment in associate were recorded at Baht 2,115.97 million, decreased by Baht 2,043.68 million or 49.13% from Baht 4,159.64 million in the year 2017. It's decreased from the following factors:

- Service and administrative expenses totaled Baht 1,218.85 million, increasing by Baht 73.90 million or 6.45% when compared to 2017, mainly resulting from an increase of legal fees due to litigation and written-off unused tax losses.
- Bad debts and doubtful accounts increased compared to 2017 by Baht 237.28 million or 73.45%, mainly resulting from an increase of allowance for bad debt in Thailand and partly from an increase of allowance for bad debt in Cambodia, Laos and Indonesia. The management is being prudent by increasing the allowance in the preparation for the TFRS 9.
- Loss on disposal of foreclosed asset increased from Baht 245.35 million to Baht 329.16 million, increased by of Baht 83.81 million or 34.16%, which resulted from a higher repossession rate in Thailand.
- Cost of sales increased Baht 6.89 million, because of a new product launched in Q4/2017 by TNB.

Separate financial statements

Expenses before finance cost and income tax expenses	Separate financial statement					
	2019		2018		2017	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	689.72	35.53	596.51	30.59	583.58	25.88
Bad debts and doubtful accounts	318.86	16.43	366.22	18.78	200.58	8.90
Loss on disposals of foreclosed assets	250.84	12.92	271.82	13.94	216.5	9.60
Expense allowance on investment loss in subsidiary	-	-	-	-	2,426.82	107.63
Total	1,259.42	64.88	1,234.56	63.31	3,427.48	152.01

For the year 2019, the Company's expenses before finance cost and corporate income tax were record at Baht 1,259.42 million which increased from the year 2018 of Baht 1,234.56 million or an increase of 27.86 million or 2.01% from the following factors:

- Service and administrative expenses was Baht 689.72 million, increasing by Baht 93.21 million or 15.63% compare to same period last year. An increasing was mainly from legal fees due to the ongoing litigation of Baht 171.51 million, increasing by Baht 111.69 million from 2018. However, other service and administrative expenses decreased by Baht 18.48 million.
- Bad debts and doubtful accounts were Baht 318.86 million, decreasing by Baht 47.36 million or 12.93% compare to 2018, resulting of a decrease in portfolios size in Thailand.
- Loss on disposal of foreclosed assets was Baht 250.84 million, decreasing by Baht 20.98 million or 7.72% compare to 2018, which resulted from the repossessed units decreased by 9% from 2018.

For the year 2018, the Company's expenses before finance cost and income tax expenses were record at Baht 1,234.56 million which decreased from the year 2017 of Baht 3,427.48 million, increased by 2,192.92 million or 63.98% from the following factors:

- Service and administrative expenses increased from Baht 583.58 million to Baht 596.51 million, representing an increase of Baht 12.93 million or 2.21%, resulting from an increase in legal fees due to the litigation.
- Bad debts and doubtful accounts were Baht 366.22 million, increasing by Baht 165.65 million or 82.59% compare to 2017, resulting of an increase in overdue portfolios in Thailand. However, management already took action to improve loan quality.
- Loss on disposal of foreclosed assets was Baht 271.82 million, increasing by Baht 55.32 million or 25.55%, which resulted from the increase in loan facility and increase in overdue of hire-purchase portfolio in Thailand.
- Expense allowance on investment loss in subsidiary decreased totally by Baht 2,426.82 million from Q3/2017 and no new provision had occurred after Q3/2017.

Finance cost

Consolidated financial statements

For the year 2019, finance cost was Baht 361.74 million, decreased by Baht 34.73 million or 8.76% from last year, resulting from the repayment of THB bond in Q3/2019.

For the year 2018, finance cost was Baht 396.48 million, decreasing by Baht 48.87 million, or 10.97%, compared to Baht 445.35 million in 2017, mainly resulting from a decrease in bank loans of GL and GLF Cambodia.

Separate financial statements

For the year 2019, finance cost was Baht 354.34 million, decreased by Baht 34.10 million or 8.78% from last year, resulting from the repayment of THB bond in Q3/2019.

For the year 2018, finance cost was Baht 388.44 million, decreasing by Baht 35.71 million, or 8.42%, compared to Baht 424.15 million in 2017, mainly resulting from a decrease in bank loans.

Net Profit

Consolidated financial statements

In 2019, the Company has a profit before financial cost and income tax of Baht 465.13 million decreased from 2017 by Baht 385.56 million or 45.13% , mainly the result of the legal fee and the impairment loss on PT Bank JTrust Indonesia Tbk.

After finance cost and corporate income tax, the company has a net loss of Baht 21.61 million in the year 2019 which increased of loss by 107.46% from 2018 which had a net profit of Baht 289.54 million.

In 2018, the Company has a profit before financial cost and income tax of Baht 847.69 million increased from net loss of the year 2017 by Baht 1,009.33 million or 183.99 % , mainly the result of no additional allowance.

After finance cost and corporate income tax, the company has a net profit of Baht 289.54 million in the year 2018 which increased by 118.02% from 2017, a net loss of Baht 1,607.05 million.

Separate financial statements

In 2019, the Company has a profit before financial cost and income tax of Baht 681.66 million decreased from 2018 by Baht 33.73 million or 4.72%, mainly the result of the legal fee.

After finance cost and corporate income tax, the company has a net profit of Baht 262.12 million in the year 2019 which increased by 9.94% from 2018 a net profit of Baht 238.41 million.

In 2018, the Company has a profit before financial cost and income tax of Baht 715.39 million increased from 2017 by Baht 1,888.05 million or 161.01%, mainly the result of no additional allowance for potential loss on investment in subsidiary.

After finance cost and corporate income tax, the company has a net profit of Baht 238.41 million in the year 2018 which increased by 114.21% from 2017 a net loss of Baht 1,678.27 million.

Financial Position

Total assets

Consolidated financial statements

As at the end of 2019, the Company had a total assets of Baht 12,724.49 million which decreased from the total assets of Baht 14,614.13 million at the end of 2018 or decrease of Baht 1,889.64 million or 12.93 %. The main assets of the company were the portfolios, comprising of motorcycle hire purchase receivables, loan receivables, microfinance receivables and consumer finance receivables under joint financing arrangements, were recorded at Baht 6,056.59 million (or 47.60% of total assets), which decreased by Baht 1,036.16 million or 14.61% from Baht 7,092.75 million at the end of the year 2018. The decrease in the portfolio was the new conservative strategy to decrease portfolio by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations.

As at the end of 2018, the Company had a total assets of Baht 14,614.13 million which decreased from the total assets of Baht 14,381.99 million at the end of 2017 or decrease of Baht 232.14 million or 1.61%. The main assets of the company were the portfolios, comprising of motorcycle hire purchase receivables, loan receivables, microfinance receivables and consumer finance receivables under joint financing arrangements, were recorded at Baht 7,092.75 million (or 48.53% of total assets), which decreased by Baht 281.38 million or 3.82% from Baht 7,374.14 million at the end of the year 2017. The decrease in the portfolio was the new conservative strategy to decrease portfolio by tightening our screening of potential customers to improve loan quality and to maximize efficiency of our operations.

The investment in associated company was Baht 1,976.90 million (or 13.53% of total assets) decreased by Baht 45.65 million or 2.26% from 2017 of Baht 2,022.55 million, mostly due to the appreciation of the Thai Baht against the Sri Lankan Rupee.

Separate financial statements

As at the end of 2019, the Company had total assets Baht 12,606.08 million which decreased by Baht 1,438.77 million or 10.24% from Baht 14,044.85 million at the end of 2018. Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 3,523.50 million (or 27.95% of total assets), decreased from Baht 4,220.00 million at the end of the year 2018 by Baht 696.50 million or 16.50%. Besides, the company's loan to and interest receivables from subsidiary were at Baht 4,790.20 million (39.00% of the total assets), decreased by Baht 727.57 million or 13.19% from Baht 5,517.78 million in 2018.

As at the end of 2018, the Company had total assets Baht 14,044.85 million which increased by Baht 362.67 million or 2.65% from Baht 13,682.18 million at the end of 2017. Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 4,220.00 million (or 30.05% of total assets), increased from Baht 4,119.34 million at the end of the year 2017 by Baht 100.66 million or 2.44%. Besides, the company's loan to and interest receivables from subsidiary were at Baht 5,517.78 million (39.29% of the total assets), increased by Baht 6.63 million or 0.12% from Baht 5,511.14 million in 2017.

Debt quality and provision of allowances for doubtful debts

Consolidated financial statements

The Company had set provision for the allowance for hire purchase receivable which is the main accounts receivable of the company as end of year 2019 Baht 5,104.69 million or 40.12% of the total assets. As at 31 December 2019, 2018, and 2017 are 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		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Not yet due	4,417.74	5,436.10	5,844.66	79.82	81.80	85.90	35.41	42.69	42.23	1	1	1
Past due												
1 month	410.00	416.30	400.00	7.41	6.26	5.88	33.36	29.86	26.48	8	7	7
2-3 months	296.97	328.84	245.47	5.37	4.95	3.61	81.02	77.39	40.24	27	24	16
4-6 months	158.96	204.65	135.65	2.87	3.08	1.99	80.07	98.32	43.50	50	48	32
7-9 months	105.92	146.87	95.33	1.91	2.21	1.40	76.23	99.49	45.06	72	68	47
10-12 months	104.53	106.10	80.93	1.89	1.60	1.19	84.80	79.68	51.63	81	75	64
over 12 months	40.41	6.68	2.04	0.73	0.10	0.03	38.95	6.35	1.77	96	95	87
Total	5,534.53	6,645.54	6,804.08	100.00	100.00	100.00	429.84	433.80	250.91	7.77	6.53	3.69

Allowance for doubtful debt

Consolidated financial statements

As of 2019, allowance for doubtful debt has amount Baht 429.84 million, decreased from Baht 433.80 million or 0.91%. This is the result that the management is being prudent by decrease portfolio by tightening our screening of potential customers to improve loan quality. The percentage of allowance had no significant change from 2018.

As of 2018, allowance for doubtful debt has amount Baht 433.80 million, increased from Baht 250.91 million or 72.89% which increasing on all of overdue level especially on overdue 2-3 months, overdue 4-6 months, overdue 7-9 months, and overdue 10-12 months. This is the result that the management is being prudent by increasing the percentage of allowance for portfolio in Thailand in the preparation for the TFRS 9.

Separate financial statements

The Company had set provision for the allowance for hire purchase receivable which is the main accounts receivable of the Company as of 2019, 2018, and 2017 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		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Not yet due	3,059.07	3,795.19	3,740.93	78.63	83.13	86.61	29.75	37.05	36.88	1	1	1
Past due												
1 month	289.53	256.62	229.13	7.44	5.62	5.30	28.31	25.23	22.70	10	10	10
2-3 months	225.40	208.98	158.80	5.79	4.58	3.68	66.19	61.64	31.49	30	30	20
4-6 months	112.17	136.46	79.89	2.88	2.99	1.85	65.94	80.60	31.72	60	60	40
7-9 months	81.94	93.07	56.25	2.11	2.04	1.30	64.40	73.61	33.56	80	80	60
10-12 months	84.12	72.87	52.56	2.16	1.60	1.22	74.58	65.06	41.87	90	90	80
over 12 months	38.34	2.27	1.52	0.99	0.04	0.04	37.90	2.27	1.52	100	100	100
Total	3,890.57	4,565.46	4,319.08	100.00	100.00	100.00	367.07	345.46	199.74	9.43	7.57	4.62

Allowance for doubtful debt

Separate financial statements

As of 2019, allowance for doubtful debt has amount Baht 367.07 million, increased from Baht 345.46 million or 6.26 % from the end of 2018. The percentage of allowance is the same with 2018.

As of 2018, allowance for doubtful debt has amount Baht 345.46 million, increased from Baht 199.74 million or 72.95% from the end of 2017 which increasing on all of overdue level. This is the result of an increasing in the percentage of allowance for overdue 2-3 months from 20% to 30%, overdue 4-6 months from 40% to 60%, overdue 7-9 months from 60% to 80%, and overdue 10-12 months from 80% to 90%. The management is being prudent by increasing the allowance in the preparation for the TFRS 9.

Liabilities

Consolidated financial statements

As of 2019, the Company's total liabilities were Baht 7,117.65 million which decreased by Baht 1,718.33 million or 19.45% from the year 2018 of Baht 8,835.92 million which resulting from the repayment of THB bond in Q3/2019.

As of 2018, the Company's total liabilities were Baht 8,835.92 million which increased by Baht 179.61 million or 2.07% from the year 2017 recording at Bath 8,656.38 million which most of liabilities were debentures and convertible debentures.

Separate financial statements

As of 2019, the Company's total liabilities were Baht 6,777.13 million decreased by Baht 1,700.89 million or 20.06% from the year 2018 of Baht 8,478.01 million which resulting from the repayment of THB bond in Q3/2019.

As of 2018, the Company's total liabilities were Baht 8,478.01 million increased by Baht 128.10 million or 1.53% from the year 2017 of Baht 8,349.92 million which most of liabilities were debentures and convertible debentures.

Shareholders' Equity

Consolidated financial statements

As of 2019, the Company's shareholders' equity recorded at Baht 5,481.25 million which comprised of the issued, paid-up capital, share premium and the retained earnings of Baht 191.93 million, which increased by Baht 32.23 million from 2018. The overall company's shareholders' equity was decreased from net loss for the year by Baht 32.88 million and decreased from translating foreign operation by Baht 140.73 million.

As of 2018, the Company's shareholders' equity recorded at Baht 5,654.10 million which comprised of the issued, paid-up capital, share premium and the retained earnings of Baht 224.17 million, which increased by Baht 279.30 million. The overall company's shareholders' equity was increased mainly from the net profit for the year by Baht 281.79 million.

Separate financial statements

As of 2019, the Company's shareholders' equity recorded at Baht 5,828.95 million which comprised of the issued and paid-up capital Baht 762.77 million, share premium Baht 5,192.67 million, and the accumulated deficit of Baht 185.95 million, increasing by Baht 262.12 million or 18.51% from the net profit for the year. The overall shareholders' equity increased by Baht 262.12 million or 4.71 from the year 2018.

As of 2018, the Company's shareholders' equity recorded at Baht 5,566.83 million which comprised of the issued and paid-up capital Baht 762.77 million, share premium Baht 5,192.67 million, and the accumulated deficit of Baht 480.86 million, increasing by Baht 234.58 million or 30.27% from the net profit for the year. The overall shareholders' equity increased by Baht 234.58 million or 4.40 from the year 2017.

Liquidity

Consolidated financial statements

As of the year 2019, the Company has the cash and cash equivalent decreased by Baht 653.49 million showing an outstanding balance of the cash and cash equivalent of Baht 3,094.52 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities Baht 1,179.72 million, of which Baht 1,180.43 million was from the net profit of the operating result before assets and liabilities changes.

The Company's net cash flow used in investment activities was Baht 21.67 million, which Baht 89.95 million was for acquisition of increase in current investment and interest received by Baht 70.99 million.

The Company's net cash flow used in financing activities was Baht 1,522.16 million, which Baht 1,500.00 million were from the repayment of THB bond.

As of the year 2018, the Company has the cash and cash equivalent increased by Baht 665.10 million showing an outstanding balance of the cash and cash equivalent of Baht 3,745.00 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities Baht 917.58 million, of which Baht 1,603.20 million was from the net profit of the operating result before assets and liabilities changes. Motorcycle hire purchase receivables, loan receivables, microfinance receivables and consumer finance receivables under joint financing arrangements increased 269.40 million. Long-term disputed loan and Long-term loan and interest receivables were decreased Baht 11.92 million, cash paid for interest expense was Baht 84.45 million.

The Company's net cash flow from investing activities was Baht 54.92 million, which Baht 29.75 million was from the decrease in current investment, cash paid for the acquisitions of equipment and intangible asset which Baht 55.42 million, interest received Baht 58.98 million and dividend received Baht 13.79 million.

The Company's net cash flow used in financing activities was Baht 153.55 million, which Baht 107.05 million were from the repayment of long-term loans, decreasing in short-term loans from financial institutions Baht 65.24 million and decreasing in short-term loan from relate parties of Baht 18.74 million.

Separate financial statements

As of the year 2019, the Company has the cash and cash equivalent decreased by Baht 43.91 million showing the year end outstanding balance of Baht 365.98 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities was at Baht 804.78 million, consisting of Baht 815.88 million from the net profit of the operating result before assets and liabilities changes. With the motorcycle hire purchase receivables decreased of Baht 377.64 million, the assets foreclosed increased of Baht 264.74 million and cash paid for interest expense Baht 70.29 million.

The Company's net cash flow from investment activities was Baht 651.31 million, consisting of the increased of long-term loan to subsidiary by Baht 450.00 million, Cash received from short-term loan to subsidiaries of Baht 780.99 million and interest received Baht 322.47 million.

The Company's net cash flow used in financing activities was Baht 1,500.00 million, which were totally from the repayment of THB bond.

As of the year 2018, the Company has the cash and cash equivalent increased by Baht 289.95 million showing the year end outstanding balance of Baht 409.89 million. The net cash flows received and used in each activity were as follows:

The Company's net cash flow from operating activities was at Baht 240.84 million, consisting of Baht 1,005.28 million, from the net profit of the operating result before assets and liabilities changes. With the motorcycle hire purchase receivables increased of Baht 466.88 million, the assets foreclosed increased of Baht 267.03 million and cash paid for interest expense Baht 76.27 million.

The Company's net cash flow from investing activities was Baht 89.11 million, consisting of cash received from liabilities settlement within the group Baht 111.89 million, acquisitions of equipment and intangible asset of Baht 23.69 million and interest received Baht 0.74 million.

The Company's net cash flow used in financing activities was Baht 40.00 million, which Baht 40.00 million were from the repayment of long-term loans from subsidiary.

Capital Structure

Consolidated financial statements

For the capital structure at the end of the years 2019, 2018 and 2017, the Company's debt to equity ratio was 1.27, 1.53 and 1.51 times, respectively. Compared to 2018, the debt to equity ratio has decreased because of the repayment of THB bond during 2019. Total equity slightly changed from 2018.

Separate financial statements

For the capital structure at the end of the years 2019, 2018 and 2017, the Company's debt to equity ratio were 1.16, 1.52, and 1.57 times, respectively. Compared to 2018, the debt to equity ratio has decreased because of the repayment of THB bond during 2019. Total equity slightly increased from 2018 due to profit for the year.

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. For the year 2019, the overall economy is still slowdown. In addition, higher household debt causes the company to use new conservative strategy by tightening our screening of potential customers to improve loan quality.

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, 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 other vehicles hire purchase business, and microfinance business to the regional country in Asian, to enlarge the market share, increasing profit and risk diversify. As hire purchase and microfinance business in many Asian countries are in a growing stage and has a potential to grow even bigger.

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 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 31 December, 2019 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
28 February, 2020



GROUP LEASE PUBLIC COMPANY LIMITED
and its subsidiaries

**Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report**

Group Lease Public Company Limited and its subsidiaries
Financial statements for the year ended
31 December 2019

Independent Auditor's Report

To the Shareholders of Group Lease Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Group Lease Public Company Limited and its subsidiaries (the “Group”) and of Group Lease Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Emphases of Matters

- I draw attention to Note 10 of the consolidated financial statements relating to corporate loan and interest receivables. On 19 October 2017, the Company received a request from the SEC to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by the Securities and Exchange Commission (“SEC”) to the Department of Special Investigation (“DSI”) on 16 October 2017 against a former executive director in relation to allegations of fraud, misappropriation of the Company’s assets and falsifying accounting records by executing concealed transactions through several associated companies abroad to exaggerate the Group’s operating results. As a result, the Company established a full provision against these and other loans and interest receivable and will record any future recoveries in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but is not aware of any further consequences to the Company which may arise.
- I draw attention to Note 34 of the consolidated financial statements relating to litigation cases. The Group is the defendant in several legal cases actioned by the substantial convertible debenture holder of the Company and its related companies alleging – misrepresentation of the financial status of the Company and defamation; misrepresentation of the financial position of the Company’s subsidiary in Singapore; and breach of a joint finance agreement by the Company’s subsidiary in Indonesia; – and claiming rehabilitation of the Company, monetary compensation and interest. The Group has filed counter actions, and preliminary hearings and discovery proceedings on these actions are in progress. The ultimate outcome of the above matters cannot presently be determined. The management considers that no further provision for any liability, impairment of assets or reclassification of convertible debenture is required in the financial statements.

My opinion is not modified in respect of these matters.

Material Uncertainty Related to Going Concern

I draw attention to the legal cases as discussed in previous paragraph as actioned by the substantial convertible debenture holder and related matters which may affect the Group’s ability to comply with debt service coverage, raise funding or maintain adequate liquidity in the future. Presently, the management believes that those cases will not affect the going concern of the Group. However, there are still uncertainties regarding the outcome of the cases which is subject to the final verdict of the court of justice. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Allowance for doubtful accounts of hire-purchase receivables, loan receivables and microfinance receivables	
Refer to Note 3, 6, 7 and 8	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, the Group has hire-purchase receivables, loan receivables, and microfinance receivables were amounting to Baht 6,050 million, approximately 48 % of the Group's total assets.</p> <p>Hire-purchase, loan and microfinance are core businesses of the Group. The allowance for doubtful accounts of these receivables involves a management judgement on the assumptions including the customer's repayment ability and the estimated recoverable amount from the repossessed assets.</p> <p>Consequently, I consider this to be a key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the process of estimation and accounting policy for allowance for doubtful accounts and assessing whether it is reasonable; • Evaluating the customer's ability of repayments by considering the historical and subsequent period repayments; • Evaluating the estimated recovery amount of repossessed assets by considering the historical possibility of repossession and recovery amount of repossessed assets; • Testing the calculation of allowance for doubtful accounts and underlying data used including receivable aging; • Considering the adequacy of disclosures in accordance with relevant Thai Financial Reporting Standards.

Valuation of investment in associate in Sri Lanka	
Refer to Note 3 and 12	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, the net carrying amount of the investment in associate was Baht 1,767 million which comprises of the carrying amount based on equity method amounting to Baht 2,349 million (which included goodwill from acquisition amounting to Baht 1,322 million) and impairment loss of investment amounted to Baht 582 million.</p> <p>The management had estimated the recoverable amount of the investment in associate based on residual income approach.</p> <p>The valuation of investment in associate involves a high degree of management judgment on estimating the residual income that is expected to be generated in the future, and determining an appropriate cost of equity and terminal growth rate.</p> <p>Consequently, I consider this to be a key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the process of estimation and accounting policy for impairment loss of investment and assessing whether it is reasonable; • Evaluating the assumptions used in estimating the residual income that is expected to be generated in the future by comparing these assumptions to external source and business plan; • Evaluating the reasonableness of the financial parameters applied to determine cost of equity and terminal growth rate; • Testing mathematical accuracy of the residual income approach model and performing sensitivity analysis on the key assumptions; • Considering the adequacy of disclosures in accordance with relevant Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of Group Lease Public Company Limited and its subsidiaries and of Group Lease Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, which are included as comparative information, were audited by another auditor who expressed a qualified opinion on those statements on 27 February 2019 due to limitations by circumstances, pending investigation of the Department of Special Investigation and legal process and subject to the outcome on the degree of recovery of the Group's assets alleged by the SEC, resulting in her being unable to determine the appropriateness of the loans, interest income and provision for losses and unable to conclude whether there should be more adjustment on the past financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2020

CONTENTS

	Page
Financial statements	
Statement of financial position	107
Statement of comprehensive income	109
Statement of changes in shareholders' equity	111
Statement of cash flows	113
Notes to financial statements	
1. General information	115
2. Basis of preparation of the financial statements	115
3. Significant accounting policies	117
4. Related parties	129
5. Cash and cash equivalents	132
6. Hire purchase receivables	132
7. Loan receivables	135
8. Microfinance receivables	137
9. Consumer finance receivables under joint financing arrangements	138
10. Corporate loans and interest receivables	141
11. Assets foreclosed	142
12. Investment in associate	143
13. Investment in subsidiaries	146
14. Non-controlling interests	148
15. Other long-term investments	150
16. Property, plant and equipment	151
17. Intangible assets	154
18. Goodwill	157
19. Deposit from customers	158
20. Interest-bearing liabilities	158
21. Other payables	159
22. Debentures	160
23. Convertible debentures	160
24. Provisions for employee benefits	161
25. Reserves	164

	Page
26. Segment information	165
27. Expenses by nature	166
28. Finance costs	167
29. Hedge accounting for net investment in foreign operations	167
30. Income tax	168
31. Earnings (loss) per share	172
32. Financial instruments	172
33. Commitments with non-related parties	178
34. Contingencies	178
35. Thai Financial Reporting Standards (TFRS) not yet adopted	188
36. Reclassification of accounts	190

Group Lease Public Company Limited and its subsidiaries
Statement of financial position As at 31 December 2019

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets		2019	2018	2019	2018
		(in thousand Baht)			
Current assets					
Cash and cash equivalents	5	3,091,515	3,745,003	365,980	409,893
Current investments		105,646	18,049	-	-
Current portion of hire purchase receivables	6	2,942,550	3,535,365	1,979,097	2,206,919
Current portion of loan receivables	7	232,754	282,243	-	-
Current portion of microfinance receivables	8	626,833	554,319	-	-
Current portion of consumer finance receivables					
under joint financing arrangements	9	6,086	5,355	-	-
Current portion of disputed corporate loans	10	-	-	-	-
Current portion of corporate loans and interest receivables	10	41,055	42,123	-	-
Inventories		305	281	-	-
Assets foreclosed	11	59,555	61,284	16,201	8,667
Short-term loan to and interest receivables from subsidiaries	4	-	-	144,127	209,983
Other receivables	4	120,361	89,327	71,707	42,181
Other current assets	4	219,580	141,576	35,381	37,143
Total current assets		7,446,240	8,474,925	2,612,493	2,914,786
Non-current assets					
Pledged fixed deposit at financial institution		343	5,850	343	340
Investment in associate	12	1,766,759	1,976,903	-	-
Investments in subsidiaries	13	-	-	3,590,302	3,590,302
Other long-term investments	4, 15	535,509	670,996	-	-
Long-term portion of hire purchase receivables	6	2,162,135	2,676,394	1,544,400	2,013,078
Long-term portion of loan receivables	7	64,200	13,044	-	-
Long-term portion of microfinance receivables	8	21,707	6,718	-	-
Long-term portion of consumer finance receivables					
under joint financing arrangements	9	322	19,311	-	-
Long-term portion of loans to subsidiaries	4	-	-	4,646,075	5,307,792
Property, plant and equipment	16	91,344	118,880	52,622	60,849
Intangible assets	17	103,991	116,810	67,865	79,031
Goodwill	18	317,868	336,772	-	-
Deferred tax assets	30	134,623	122,464	57,578	44,194
Other non-current assets		79,451	75,065	34,399	34,475
Total non-current assets		5,278,252	6,139,207	9,993,584	11,130,061
Total assets		12,724,492	14,614,132	12,606,077	14,044,847

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

Group Lease Public Company Limited and its subsidiaries
Statement of financial position (continued) As at 31 December 2019

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in thousand Baht)			
Current liabilities					
Trade accounts payable		6,936	10,208	1,176	1,498
Deposits from customers	19	57,362	40,624	-	-
Short-term loans and interest payable	20	18,216	19,603	-	-
Current portion of long-term loans	20	-	22,387	-	-
Current portion of debentures	22	-	1,486,811	-	1,486,811
Current portion of convertible debentures under court cases	4, 23	1,476,772	-	1,476,772	-
Current portion of convertible debentures - other	23	590,700	-	590,700	-
Income tax payable		27,191	84,401	-	27,568
Insurance premium payables		10,664	9,448	5,189	8,274
Other payables	4, 21	834,858	539,400	710,644	440,337
Other current liabilities	4	114,192	129,371	59,811	63,127
Total current liabilities		3,136,891	2,342,253	2,844,292	2,027,615
Non-current liabilities					
Convertible debentures under court cases	4, 23	3,909,559	5,794,581	3,909,559	5,794,581
Convertible debentures - other	23	-	635,360	-	635,360
Provisions for long-term employee benefits	24	21,213	18,394	21,213	18,394
Deferred tax liabilities	30	47,923	43,215	-	-
Cash guarantee for damage on hire purchase agreements		2,064	2,180	2,064	2,063
Total non-current liabilities		3,980,759	6,493,730	3,932,836	6,450,398
Total liabilities		7,117,650	8,835,983	6,777,128	8,478,013
Equity					
Share capital					
Authorised share capital					
1,845,090,080 common shares of Baht 0.50 each		922,545	922,545	922,545	922,545
Issued and paid-up share capital					
1,525,538,158 common shares of Baht 0.50 each		762,769	762,769	762,769	762,769
Share premium		5,192,673	5,192,673	5,192,673	5,192,673
Retained earnings (Deficit)					
Appropriated					
Legal reserve	25	92,255	92,255	92,255	92,255
Unappropriated (Deficit)		99,683	131,911	(278,206)	(540,321)
Other components of equity		(666,134)	(525,505)	59,458	59,458
Equity attributable to owners at the parent		5,481,246	5,654,103	5,828,949	5,566,834
Non-controlling interests	14	125,596	124,046	-	-
Total equity		5,606,842	5,778,149	5,828,949	5,566,834
Total liabilities and equity		12,724,492	14,614,132	12,606,077	14,044,847

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

Group Lease Public Company Limited and its subsidiaries
Statement of comprehensive income For the year ended 31 December 2019

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue					
Hire purchase interest income		1,766,060	2,055,274	1,229,272	1,330,316
Loan interest income		114,746	160,589	-	-
Microfinance interest income		179,216	159,210	-	-
Consumer finance under joint financing arrangements interest income		4,372	44,916	-	-
Corporate loan interest income		1,966	1,870	-	-
Hire purchase service fee income		89,923	86,020	-	-
Revenue from sales of goods		5,462	8,442	-	-
Other interest income	4	76,158	60,629	363,676	372,393
Management fee	4	-	-	102,000	84,000
Other income related to the activities of hire purchase		240,126	232,017	129,565	128,048
Other income related to the activities of microfinance		11,709	10,754	-	-
Gain on exchange rate		-	-	104,801	13,352
Other income	4	23,082	32,995	11,768	21,837
Total revenue		2,512,820	2,852,716	1,941,082	1,949,946
Expenses					
Service and administrative expenses	4, 27	1,256,091	1,218,851	689,716	596,508
Bad and doubtful debt expenses		428,253	560,314	318,862	366,224
Cost of sales of goods		4,693	7,643	-	-
Impairment losses on other investment	15	135,487	-	-	-
Loss on disposals of assets foreclosed		286,829	329,158	250,841	271,823
Total expenses		2,111,353	2,115,966	1,259,419	1,234,555
Share of profit from investment in associate	12	63,664	110,936	-	-
Profit before finance cost and income tax expenses		465,131	847,686	681,663	715,391
Finance cost	4, 28	(361,743)	(396,477)	(354,339)	(388,440)
Profit before income tax expenses		103,388	451,209	327,324	326,951
Income tax expenses	30	(124,995)	(161,673)	(65,209)	(88,544)
Profit (loss) for the year		(21,607)	289,536	262,115	238,407

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

Group Lease Public Company Limited and its subsidiaries
 Statement of comprehensive income (continued) For the year ended 31 December 2019

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Other comprehensive income (expense)					
<i>Components of other comprehensive income that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations	29	(96,832)	(93,189)	-	-
Share of other comprehensive income (expense) of associate	12	(45,395)	(138,321)	-	-
Total items that will be reclassified subsequently to profit or loss		(142,227)	(231,510)	-	-
<i>Components of other comprehensive income that will not be reclassified subsequently to profit or loss</i>					
Share of other comprehensive income (expense) of associate	12	750	(1,661)	-	-
Actuarial loss - net of income tax		-	(3,832)	-	(3,832)
Total items that will not be reclassified subsequently to profit or loss		750	(5,493)	-	(3,832)
Other comprehensive income (expense) for the year		(141,477)	(237,003)	-	(3,832)
Total comprehensive income (expense) for the year		(163,084)	52,533	262,115	234,575
Profit (loss) attributable to:					
Owners of the parent		(32,880)	281,794	262,115	238,407
Non-controlling interests	14	11,273	7,742	-	-
Profit (loss) for the year		(21,607)	289,536	262,115	238,407
Total comprehensive income (expense) attributable to:					
Owners of the parent		(172,857)	53,926	262,115	234,575
Non-controlling interests		9,773	(1,393)	-	-
Total comprehensive income (expense) for the year		(163,084)	52,533	262,115	234,575
Basic earnings (loss) per share (in Baht)	31	(0.022)	0.185	0.172	0.156

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

Group Lease Public Company Limited and its subsidiaries

Consolidated financial statements

Note	Retained earnings (Deficit)				Other components of equity								
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Revaluation					Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
					Gains (losses) on remeasuring available-for-sale from associate	deficit on land and building from associate	Translating foreign operation	Convertible debentures - equity component					
(in thousand Baht)													
Year ended 31 December 2018													
Balance at 1 January 2018	762,769	5,192,673	92,255	(144,390)	2,581	352	(365,521)	59,458	(303,130)	5,600,177	125,439	5,725,616	
Profit for the year	-	-	-	281,794	-	-	-	-	-	281,794	7,742	289,536	
Other comprehensive income (expense) for the year	-	-	-	(5,493)	(554)	-	(221,821)	-	(222,375)	(227,868)	(9,135)	(237,003)	
Total comprehensive income for the year	-	-	-	276,301	(554)	-	(221,821)	-	(222,375)	53,926	(1,393)	52,533	
Balance as at 31 December 2018	762,769	5,192,673	92,255	131,911	2,027	352	(587,342)	59,458	(525,505)	5,654,103	124,046	5,778,149	
Year ended 31 December 2019													
Balance as at 1 January 2019	762,769	5,192,673	92,255	131,911	2,027	352	(587,342)	59,458	(525,505)	5,654,103	124,046	5,778,149	
Profit (loss) for the year	-	-	-	(32,880)	-	-	-	-	-	(32,880)	11,273	(21,607)	
Other comprehensive income (expense) for the year	-	-	-	652	450	(352)	(140,727)	-	(140,629)	(139,977)	(1,500)	(141,477)	
Total comprehensive income (expense) for the year	-	-	-	(32,228)	450	(352)	(140,727)	-	(140,629)	(172,857)	9,773	(163,084)	
Dividend paid	14	-	-	-	-	-	-	-	-	-	(8,223)	(8,223)	
Balance as at 31 December 2019	762,769	5,192,673	92,255	99,683	2,477	-	(728,069)	59,458	(666,134)	5,481,246	125,596	5,606,842	

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

Group Lease Public Company Limited and its subsidiaries
 Statement of changes in equity (continued) For the year ended 31 December 2019

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Retained earnings (Deficit)		Other components of equity	
			Legal reserve	Unappropriated (Deficit)	Convertible debentures	
					- equity component	
			(in thousand Baht)			
Year ended 31 December 2018						
Balance as at 1 January 2018	762,769	5,192,672	92,255	(774,896)	59,458	5,332,258
Profit and other comprehensive income for the year	-	-	-	234,575	-	234,575
Shares options exercised	-	1	-	-	-	1
Balance as at 31 December 2018	762,769	5,192,673	92,255	(540,321)	59,458	5,566,834
Year ended 31 December 2019						
Balance as at 1 January 2019	762,769	5,192,673	92,255	(540,321)	59,458	5,566,834
Profit and other comprehensive income for the year	-	-	-	262,115	-	262,115
Balance as at 31 December 2019	762,769	5,192,673	92,255	(278,206)	59,458	5,828,949

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

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit before income tax expenses	103,388	451,209	327,324	326,951
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation and amortisation	51,417	54,659	21,316	21,993
Bad and doubtful debts expenses	428,253	574,526	318,862	371,158
Loss on disposals of assets foreclosed	286,829	329,158	250,841	271,823
(Gain) loss on diminution in value of assets foreclosed	6,740	(2,023)	6,360	(1,150)
Reversal of allowance on other receivables	(7,396)	(20,374)	-	-
Reversal of allowance on other current assets	-	(38,825)	-	-
Impairment losses on other investment	135,487	-	-	-
(Gain) loss on disposal and write-off assets	59	2,821	3	(116)
Loss on write-off of intangible assets	-	9,075	-	7,769
Unrealised (gain) loss on exchange	(54,498)	14,072	(107,718)	(13,190)
Provision for long-term employee benefits	8,228	3,992	8,228	3,992
Share of profit from investment in associate	(63,664)	(110,936)	-	-
Other interest income	(76,158)	(60,629)	(363,676)	(372,393)
Interest expenses	346,233	376,916	338,829	368,910
Amortised front end fees of loans	-	31	-	-
Amortised transaction cost of debentures	13,190	17,220	13,190	17,220
Amortised transaction cost of convertible debentures	2,320	2,309	2,320	2,309
	1,180,428	1,603,201	815,879	1,005,276
<i>Changes in operating assets and liabilities</i>				
Hire purchase receivables	688,559	(173,502)	377,638	(466,884)
Loan receivables	(14,929)	30,110	-	-
Microfinance receivables	(95,611)	(156,692)	-	-
Consumer finance receivables under joint financing arrangements	18,390	30,685	-	-
Corporate loans and interest receivables	1,007	11,916	-	-
Inventories	(24)	(238)	-	-
Assets foreclosed	(291,828)	(300,400)	(264,735)	(267,031)
Other receivables	(32,362)	9,913	(28,883)	(31,568)
Other current assets	(130,481)	85,739	3,433	53,650
Other non-current assets	(4,368)	(10,645)	88	(4,322)
Trade accounts payables	(3,274)	5,283	(322)	9
Deposit from customers	16,738	17,718	-	-
Insurance premium payables	1,216	285	(3,085)	3,480
Other payables	64,927	(19,233)	39,146	68,696
Other current liabilities	962	(9,052)	(3,316)	(13,172)
Derivatives liabilities	-	(605)	-	-
Cash guarantee for damage on hire purchase agreements	(116)	-	-	-
Net cash generated from operating activities	1,399,234	1,124,483	935,843	348,134
Long-term employee benefits paid	(5,409)	(2,156)	(5,409)	(2,156)
Interest paid	(77,702)	(84,448)	(70,287)	(76,274)
Income tax paid	(136,404)	(120,304)	(55,366)	(28,864)
Net cash from operating activities	1,179,719	917,575	804,781	240,840

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

Group Lease Public Company Limited and its subsidiaries
Statement of cash flows (continued) For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
(Increase) decrease in current investment	(89,949)	29,751	-	-
(Increase) decrease in pledged fixed deposits at financial institution	5,507	5,797	(3)	(3)
(Increase) Decrease in accounts receivable and loans to employees	(224)	40	(224)	40
Long-term loans to subsidiaries	-	-	(450,000)	-
Acquisitions of equipments	(7,161)	(30,126)	(1,126)	(3,840)
Aquisitions of intangible assets	(8,974)	(25,297)	(800)	(19,847)
Proceeds from sales of equipment	321	1,985	-	131
Cash received from liabilities settlement within the group	-	-	-	111,889
Cash received from short-term loan to subsidiaries	-	-	780,994	-
Dividend received	16,040	13,791	-	-
Dividend paid to minority interest of subsidiary	(8,223)	-	-	-
Interest received	70,992	58,976	322,465	741
Net cash from (used in) from investing activities	(21,671)	54,917	651,306	89,111
<i>Cash flows from financing activities</i>				
Decrease in short-term loans from financial institutions	-	(65,239)	-	-
Proceeds from short-term loans	-	18,739	-	-
Repayment of long-term loans from subsidiary	-	-	-	(40,000)
Repayment of long-term loans	(22,155)	(107,049)	-	-
Repayment of debentures	(1,500,000)	-	(1,500,000)	-
Cash received from exercise of warrants	-	1	-	1
Net cash used in financing activities	(1,522,155)	(153,548)	(1,500,000)	(39,999)
 Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates	(364,107)	818,944	(43,913)	289,952
Effect of exchange rate changes on cash and cash equivalents	(289,381)	(153,842)	-	-
Net increase (decrease) in cash and cash equivalents	(653,488)	665,102	(43,913)	289,952
Cash and cash equivalents at 1 January	3,745,003	3,079,901	409,893	119,941
Cash and cash equivalents at 31 December	3,091,515	3,745,003	365,980	409,893
 Non-cash items				
Transferred equipment to assets foreclosed	13	115	-	-
Transferred assets foreclosed to equipment	-	41	-	-
Settlement of interest receivables between GL and the group	-	-	-	270,322
Settlement of other current liabilities between GL and the group	-	-	-	94
Settlement of other payables between GL and the group	-	-	-	174,069
Settlement of other receivables between GL and the group	-	-	-	11,777

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

Group Lease Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2020.

1 General information

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

The Company’s major shareholder during the financial year was Engine Holdings Asia Pte. Ltd. (incorporated in Singapore), which is a subsidiary company of Wedge Holdings Company Limited (incorporated in Japan) and A.P.F. Holding Company Limited (incorporated in Thailand).

The Company and its subsidiaries (the “Group”) are principally engaged in the activity of hire purchase and lending. Overseas subsidiaries principally provide services relating to business management, consulting including financing services to the corporates, other investment holding company, hire purchase, microfinance business and consumer finance business under joint financing arrangements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements.

The Group has initially applied TFRS 15 Revenue from Contracts with Customers (“TFRS 15”) which replaces TAS 18 Revenue (“TAS 18”) and related interpretations. The details of accounting policies are disclosed in note 4.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

(b) Basis of measurement

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

(c) *Functional and presentation currency*

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

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 6	Hire purchase receivables
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(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 6 - 10	Allowance for doubtful debts
Note 12, 13, 18	Impairment testing
Note 24	Defined benefit obligations
Note 34	Contingencies

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

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

As disclosed in Note 34, actions by the substantial convertible debenture holder and related matters may affect the Group's ability to comply with debt service coverage, raise funding or maintain adequate liquidity in the future. Presently, the management believes that those cases will not affect the going concern of the Group. However, there are still uncertainties regarding the outcome of the cases which is subject to the final verdict of the court of justice.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective are recognized in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

(c) Hedging

Hedge of net investment in foreign operation

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

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

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

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions.

(e) Hire purchase receivables and loan receivables

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

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

The Group provide allowance for doubtful accounts for hire purchase receivables and 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.

(f) Microfinance receivables

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

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

(g) Consumer finance receivables under joint financing arrangements

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

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

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

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

(h) Corporate loans and interest receivables

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

The Group provide allowance for doubtful accounts for corporate 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.

(i) Inventories

Inventories are measured at the lower of cost (under the specific identification method) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(j) Assets foreclosed

Assets foreclosed are measured at the the lower of cost (which mostly comprises the net outstanding balance) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(k) Investments

Investments in associate and subsidiaries

Investment in associate and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associate in the consolidated financial statements are accounted for using the equity method.

Interests in associate are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Investments in equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(l) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation of buildings and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of asset. The estimated useful lives are as follows:

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

Depreciation of computers and motor vehicles is charged to profit or loss on a sum of the years digits basis over the estimated useful lives of each component of an item of asset. The estimated useful lives are 3-5 years.

No depreciation is provided on land.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(m) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful 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.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Exclusive right agreement	5 years 10 months
Computer software	3 and 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(n) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(p) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(q) Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(s) Measurement of fair values

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

- *Level 1:* quoted prices in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3:* inputs for the asset or liability that are based on unobservable input.

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

(t) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(u) Revenue

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.

Loan interest income

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

Microfinance interest income

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

Consumer finance under joint financing arrangements interest income

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

Interest on corporate loan receivables

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

Other interest income

Other interest income is recognized on an accrual basis, based on the interest rate of contract agreement.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised as the services are provided.

Dividends

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

(v) Finance cost

Interest expenses

Interest expenses are charged to profit or loss for the period in which they are incurred.

Commissions and direct expenses of the hire purchase business

The Group 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.

(w) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(y) Related parties

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) Segment reporting

Segment results that are reported to the Group's CFO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly Share of profit from investment in associate, financial cost and income tax expenses.

4 Related parties

Relationships with associate and subsidiaries are described in Notes 12 and 13. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Asia Partnership Fund Pte. Ltd.	Singapore	Company's director is major shareholder of that company / Common director
A.P.F. Group Co., Ltd.	British Virgin Islands	Company's director is major shareholder of that company / Common director
APF Trading Plc.	Cambodia	Common director with subsidiary
Engine Holdings Asia Pte. Ltd.	Singapore	Company's director is major shareholder of that company / Common director
Cambodian People Micro Insurance PLC.	Cambodia	Common director with the Company and subsidiary
J Trust Co., Ltd.	Japan	Ultimate parent company of shareholder of subsidiary
JTrust Asia Pte. Ltd.	Singapore	Shareholder of subsidiary
PT Bank JTrust Indonesia Tbk.	Indonesia	Shareholder of subsidiary
Wedge Holdings Co., Ltd.	Japan	Company's director is major shareholder of that company / Common director
Showa Holdings Co., Ltd.	Japan	Company's director is major shareholder of that company / Common director
Century Finance Co., Ltd.	Myanmar	Common director with subsidiary
PT Showa Rubber Indonesia	Indonesia	Common director with the Company

Significant transactions for the year ended 31 December 2019 and 2018 with related parties were as follows:

		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	Pricing policy	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>					
Other interest income	5.50% - 7.00% per annum	-	-	361,773	371,652
Management fee	Contract rate	-	-	102,000	84,000
Other income	Contract rate	-	-	3,520	4,189
Interest expenses	7.00% per annum	-	-	-	1,273
Service and administrative expenses	Contract rate	-	-	628	655
<i>Other related parties</i>					
Other interest income	6.50% per annum	11,503	11,974	-	-
Other income	Contract rate	1,152	5,816	-	-
Interest expenses	5.00% per annum	280,210	292,428	280,210	292,428
Service and administrative expenses	Contract rate	1,483	-	-	-
<i>Key management personnel compensation</i>					
Short-term employee benefits		62,829	72,628	19,719	25,914
Post-employment benefits		-	2,685	-	2,685
Total key management personnel compensation		62,829	75,313	19,719	28,599

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

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
<i>(% per annum)</i>						
<i>(in thousand Baht)</i>						
<i>Short-term loans</i>						
Subsidiaries	7.00	7.00	-	-	-	49,300
<i>Interest receivables from related parties</i>						
Subsidiaries	5.50 - 7.00	7.00	-	-	144,127	160,683
Total short-term loans to related parties			-	-	144,127	209,983
<i>Long-term loans</i>						
Subsidiaries	5.50 - 7.00	7.00	-	-	4,646,075	5,307,792
Total long-term loans to related parties			-	-	4,646,075	5,307,792
Total loans and interest receivables to related parties			-	-	4,790,202	5,517,775

Movements during the year ended 31 December 2019 and 2018 of loans and interest receivables to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	5,517,775	5,511,143
Increase	-	-	759,313	315,904
Decrease	-	-	(1,102,205)	(273,771)
Loss from exchange rate	-	-	(384,681)	(35,501)
At 31 December	-	-	4,790,202	5,517,775
Other receivables				
Subsidiaries	-	-	65,169	37,431
Key management personnel	558	1,863	-	-
Other related parties	173,262	189,635	-	-
	173,820	191,498	65,169	37,431
<i>Less: allowance for doubtful accounts</i>	<i>(157,718)</i>	<i>(176,951)</i>	<i>-</i>	<i>-</i>
Net	16,102	14,547	65,169	37,431
Other current assets				
Other related parties	171,520	76,470	-	-
Other long-term investments				
Other related parties	607,220	607,220	-	-
<i>Less: allowance for investment loss - PT Bank JTrust Indonesia Tbk.</i>	<i>(135,487)</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total	471,733	607,220	-	-
Other payables				
Subsidiaries	-	-	401	561
Other related parties	646,136	403,247	646,136	403,247
Total	646,136	403,247	646,537	403,808
Other current liabilities				
Subsidiaries	-	-	289	562
Key management personnel	84	82	-	-
Other related parties	6,310	3,453	-	-
Total	6,394	3,535	289	562
Convertible debenture - before transaction cost				
Other related parties	5,433,801	5,844,051	5,433,801	5,844,051

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	2,946	4,880	265	229
Cash at banks – current accounts	631,195	1,077,276	113,979	36,289
Cash at banks – saving accounts	336,340	526,174	251,736	373,375
Cash at banks – fixed deposit accounts	2,121,034	2,136,673	-	-
Cash and cash equivalents	3,091,515	3,745,003	365,980	409,893

6 Hire purchase receivables

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

	Current portion hire purchase receivables		Non-current portion hire purchase receivables		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Normal receivables						
Hire purchase receivables	3,889,734	4,903,625	2,762,698	3,466,378	6,652,432	8,370,003
Accrued hire purchase income	154,433	173,066	-	-	154,433	173,066
Less: Unearned hire purchase income, net	(1,150,574)	(1,550,085)	(542,102)	(713,452)	(1,692,676)	(2,263,537)
Total normal receivables	2,893,593	3,526,606	2,220,596	2,752,926	5,114,189	6,279,532
Terminated agreements receivables						
Hire purchase receivables	561,916	493,104	-	-	561,916	493,104
Accrued hire purchase income	36,054	34,135	-	-	36,054	34,135
Less: Unearned hire purchase income, net	(177,634)	(161,228)	-	-	(177,634)	(161,228)
Total terminated agreements receivables	420,336	366,011	-	-	420,336	366,011
Total receivables	3,313,929	3,892,617	2,220,596	2,752,926	5,534,525	6,645,543
Less: Allowance for doubtful accounts	(371,379)	(357,252)	(58,461)	(76,532)	(429,840)	(433,784)
Hire purchase receivables, net	2,942,550	3,535,365	2,162,135	2,676,394	5,104,685	6,211,759

	Current portion hire purchase receivables		Separate financial statements Non-current portion hire purchase receivables		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Normal receivables						
Hire purchase receivables	2,666,874	3,150,762	1,974,139	2,588,595	4,641,013	5,739,357
Accrued hire purchase income	110,215	106,465	-	-	110,215	106,465
Less: Unearned hire purchase income, net	(864,486)	(1,094,530)	(390,965)	(524,910)	(1,255,451)	(1,619,440)
Total normal receivables	1,912,603	2,162,697	1,583,174	2,063,685	3,495,777	4,226,382
Terminated agreements receivables						
Hire purchase receivables	527,873	455,373	-	-	527,873	455,373
Accrued hire purchase income	33,213	30,999	-	-	33,213	30,999
Less: Unearned hire purchase income, net	(166,298)	(147,299)	-	-	(166,298)	(147,299)
Total terminated agreements receivables	394,788	339,073	-	-	394,788	339,073
Total receivables	2,307,391	2,501,770	1,583,174	2,063,685	3,890,565	4,565,455
Less: Allowance for doubtful accounts	(328,294)	(294,851)	(38,774)	(50,607)	(367,068)	(345,458)
Hire purchase receivables, net	1,979,097	2,206,919	1,544,400	2,013,078	3,523,497	4,219,997

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

	Consolidated financial statements					
	Hire purchase receivables		Allowance for doubtful accounts		Hire purchase receivables, net	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Aging						
Within due	4,417,742	5,436,103	35,413	42,689	4,382,329	5,393,414
Overdue:						
1 month	410,002	416,296	33,361	29,866	376,641	386,430
2 - 3 months	296,966	328,840	81,017	77,389	215,949	251,451
4 - 6 months	158,963	204,656	80,069	98,317	78,894	106,339
7 - 9 months	105,917	146,871	76,226	99,489	29,691	47,382
10 - 12 months	104,529	106,097	84,805	79,679	19,724	26,418
Over 12 months	40,406	6,680	38,949	6,355	1,457	325
Total	5,534,525	6,645,543	429,840	433,784	5,104,685	6,211,759

	Separate financial statements					
	Hire purchase receivables		Allowance for doubtful accounts		Hire purchase receivables, net	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Aging						
Within due	3,059,061	3,795,185	29,751	37,045	3,029,310	3,758,140
Overdue:						
1 month	289,525	256,617	28,308	25,225	261,217	231,392
2 - 3 months	225,398	208,980	66,187	61,644	159,211	147,336
4 - 6 months	112,175	136,459	65,938	80,604	46,237	55,855
7 - 9 months	81,940	93,075	64,405	73,613	17,535	19,462
10 - 12 months	84,123	72,868	74,583	65,059	9,540	7,809
Over 12 months	38,343	2,271	37,896	2,268	447	3
Total	<u>3,890,565</u>	<u>4,565,455</u>	<u>367,068</u>	<u>345,458</u>	<u>3,523,497</u>	<u>4,219,997</u>

- 6.3 As at 31 December 2019 and 2018, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

	Consolidated financial statements			
	2019		2018	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	4,642,137	3,313,929	5,603,930	3,892,617
Portion due after one year but within five years	<u>2,762,698</u>	<u>2,220,596</u>	<u>3,466,378</u>	<u>2,752,926</u>
	7,404,835	5,534,525	9,070,308	6,645,543
Less: unearned interest income	<u>(1,870,310)</u>		<u>(2,424,765)</u>	
Present value of minimum lease payments	<u>5,534,525</u>		<u>6,645,543</u>	

	Separate financial statements			
	2019		2018	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	3,338,175	2,307,391	3,743,599	2,501,770
Portion due after one year but within five years	<u>1,974,139</u>	<u>1,583,174</u>	<u>2,588,595</u>	<u>2,063,685</u>
	5,312,314	3,890,565	6,332,194	4,565,455
Less: unearned interest income	<u>(1,421,749)</u>		<u>(1,766,739)</u>	
Present value of minimum lease payments	<u>3,890,565</u>		<u>4,565,455</u>	

- 6.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Group has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 December 2019 and 2018, the Group had outstanding hire purchase receivables amounting to approximately Baht 459 million and Baht 375 million, respectively (*the Company: Baht 423 million and Baht 339 million, respectively*) for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Group had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2019 and 2018 would be reduced by Baht 13 million and Baht 8 million, respectively (*the Company: Baht 12 million and Baht 7 million, respectively*).

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

As at 31 December 2019, the Company had no agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) (*31 December 2018: Baht 1,300 million*) as the business security for short term credit facility, debentures and letter of guarantee facility granted by commercial banks.

7 Loan receivables

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

	Consolidated financial statements					
	Current portion loan receivables		Non-current portion loan receivables		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Normal receivables						
Loan receivables	287,702	383,414	77,930	17,570	365,632	400,984
Interest receivables	8,391	13,506	-	-	8,391	13,506
Less: Unearned interest income, net	(54,535)	(104,497)	(11,200)	(3,972)	(65,735)	(108,469)
Total normal receivables	241,558	292,423	66,730	13,598	308,288	306,021
Terminated agreements receivables						
Loan receivables	18,301	22,052	-	-	18,301	22,052
Interest receivables	1,770	2,421	-	-	1,770	2,421
Less: Unearned interest income, net	(4,475)	(6,223)	-	-	(4,475)	(6,223)
Total terminated agreements receivables	15,596	18,250	-	-	15,596	18,250
Total receivables	257,154	310,673	66,730	13,598	323,884	324,271
Less: Allowance for doubtful accounts	(24,400)	(28,430)	(2,530)	(554)	(26,930)	(28,984)
Loan receivables, net	232,754	282,243	64,200	13,044	296,954	295,287

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

Consolidated financial statements						
	Loan receivables		Allowance for doubtful accounts		Loan receivables, net	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Aging						
Within due	239,738	234,081	2,348	2,325	237,390	231,756
Overdue:						
1 month	40,066	41,462	4,002	4,072	36,064	37,390
2 - 3 months	27,019	26,773	8,095	7,895	18,924	18,878
4 - 6 months	7,387	9,405	4,403	5,224	2,984	4,181
7 - 9 months	3,985	6,641	3,016	4,748	969	1,893
10 - 12 months	4,579	5,551	3,956	4,406	623	1,145
Over 12 months	1,110	358	1,110	314	-	44
Total	323,884	324,271	26,930	28,984	296,954	295,287

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

Consolidated financial statements				
	2019	2018		
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	<i>(in thousand Baht)</i>			
Portion due within one year	316,164	257,154	421,393	310,673
Portion due after one year but within five years	77,930	66,730	17,570	13,598
	394,094	323,884	438,963	324,271
Less: unearned interest income	(70,210)		(114,692)	
Present value of minimum lease payments	323,884		324,271	

- 7.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange of Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Group has a policy to cease recognising revenue from loan receivables which are overdue by more than 4 installments. As at 31 December 2019 and 2018, the Group had outstanding loan receivables amounting to approximately Baht 16 million and Baht 22 million, respectively, for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Group had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2019 and 2018 would be reduced by Baht 0.4 million and Baht 0.5 million, respectively.

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

8 Microfinance receivables

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

	Consolidated financial statements					
	Current portion microfinance receivables		Non-current portion microfinance receivables		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Normal receivables						
Microfinance receivables	722,314	622,262	23,530	8,778	745,844	631,040
Accrued microfinance receivables	3,349	2,604	-	-	3,349	2,604
Less: Unearned interest income, net	(86,560)	(65,142)	(1,602)	(2,013)	(88,162)	(67,155)
Total normal receivable	639,103	559,724	21,928	6,765	661,031	566,489
Less: Allowance for doubtful accounts	(12,270)	(5,405)	(221)	(47)	(12,491)	(5,452)
Microfinance receivables, net	626,833	554,319	21,707	6,718	648,540	561,037

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

	Consolidated financial statements					
	Microfinance receivables		Allowance for doubtful accounts		Microfinance receivables, net	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Aging						
Within due	636,676	544,275	5,389	4,990	631,287	539,285
Overdue:						
1 month	2,760	14,434	166	70	2,594	14,364
2 - 3 months	4,711	6,055	1,077	136	3,634	5,919
4 - 6 months	13,235	1,257	3,031	256	10,204	1,001
7 - 9 months	1,748	468	1,227	-	521	468
10 - 12 months	1,020	-	820	-	200	-
Over 12 months	881	-	781	-	100	-
Total	661,031	566,489	12,491	5,452	648,540	561,037

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

	Consolidated financial statements			
	2019	2018		
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	(in thousand Baht)			
Portion due within one year	725,663	639,103	624,866	559,724
Portion due after one year but within five years	23,530	21,928	8,778	6,765
	<u>749,193</u>	<u>661,031</u>	<u>633,644</u>	<u>566,489</u>
Less: unearned interest income	<u>(88,162)</u>		<u>(67,155)</u>	
Present value of minimum lease payments	<u>661,031</u>		<u>566,489</u>	

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

9 Consumer finance receivables under joint financing arrangements

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

	Consolidated financial statements					
	Current Portion consumer finance receivables under joint arrangements		Non-current portion consumer finance receivables under joint arrangements		Total	
	2019	2018	2019	2018	2019	2018
	(in thousand Baht)					
Hire purchase receivables						
Hire purchase receivables under joint financing arrangements	14,923	85,748	1,173	44,373	16,096	130,121
Accrued interest receivables	2,050	4,037	-	-	2,050	4,037
Less: Unearned financing income, net	(1,943)	(15,965)	(143)	(7,519)	(2,086)	(23,484)
Less: Portions financed by bank under joint financing arrangement	<u>(8,967)</u>	<u>(68,382)</u>	<u>(705)</u>	<u>(17,599)</u>	<u>(9,672)</u>	<u>(85,981)</u>
Total Hire purchase receivables	6,063	5,438	325	19,255	6,388	24,693
Less: Allowance for doubtful accounts	<u>(52)</u>	<u>(41)</u>	<u>(3)</u>	<u>(145)</u>	<u>(55)</u>	<u>(186)</u>
Hire purchase receivables under joint financing arrangements, net	6,011	5,397	322	19,110	6,333	24,507
Microfinance receivables						
Microfinance receivables under joint financing arrangements	335	906	-	431	335	1,337
Less: Unearned financing income, net	(52)	(297)	-	(75)	(52)	(372)
Less: Portions financed by bank under joint financing arrangement	<u>(208)</u>	<u>(653)</u>	<u>-</u>	<u>(147)</u>	<u>(208)</u>	<u>(800)</u>
Total Microfinance receivables	75	(44)	-	209	75	165
Less: Allowance for doubtful accounts	<u>-</u>	<u>2</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>(6)</u>
Microfinance receivables under joint financing arrangements, net	75	(42)	-	201	75	159
Consumer finance receivable under joint financing arrangements, net	<u>6,086</u>	<u>5,355</u>	<u>322</u>	<u>19,311</u>	<u>6,408</u>	<u>24,666</u>

- 9.2 As at 31 December 2019 and 2018, the balances of consumer finance receivables under joint financing arrangements (net of unearned financing income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below:

	Consolidated financial statements					
	Consumer finance receivables under joint arrangements		Allowance for doubtful accounts		Consumer finance receivables under joint arrangements, net	
	2019	2018	2019	2018	2019	2018
	(in thousand Baht)					
Aging						
Hire purchase receivables						
Within due	5,636	12,541	28	8	5,608	12,533
Overdue:						
1 month	752	5,404	27	26	725	5,378
2 - 3 months	-	6,748	-	152	-	6,596
4 - 6 months	-	-	-	-	-	-
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	6,388	24,693	55	186	6,333	24,507
Microfinance receivables						
Within due	75	93	-	-	75	93
Overdue:						
1 month	-	23	-	-	-	23
2 - 3 months	-	23	-	1	-	22
4 - 6 months	-	26	-	5	-	21
7 - 9 months	-	-	-	-	-	-
10 - 12 months	-	-	-	-	-	-
Total	75	165	-	6	75	159
Total consumer finance receivables under joint arrangements	6,463	24,858	55	192	6,408	24,666

- 9.3 As at 31 December 2019 and 2018, the future minimum loan payment receivable under consumer finance receivables under joint financing arrangements together with the present value of the net minimum loan payments receivable are as follows:

	Consolidated financial statements			
	2019	2018	2019	2018
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	(in thousand Baht)			
Hire purchase receivables				
Portion due within one year	16,973	15,030	89,785	73,820
Portion due after one year but within five years	1,173	1,030	44,373	36,854
	18,146	16,060	134,158	110,674
Less: Unearned interest income	(2,086)	-	(23,484)	-
Less: Portions financed by bank under joint financing arrangements	(9,672)	(9,672)	(85,981)	(85,981)
Present value of minimum lease payments	6,388	6,388	24,693	24,693

	Consolidated financial statements			
	2019	2018	2019	2018
	Minimum payments receivable	Present value of minimum payments receivable (in thousand Baht)	Minimum payments receivable	Present value of minimum payments receivable
Microfinance receivables				
Portion due within one year	335	283	906	609
Portion due after one year but within five years	-	-	431	356
	<u>335</u>	<u>283</u>	<u>1,337</u>	<u>965</u>
Less: Unearned interest income	(52)	-	(372)	-
Less: Portions financed by bank under joint financing arrangements	<u>(208)</u>	<u>(208)</u>	<u>(800)</u>	<u>(800)</u>
Present value of minimum loan payments	<u>75</u>	<u>75</u>	<u>165</u>	<u>165</u>
Total present value of minimum loan payments	<u>6,463</u>	<u>6,463</u>	<u>24,858</u>	<u>24,858</u>

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

9.5 As at 31 December 2019 and 2018, the Company's subsidiary had transferred rights of claim relating to the assets of debtor for the portions financed by bank under hire purchase agreements which is under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 4,397 million and IDR 38,214 million, respectively, in order to secure joint financing facilities granted by related - commercial bank.

As at 31 December 2019 and 2018, the Company's subsidiary had transferred rights of claim under microfinance agreements which is under joint financing arrangements with outstanding balances (net of unearned interest income) of IDR 95 million and IDR 356 million, respectively, in order to secure credit facilities granted by commercial bank.

9.6 A subsidiary entered into a joint financing facility agreement with a related - commercial bank to obtain revolving joint financing facilities of IDR 100,000 million. Moreover, during the year 2017, the subsidiary entered into an additional joint financing facility agreement, for non-revolving joint financing facilities amounting to IDR 200,000 million. The purpose of these joint financing agreements is to provide loans to consumers for purchases of agricultural machinery and tools, vehicles, solar panels and white goods. The duration of the agreements is 72 months from the first drawdown, or for as long as both parties are willing to continue the agreements. The interest rates are 13% per annum. This joint financing agreement is of the debtor assets. As at 31 December 2019 and 2018, the credit facilities under the joint financing agreements which have not yet been drawdown amounted to IDR 137,235 million.

From November 2017, the Joint Financing arrangements have temporarily been suspended by the action of JTrust Group. This action is not affecting the existing portfolio but has an effect on the new portfolio of PT Group Lease Finance Indonesia ("GLFI"). The agreement on the Joint financing credit facilities is in force and will resume its activity once legal proceedings are concluded. Furthermore, the Joint Financing Agreement is in the progress of the legal proceedings initiated by JTrust Group as described in Note 34.

10 Corporate loans and interest receivables

10.1 The Company provided loans to its subsidiary in Singapore, which in turn loaned to borrowers in Cyprus and Singapore. The composition of these receivables as at 31 December 2019 and 2018 are as follows:

Location of borrowers	Interest rate (% per annum)	Consolidated financial statements			
		2019		2018	
		USD	THB	USD	THB
Cyprus	14.5 - 17.0	9,243	278,706	9,243	299,926
Singapore	14.5 - 25.0	36,106	1,088,736	36,106	1,171,628
Others	5.0	1,313	39,586	1,166	37,837
Total loans		46,662	1,407,028	46,515	1,509,391
Interest receivables			43,585		50,461
Total corporate loans and interest receivables			1,450,613		1,559,852
Less: Allowance for loan and interest receivables			(1,409,558)		(1,517,729)
Less: Current portion			(41,055)		(42,123)
Long-term portion of corporate loans and interest receivables			-		-

In April 2018, the Management of the Company's subsidiary gave notices of repayment to all the Singapore and Cyprus borrowers for the remainder of the outstanding loan amounts and interest due to 31 May 2018. Up to 31 December 2019, neither repayment of principal or interest has been received on these loans.

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

On 19 October 2017, the Company received a request from the SEC to revise/correct its financial statements, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in response to the criminal complaint filed by the Securities and Exchange Commission ("SEC") to the Department of Special Investigation ("DSI") on 16 October 2017 against a former executive director in relation to allegations of fraud, misappropriation of the Company's assets and falsifying accounting records by executing concealed transactions through several associated companies abroad to exaggerate the Group's operating results. As a result, the Company established a full provision against these and other loans and interest receivable and will record any future recoveries in the period in which they are received. The management understands that the DSI investigation against the former executive director is still ongoing but is not aware of any further consequences to the Company which may arise.

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

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Reflected in the statements of financial position as follows:		
Disputed corporate loans	545,071	586,571
Less: Allowance on disputed corporate loans	(545,071)	(586,571)
Less: Current portion of disputed corporate loans	-	-
Long-term portion of disputed corporate loans	-	-
Corporate loans and interest receivables	905,542	973,281
Less: Allowance on corporate loans and interest receivables	(864,487)	(931,158)
Less: Current portion of corporate loans and interest receivables	(41,055)	(42,123)
Long-term portion of corporate loans and interest receivables	-	-

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

	Consolidated financial statements					
	Corporate loans and interest receivables		Allowance for doubtful accounts		Corporate loans and interest receivables, net	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Aging						
Within due	-	42,123	-	-	-	42,123
Overdue:						
1 - 6 months	-	-	-	-	-	-
7 - 12 months	41,055	1,472,210	-	(1,472,210)	41,055	-
Over 12 months	1,409,558	45,519	(1,409,558)	(45,519)	-	-
Total	<u>1,450,613</u>	<u>1,559,852</u>	<u>(1,409,558)</u>	<u>(1,517,729)</u>	<u>41,055</u>	<u>42,123</u>

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

11 Assets foreclosed

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Reposessed assets	80,192	75,664	29,799	15,905
Less: Allowance for diminution on value of assets foreclosed	(20,637)	(14,380)	(13,598)	(7,238)
Assets foreclosed, net	<u>59,555</u>	<u>61,284</u>	<u>16,201</u>	<u>8,667</u>

12 Investment in associate

Consolidated financial statements																		
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Allowance for investment loss in associate		At equity - net					
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018				
			2019		2018		2019		2018		2019		2018		2019		2018	
			(%)								(in thousand Baht)							
<i>Associate</i>																		
Commercial Credit and Finance PLC	Microfinance, loans and hire purchase	Sri Lanka	29.99	29.99	318,074	318,074	2,492,602	2,492,602	2,348,844	2,558,988	(582,085)	(582,085)	1,766,759	1,976,903				
					Thousand LKR	Thousand LKR												

For year ended 31 December 2019 and 2018, the Group recognised dividend received in the separate financial statements of subsidiary amounting to Baht 16.04 million and Baht 16.61 million, respectively.

Impairment testing

Commercial Credit and Finance PLC (“CCF”) is listed on the Colombo Stock Exchange (the “CSE”) in Sri Lanka. However, management and other outside financial advisors have concluded that due to the very low activity of the market for CCF on the CSE, the market value of CCF is not considered representative of the fair value.

During 2017, the Group provided an allowance for loss of investment for the investment in CCF in the amount of Baht 582 million because there were floods in Sri Lanka at the relevant time which was uncontrollable and was one of factors continuously affecting overall the economy of Sri Lanka which relies greatly agriculture.

As at 31 December 2019, investment in CCF under equity method, net with allowance for impairment loss, was equivalent to Baht 1,974 million. The Group has tested investment in CCF for impairment, relying on a valuation report conducted by Gajma & Co, a financial advisor and appraisal firm in Sri Lanka, dated 22 January 2020. The recoverable amount based on its value in use was equivalent to Baht 1,767 million. As the decline in recoverable amount is due to a change in the exchange rate from the functional currency of CCF to the presentation currency of the Group, the Group recognised such decline in value in the translation adjustment in the equity.

Key assumptions used in the valuation

Significant

unobservable inputs	Rates	Sensitivity of the input to fair value
Cost of equity	14.04%	A 13.04% cost of equity would result in the recoverable amount increase by Baht 231 million, while 15.04% would result in result in the recoverable amount decrease by Baht 185 million.
Terminal growth rate	4.50%	A 3.50% terminal growth rate would result in the recoverable amount decrease by Baht 67 million, while 5.50% would result in result in the recoverable amount increase by Baht 83 million.

Summarised financial information

The following table summarises the financial information of the associate as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	Commercial Credit and Finance PLC	
	2019	2018
	<i>(in million Baht)</i>	
Revenue	1,872	2,233
Profit from continuing operations	212	370
Other comprehensive income	3	(7)
Total comprehensive income (100%)	215	363
Total comprehensive income of the Group's interest	64	109
Elimination of unrealised profit on downstream sales	-	-
Group's share of total comprehensive income	64	109
Total assets	15,335	15,913
Total liabilities	(12,878)	(13,448)
Net assets (100%)	2,457	2,465
Group's share of net assets	737	739
Elimination	(55)	(55)
Intangibles recognised	523	523
Goodwill	1,322	1,322
Acquisition - related costs	30	30
Translation adjustment	(208)	-
Allowance for investment loss	(582)	(582)
Carrying amount of interest in associate	1,767	1,977

13 Investment in subsidiaries

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

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

Name of subsidiaries	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year ended 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)						(in thousand Baht)					
Held by Group Lease Holdings Pte. Ltd.												
GL Finance Plc.	100.00	100.00	10,300 Thousand USD	10,300 Thousand USD	359,470	359,470	-	-	359,470	359,470	-	-
GL Leasing (Lao) Company Limited	99.88	99.88	41,840,720 Thousand LAK	41,840,720 Thousand LAK	176,195	176,195	-	-	176,195	176,195	-	-
PT Group Lease Finance Indonesia	65.00	65.00	100,000,000 Thousand IDR	100,000,000 Thousand IDR	172,133	172,133	-	-	172,133	172,133	-	-
BG Microfinance Myanmar Co., Ltd.	100.00	100.00	18,849,080 Thousand MMK	18,849,080 Thousand MMK	717,922	717,922	-	-	717,922	717,922	-	-
GL-AMMK Co., Ltd.	57.00	57.00	4,080,000 Thousand MMK	4,080,000 Thousand MMK	59,350	59,350	-	-	59,350	59,350	9,816	-
Held by Thanaban Company Limited												
Comfort Services Development Company Limited	100.00	100.00	4,000 Thousand Baht	4,000 Thousand Baht	4,000	4,000	-	-	4,000	4,000	-	-
Total					1,489,070	1,489,070	-	-	1,489,070	1,489,070	9,816	-

14 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2019		
	PT. Group Lease Finance Indonesia	GL-AMMK Co., Ltd.	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20%	43%	
Current assets	200,062	133,289	
Non-current assets	35,022	3,550	
Current liabilities	(79,194)	(9,722)	
Net assets	155,890	127,117	
Carrying amount of non-controlling interest	70,926	54,671	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			125,597
Revenue	61,259	95,552	
Profit (loss)	(17,374)	34,297	
Total comprehensive income	(17,374)	34,297	
Profit (loss) allocated to non-controlling interest	(3,475)	14,748	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			11,273
Cash flows used in operating activities	(13,826)	(35,254)	
Cash flows used in investing activities	(241)	(1,447)	
Cash flows used in financing activities			
(Dividends to non-controlling interest: Baht 8.2 million)	-	(19,123)	
Net decrease in cash and cash equivalents	(14,067)	(55,824)	

	31 December 2018		
	PT. Group Lease Finance Indonesia	GL-AMMK Co., Ltd.	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20%	43%	
Current assets	176,649	119,247	
Non-current assets	84,717	3,570	
Current liabilities	(84,291)	(9,077)	
Net assets	177,075	113,740	
Carrying amount of non-controlling interest	75,138	48,908	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			124,046
Revenue	100,178	91,425	
Profit (loss)	(32,797)	33,258	
Total comprehensive income	(32,797)	33,258	
Profit (loss) allocated to non-controlling interest	(6,599)	14,301	
Other individually immaterial subsidiaries			-
Intra-group eliminations			-
Total			7,702
Cash flows from operating activities	4,630	16,651	
Cash flows used in investing activities	(3,724)	(3,146)	
Net increase in cash and cash equivalents	906	13,505	

15 Other long-term investments

		Consolidated financial statements	
	Note	2019	2018
		(in thousand Baht)	
Investments in held-to-maturity debt securities			
Convertible loan	4	192,718	192,718
Investments in other companies			
Bagan Innovation Technology (Singapore) Pte. Ltd.		63,776	63,776
PT Bank JTrust Indonesia Tbk.	4	414,502	414,502
Less: Allowance for investment loss - PT Bank JTrust Indonesia Tbk.		(135,487)	-
Total investments in other companies		342,791	478,278
Total		535,509	670,996

Investment in PT Bank JTrust Indonesia Tbk.

The major shareholder in PT Bank JTrust Indonesia Tbk. (holding approximately 97% of the shares) is under the same group as the plaintiff in various legal cases against the Company as described in Note 34.

The shares of PT Bank JTrust were re-floated on 8th January 2020 on the Indonesian Stock Exchange. The Group has tested investment in PT Bank JTrust Indonesia Tbk. for impairment based on market price on the same date. The recoverable amount was determined to be lower than its carrying amount, hence, an impairment loss of Baht 135 million was recognised.

16 Property, plant and equipment

	Consolidated financial statements							Total
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computer and equipment	Motor vehicles	Work in process	
	<i>(in thousand Baht)</i>							
Cost								
At 1 January 2018	35,983	45,553	38,884	50,859	116,200	44,007	300	331,786
Additions	-	-	950	3,968	8,529	16,679	-	30,126
Disposals/Write-off	-	-	-	(392)	(4,837)	(4,954)	-	(10,183)
Effect of movement in exchange rate	-	-	(185)	(172)	(2,452)	(483)	-	(3,292)
At 31 December 2018 and 1 January 2019	35,983	45,553	39,649	54,263	117,440	55,249	300	348,437
Additions	-	-	705	780	3,793	1,883	-	7,161
Disposals/Write-off	-	-	(26)	(3,570)	(3,029)	(336)	-	(6,961)
Effect of movement in exchange rate	-	-	(1,535)	(707)	(4,938)	(1,583)	-	(8,763)
At 31 December 2019	35,983	45,553	38,793	50,766	113,266	55,213	300	339,874
Accumulated depreciation								
At 1 January 2018	-	41,187	17,497	33,640	69,948	33,994	-	196,266
Depreciation for the year	-	354	4,615	7,765	20,996	5,801	-	39,531
Depreciation on disposals/Write-off	-	-	-	(352)	(1,644)	(3,307)	-	(5,303)
Effect of movement in exchange rate	-	-	(69)	(57)	(501)	(310)	-	(937)
At 31 December 2018 and 1 January 2019	-	41,541	22,043	40,996	88,799	36,178	-	229,557
Depreciation for the year	-	354	4,342	6,254	14,813	6,336	-	32,099
Depreciation on disposals/Write-off	-	-	(17)	(3,234)	(3,005)	(312)	-	(6,568)
Effect of movement in exchange rate	-	-	(850)	(533)	(4,195)	(980)	-	(6,558)
At 31 December 2019	-	41,895	25,518	43,483	96,412	41,222	-	248,530
Net book value								
31 December 2018	35,983	4,012	17,606	13,267	28,641	19,071	300	118,880
31 December 2019	35,983	3,658	13,275	7,283	16,854	13,991	300	91,344

	Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment (in thousand Baht)	Computer and equipment	Motor vehicles	Work in process	Total
Cost								
1 January 2018	35,983	45,553	16,871	25,314	50,911	26,566	300	201,498
Additions	-	-	933	1,346	1,505	56	-	3,840
Disposals/Write-off	-	-	-	(10)	-	(1,020)	-	(1,030)
At 31 December 2018 and 1 January 2019	35,983	45,553	17,804	26,650	52,416	25,602	300	204,308
Additions	-	-	695	177	255	-	-	1,127
Disposals/Write-off	-	-	-	(918)	(2,856)	-	-	(3,774)
At 31 December 2019	35,983	45,553	18,499	25,909	49,815	25,602	300	201,661
Accumulated depreciation								
1 January 2018	-	41,187	9,502	19,803	38,631	20,888	-	130,011
Depreciation for the year	-	354	1,597	2,336	7,551	2,625	-	14,463
Depreciation on disposals/write-off	-	-	-	(4)	-	(1,011)	-	(1,015)
At 31 December 2018 and 1 January 2019	-	41,541	11,099	22,135	46,182	22,502	-	143,459
Depreciation for the year	-	354	1,454	1,749	4,100	1,694	-	9,351
Depreciation on disposals/write-off	-	-	-	(915)	(2,856)	-	-	(3,771)
At 31 December 2019	-	41,895	12,553	22,969	47,426	24,196	-	149,039

	Land	Buildings	Building improvement and lease area	Separate financial statements Furniture and office equipment (in thousand Baht)	Computer and equipment	Motor vehicles	Work in process	Total
<i>Net book value</i>								
At 31 December 2018	<u>35,983</u>	<u>4,012</u>	<u>6,705</u>	<u>4,515</u>	<u>6,234</u>	<u>3,100</u>	<u>300</u>	<u>60,849</u>
At 31 December 2019	<u>35,983</u>	<u>3,658</u>	<u>5,946</u>	<u>2,940</u>	<u>2,389</u>	<u>1,406</u>	<u>300</u>	<u>52,622</u>

As at 31 December 2019 and 2018, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 158.66 million and Baht 105.52 million, respectively (the Company only: Baht 106.16 million and Baht 92.49 million, respectively).

17 Intangible assets

	Consolidated financial statements				Total
	Exclusive right agreement	Computer software	Leasehold (in thousand Baht)	Software under development	
Cost					
At 1 January 2018	19,961	56,368	40	64,555	140,924
Acquisitions during the year	-	1,950	20	23,326	25,296
Write-off	-	(429)	-	(8,688)	(9,117)
Transfer in (out)	-	75,760	-	(75,760)	-
Effect of movement in exchange rate	(141)	(201)	-	(56)	(398)
At 31 December 2018 and 1 January 2019	19,820	133,448	60	3,377	156,705
Acquisitions during the year	-	177	-	8,797	8,974
Transfer in (out)	-	12,160	-	(12,160)	-
Effect of movement in exchange rate	(1,402)	(3,116)	-	(14)	(4,532)
At 31 December 2019	18,418	142,669	60	-	161,147

Consolidated financial statements

	Exclusive right agreement	Computer software	Leasehold (in thousand Baht)	Software under development	Total
<i>Amortisation</i>					
At 1 January 2018	15,526	9,369	28	-	24,923
Amortisation for the year	3,289	11,824	15	-	15,128
Amortisation on write-off	-	(43)	-	-	(43)
Effect of movement in exchange rate	(96)	(17)	-	-	(113)
At 31 December 2018 and 1 January 2019	18,719	21,133	43	-	39,895
Amortisation for the year	1,075	18,232	11	-	19,318
Effect of movement in exchange rate	(1,376)	(681)	-	-	(2,057)
At 31 December 2019	18,418	38,684	54	-	57,156
<i>Net book value</i>					
At 31 December 2018	1,101	112,316	16	3,377	116,810
At 31 December 2019	-	103,985	6	-	103,991

	Separate financial statements		
	Computer software	Software under development (in thousand Baht)	Total
Cost			
At 1 January 2018	22,870	56,796	79,666
Acquisitions during the year	660	19,188	19,848
Write off	-	(7,769)	(7,769)
Transferred in (out)	65,443	(65,443)	-
At 31 December 2018 and 1 January 2019	88,973	2,772	91,745
Acquisitions during the year	177	623	800
Transferred in (out)	3,395	(3,395)	-
At 31 December 2019	92,545	-	92,545
Amortisation			
At 1 January 2018	5,183	-	5,183
Amortisation for the year	7,531	-	7,531
At 31 December 2018 and 1 January 2019	12,714	-	12,714
Amortisation for the year	11,966	-	11,966
At 31 December 2019	24,680	-	24,680
Net book value			
At 31 December 2018	76,259	2,772	79,031
At 31 December 2019	67,865	-	67,865

18 Goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Hire purchase services Thanaban Co., Ltd.	71,872	71,872
Hire purchase services GL Finance Plc.	42,318	45,540
Microfinance services BG Microfinance Myanmar Co., Ltd.	203,678	219,360
Total	317,868	336,772

Hire purchase services of Thanaban and GLF

As at 31 December 2019, the recoverable amount of the hire purchase services of Thanaban and GLFs' CGUs have been determined based on fair value calculation using the relative valuation approach for evaluating net asset value by calculating price to earnings and price to book value of listed comparable companies to evaluate the fair value of cash generating units. The management of the Group has collected comparative information from assets in the market with the most similar characteristics of that of the cash generating unit and compared and performed analytical procedures. The management of the Group tested the calculation of the recoverable values of the assets and considered the impact of changes in key assumptions on those recoverable values.

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

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

	Hire purchase services Thanaban Co., Ltd.		Hire purchase services GL Finance Plc.	
	2019	2018	2019	2018
	<i>(time)</i>			
Price to earnings	17.42x	13.89x	11.44x	8.13x

Microfinance services of BGMM

As at 31 December 2019 and 2018, the recoverable amount of the microfinance services of BGMM's CGU has been determined based on value in use calculation using residual income from financial budgets approved by the management covering a five-year period.

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

	Microfinance services BG Microfinance Myanmar Co., Ltd.	
	2019	2018
	<i>(% per annum)</i>	
Growth rates	4.5	4.5
Pre-tax discount rates	15.0	16.0

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

19 Deposit from customers

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

As a result of the notification, all microfinance retail customers are required to contribute a compulsory savings amount when paying for their installments. The total compulsory amount of each customer may not exceed 5% of the loan size. In addition, customers can contribute voluntary savings. In accordance with the notification, the Microfinance Supervisory Committee of the Republic of the Union of Myanmar has set required rates of interest payment to retail customers for BGMM at 15% per annum for compulsory savings and 10% per annum for voluntary savings.

As at 31 December 2019 total deposits, including accrued interest, recorded in BGMM's statement of financial position amounted to MMK 2,826 million (equivalent to approximately Baht 57.4 million) (2018: MMK 1,944 million (equivalent to approximately Baht 40.6 million)), and these had remaining terms ranging from 6 months to 1 year.

20 Interest-bearing liabilities

	Consolidated financial statements					
	2019			2018		
	Secured	Unsecured	Total <i>(in thousand Baht)</i>	Secured	Unsecured	Total
Short-term loans	-	18,216	18,216	-	19,603	19,603
Long-term loans from financial institutions	-	-	-	22,387	-	22,387
Total interest-bearing liabilities	-	18,216	18,216	22,387	19,603	41,990

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Fixed deposit	-	5,510
Total	-	5,510

Changes in liabilities arising from financing activities

	Consolidated financial statements
	Loan and interest payable
	<i>(in thousand Baht)</i>
Balance at 1 January 2019	41,990
Changes from financing cash flows	(23,929)
Non-cash items	
Addition	1,764
The effect of changes in foreign exchange rates	(1,609)
Balance at 31 December 2019	18,216

21 Other payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Accrued interest expenses - related parties (Note 4 and 28)	645,675	402,786	645,675	402,786
Accrued interest expenses	7,539	19,260	7,539	19,260
Accrued commission expenses	16,947	12,559	5,694	3,634
Accrued bonus	37,249	12,262	30,644	-
Accrued expenses - related parties (Note 4 and 28)	461	461	862	1,022
Accrued expenses	126,987	92,072	20,230	13,635
Total	834,858	539,400	710,644	440,337

22 Debentures

		Consolidated and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Debentures 1/2016		-	1,500,000
Less: Unamortised portion of deferred transaction costs		-	(13,189)
Debentures, net		-	1,486,811

Details of the Company's debentures were as follow:

	1/2016
Amount	Baht 1,500 million
Issue date	29 September 2016
Maturity date	29 September 2019
Term	3 years
Interest rate	2.84% per annum
Interest payment term	Semi-annually
Interest payment schedule	29 March and 29 September
Principal repayment	On the redemption date of 29 September 2019
Guarantee	Disclosed in Note 33

Debentures have been fully paid on 12 September 2019.

23 Convertible debentures

		Consolidated and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Convertible debentures 1/2016		3,921,510	4,219,312
Convertible debentures 1/2017		1,512,291	1,624,739
Convertible debentures 2/2017		604,916	649,896
Total		6,038,717	6,493,947
Less: Unamortised portion of deferred transaction costs		(2,228)	(4,548)
Convertible debentures, net		6,036,489	6,489,399
Less: Amount classified as equity		(59,458)	(59,458)
Amount classified as liability		5,977,031	6,429,941

Reflected in the statements of financial position as follows:

Convertible debentures under court cases			
- Current		1,476,772	-
- Non-current		3,909,559	5,794,581
Convertible debentures - other			
- Current		590,700	-
- Non-current		-	635,360
		5,977,031	6,429,941

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

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

24 Provisions for employee benefits

Defined benefit plan

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations

Consolidated and Separate financial statements

2019 2018

(in thousand Baht)

At 1 January	18,394	11,768
Include in profit or loss:		
Current service cost	5,937	3,748
Past Service Cost - Plan Changes	1,803	-
Interest on obligation	488	244
	8,228	3,992

Present value of the defined benefit obligations

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Included in other comprehensive income		
Actuarial losses	-	4,790
Other		
Benefit paid	(5,409)	(2,156)
At 31 December	21,213	18,394

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Demographic assumptions changes	-	1,468
Financial assumptions changes	-	354
Experience adjustments	-	2,968
Total	-	4,790

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

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Administrative expenses	8,228	3,992

The Company expects to pay Baht 2.0 million of long-term employee benefits during the next year (2018: Baht 4.7 million).

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as at 31 December 2019 as well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 1.8 million.

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated and Separate financial statements 2019 and 2018 (% per annum)
Discount rate	2.8
Future salary growth	4.5
Employee turnover	8.0-18.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019 and 2018, the weighted-average duration of the defined benefit obligation were 12 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated and Separate financial statements			
	2019		2018	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(1,828)	2,107	(1,244)	1,424
Future salary growth (1% movement)	2,369	(2,081)	1,471	(1,311)
Employee turnover (10% movement)	(1,832)	2,113	(1,232)	1,409

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company’s net investment in a foreign operation.

26 Segment information

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

Consolidated financial statements

Year ended 31 December	Hire Purchase and lending services		Financing to corporates and investment holding		Business management and consulting services		Microfinance services		Consumer finance services under joint financing arrangements		Item not allocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>													
External revenues	2,123,455	2,454,275	1,965	1,870	91,534	86,092	190,925	169,964	5,700	46,890	-	-	2,413,579	2,759,091
Inter-segment revenue	467,323	461,146	111,023	161,137	23,735	25,424	-	-	-	-	-	-	602,081	647,707
Other income	19,823	30,444	59,398	45,200	6,908	11,221	8,923	5,474	4,189	1,286	-	-	99,241	93,625
Total segment revenue	2,610,601	2,945,865	172,386	208,207	122,177	122,737	199,848	175,438	9,889	48,176	-	-	3,114,901	3,500,423
Adjustment and eliminations	(467,323)	(461,146)	(111,023)	(161,137)	(23,735)	(25,424)	-	-	-	-	-	-	(602,081)	(647,707)
Total segment revenue, net	2,143,278	2,484,719	61,363	47,070	98,442	97,313	199,848	175,438	9,889	48,176	-	-	2,512,820	2,852,716
Segment profit (loss) before income tax	494,224	819,336	(199,660)	(156,478)	47,464	50,245	124,900	117,226	(65,461)	(93,579)	(298,079)	(285,541)	103,388	451,209
Segment assets as at 31 December	6,067,000	7,160,199	325,583	101,668	83,852	13,917	702,753	797,349	121,499	105,809	5,423,805	6,435,190	12,724,492	14,614,132
Segment liabilities as at 31 December	6,911,777	8,661,850	80,711	75,689	9,953	7,471	72,082	76,708	43,127	14,265	-	-	7,117,650	8,835,983

Geographic information

Revenue from external customers is based on locations of the customers

<i>Year ended 31 December</i>	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Revenue from external customers and other income		
Thailand	1,655,574	1,801,908
Cambodia	387,242	539,654
Singapore	47,892	33,225
Laos	89,989	128,277
Indonesia	61,268	102,023
Myanmar	270,855	247,629
Total	<u>2,512,820</u>	<u>2,852,716</u>

27 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Salary and wages and other employee benefits	659,021	722,387	380,714	385,560
Service agreement expenses	2,253	2,454	1,225	1,398
Debt following expenses	24,623	22,497	20,513	18,416
Depreciation	32,099	39,531	9,351	14,463
Amortisation	19,318	15,128	11,966	7,531
Registration fee	8,037	9,824	1,248	1,400
Rental fee	44,386	47,667	3,203	4,935
Professional fee	232,177	104,385	180,908	68,480

28 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest expense:					
<i>Convertible debentures</i>					
Related parties	4	280,210	292,428	280,210	292,428
Others		31,135	32,492	31,135	32,492
<i>Debentures</i>					
Others		27,484	42,718	27,484	42,718
<i>Loans</i>					
Related parties	4	-	-	-	1,273
Others		7,404	9,279	-	-
Total interest expense		346,233	376,917	338,829	368,911
Amortisation of transaction costs capitalised		15,510	19,560	15,510	19,529
Net		361,743	396,477	354,339	388,440

29 Hedge accounting for net investment in foreign operations

As at 31 December 2019, loans from the Company to GLH of USD 154.1 million, which are equity loans, are included in net investment in foreign operations, all the net investment in foreign operations totalling USD 273.3 million. The Company has adopted hedge accounting for its net investment in foreign operations. The Company hedges currency risk arising from the translation of the financial statements of an overseas subsidiary (i.e. foreign operation) using convertible debentures denominated in the same foreign currency. For this purpose, it applies net investment hedge accounting, in which only the spot rate element of the convertible debentures is designated as the hedging instrument. The effectiveness of the Group's hedging transactions is determined on the basis of the convertible debenture rates, using the dollar-offset method. The effective portion of the changes in the value of the convertible debentures is recognised in other comprehensive income and will not be reversed and recognised in the income statement until the Group disposes of the foreign operation.

As at 31 December 2019 the value of the convertible debentures designated as a hedging instrument of USD 200.0 million, translated using the spot rate, was approximately Baht 5,979 million, and a resulting unrealised gain of Baht 455.2 million (*2018: unrealised gain of Baht 45.8 million*) was recognised in other comprehensive income in the consolidated financial statements for the year ended 31 December 2019. In the current period there was no ineffective portion for hedges of the net investment in foreign operations, and the interest expense of Baht 311.3 million arising in connection with the convertible debentures was recognised under finance cost in the consolidated financial statements.

30 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	<u>132,447</u>	<u>191,085</u>	<u>78,593</u>	<u>99,845</u>
Deferred tax expense				
Movements in temporary differences	<u>(7,452)</u>	<u>(29,412)</u>	<u>(13,384)</u>	<u>(11,301)</u>
Total income tax expense	<u>124,995</u>	<u>161,673</u>	<u>65,209</u>	<u>88,544</u>

Consolidated and Separate financial statements						
<i>Income tax recognised in other comprehensive income</i>	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,790)</u>	<u>958</u>	<u>(3,832)</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,790)</u>	<u>958</u>	<u>(3,832)</u>

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2019		2018	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		<u>103,388</u>		<u>451,209</u>
Income tax using the Thai corporation tax rate	20	20,678	20	90,242
Income tax reduction - current		(2,135)		(2,132)
Income tax reduction - deferred		(7,452)		(29,412)
Effect of different tax rates in foreign jurisdictions		(13,480)		(13,866)
Income not subject to tax		(1,170)		(857)
Expenses not deductible for tax purposes		12,701		61,989
Current year losses for which no deferred tax asset was recognised		70,480		8,908
Other		45,373		46,801
Total		<u>120.90</u>		<u>35.83</u>
		<u>124,995</u>		<u>161,673</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense	20	327,324	20	326,951
Income tax using the Thai corporation tax rate		65,465		65,390
Income tax reduction – current		(2,086)		(2,132)
Income tax reduction – deferred		(13,384)		(11,302)
Expenses not deductible for tax purposes		15,214		36,588
Total	19.92	65,209	27.08	88,544

Movements in deferred tax balances are as follows:

	Consolidated financial statements			
	At 1 January 2019	(Charged) / Credited to Profit or loss (in thousand Baht)	Exchange differences	At 31 December 2019
Deferred tax assets				
Allowance for doubtful accounts	83,596	4,375	(8)	87,963
Allowance for diminution of value foreclosed assets	2,376	1,351	(47)	3,680
Reserve for employee benefits	3,679	564	-	4,243
Loss brought forward	19,233	-	(428)	18,805
Allowance for doubtful account - other receivables	48,937	108	(3,350)	45,695
Others	960	5,456	(67)	6,349
Total	158,781	11,854	(3,900)	166,735
Deferred tax liabilities				
Prepaid commission expenses	11,733	1,312	-	13,045
Accumulated depreciation and amortisation	896	(518)	(34)	344
Amortised transaction cost of convertible debentures - liability component	894	(464)	(1)	429
Amortised transaction cost of convertible debentures - equity component	17	-	-	17
Amortised transaction cost of debentures	2,638	(2,638)	-	-
Interest income receivable from NPLs	4,506	(2,245)	(314)	1,947
Revaluation of loan and interest receivables from subsidiary	8,673	(6,267)	6,124	8,530
Revaluation of convertible debentures	6,960	6,960	(6,120)	7,800
Unremitted foreign income	43,215	7,782	(3,074)	47,923
Total	79,532	3,922	(3,419)	80,035
Net	79,249	7,932	(481)	86,700

Consolidated financial statements

	At 1 January 2018	(Charged) / Credited to Profit or loss <i>(in thousand Baht)</i>	Exchange differences	At 31 December 2018
<i>Deferred tax assets</i>				
Allowance for doubtful accounts	57,897	25,686	13	83,596
Allowance for diminution of value foreclosed assets	3,279	(909)	6	2,376
Reserve for employee benefits	2,357	1,322	-	3,679
Loss brought forward	11,208	8,096	(71)	19,233
Allowance for doubtful account - other receivables	-	49,325	(388)	48,937
Others	640	320	-	960
Total	75,381	83,840	(440)	158,781
<i>Deferred tax liabilities</i>				
Prepaid commission expenses	11,676	57	-	11,733
Accumulated depreciation and amortisation	2,191	(1,306)	11	896
Amortised transaction cost of convertible debentures - liability component	1,355	(462)	1	894
Amortised transaction cost of convertible debentures - equity component	17	-	-	17
Amortised transaction cost of debentures	6,015	(3,377)	-	2,638
Interest income receivable from NPLs	4,219	289	(2)	4,506
Revaluation of loan and interest receivables from subsidiary	-	8,674	(1)	8,673
Revaluation of convertible debentures	-	6,960	-	6,960
Unremitted foreign income	-	43,556	(341)	43,215
Others	71	(71)	-	-
Total	25,544	54,320	(332)	79,532
Net	49,837	29,520	(108)	79,249

Separate financial statements			
	At 1 January 2019	(Charged) / Credited to Profit or loss (in thousand Baht)	At 31 December 2019
<i>Deferred tax assets</i>			
Allowance for doubtful accounts	69,983	4,324	74,307
Allowance for diminution of value foreclosed assets	1,448	1,272	2,720
Reserve for employee benefits	3,679	564	4,243
Others	-	6,129	6,129
Total	75,110	12,289	87,399
<i>Deferred tax liabilities</i>			
Prepaid commission expenses	11,733	1,312	13,045
Amortised transaction cost of convertible debentures - liability component	894	(465)	429
Amortised transaction cost of convertible debentures - equity component	17	-	17
Amortised transaction cost of debentures	2,638	(2,638)	-
Revaluation of loan and interest receivables from subsidiary	8,673	(143)	8,530
Revaluation of convertible debentures	6,961	839	7,800
Total	30,916	(1,095)	29,821
Net	44,194	13,384	57,578

Separate financial statements			
	At 1 January 2018	(Charged) / Credited to Profit or loss (in thousand Baht)	At 31 December 2018
<i>Deferred tax assets</i>			
Allowance for doubtful accounts	47,993	21,990	69,983
Allowance for diminution of value foreclosed assets	1,677	(229)	1,448
Reserve for employee benefits	2,357	1,322	3,679
Total	52,027	23,083	75,110
<i>Deferred tax liabilities</i>			
Prepaid commission expenses	11,676	57	11,733
Amortised transaction cost of convertible debentures - liability component	1,355	(461)	894
Amortised transaction cost of convertible debentures - equity component	17	-	17
Amortised transaction cost of debentures	6,015	(3,377)	2,638
Revaluation of loan and interest receivables from subsidiary	-	8,673	8,673
Revaluation of convertible debentures	-	6,961	6,961
Others	71	(71)	-
Total	19,134	11,782	30,916
Net	32,893	11,301	44,194

Reflected in the statements of financial position as follows:

Deferred tax assets and liabilities At 31 December	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	166,735	158,781	(80,035)	(79,532)
Set off of tax	(32,112)	(36,317)	32,112	36,317
Net deferred tax assets (liabilities)	134,623	122,464	(47,923)	(43,215)

Deferred tax assets and liabilities At 31 December	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	87,399	75,110	(29,821)	(30,916)
Set off of tax	(29,821)	(30,916)	29,821	30,916
Net deferred tax assets (liabilities)	57,578	44,194	-	-

31 Earnings (loss) per share

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) for the year attributable to ordinary shareholders of the Company	(32,880)	281,794	262,115	238,407
Number of ordinary shares outstanding	1,525,538	1,525,538	1,525,538	1,525,538
Earnings (loss) per share (basic) (Baht)	(0.022)	0.185	0.172	0.156

32 Financial instruments

Financial risk management policies

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

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 2019, the Group's debt-to-equity ratio was 1.27:1 (2018: 1.53:1) and the Company's was 1.16:1 (2018: 1.52:1).

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase receivables, loan receivables, microfinance receivables, consumer finance receivables under joint financing arrangement, corporate loans receivables, pledged fixed deposit at financial institution, other long-term investments, deposits from customers, short-term loan, long-term loan, debentures and convertible debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Company and its subsidiaries mitigates the risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instrument, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

As at 31 December 2019 and 2018, 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.

	Consolidated financial statements				Total
	Fixed Interest rated	After 1 year but within 5 years	Floating interest	Non-interest bearing	
	Within 1 year				
	<i>(in thousand Baht)</i>				
2019					
Financial assets					
Cash and cash equivalent	2,121,034	-	336,340	634,141	3,091,515
Current investment	105,646	-	-	-	105,646
Hire purchase receivables	2,942,550	2,162,135	-	-	5,104,685
Loan receivables	232,754	64,200	-	-	296,954
Microfinance receivables	626,833	21,707	-	-	648,540
Consumer finance receivables under joint financing arrangements	6,086	322	-	-	6,408
Corporate loans and interest receivables	41,055	-	-	-	41,055
Other receivables	-	-	-	120,361	120,361
Pledged fixed deposit at financial institution	-	343	-	-	343
Other long-term investments	-	192,718	-	342,791	535,509
Deposits	-	-	-	51,783	51,783
	6,075,958	2,441,425	336,340	1,149,076	10,002,799
Financial liabilities					
Trade and other payables	-	-	-	852,458	852,458
Deposit from customer	57,362	-	-	-	57,362
Short-term loans	18,216	-	-	-	18,216
Convertible debenture	2,067,472	3,909,559	-	-	5,977,031
	2,143,050	3,909,559	-	852,458	6,905,067

Consolidated financial statements

Fixed Interest rated

	Within 1 year	After 1 year but within 5 years	Floating interest	Non-interest bearing	Total
	<i>(in thousand Baht)</i>				
2018					
Financial assets					
Cash and cash equivalent	2,136,673	-	526,174	1,082,156	3,745,003
Current investment	18,049	-	-	-	18,049
Hire purchase receivables	3,535,365	2,676,394	-	-	6,211,759
Loan receivables	282,243	13,044	-	-	295,287
Microfinance receivables	554,319	6,718	-	-	561,037
Consumer finance receivables under joint financing arrangements	5,355	19,311	-	-	24,666
Corporate loans and interest receivables	42,123	-	-	-	42,123
Other receivables	-	-	-	89,327	89,327
Pledged fixed deposit at financial institution	-	5,850	-	-	5,850
Other long-term investments	-	192,718	-	478,278	670,996
Deposits	-	-	-	41,215	41,215
	6,574,127	2,914,035	526,174	1,690,976	11,705,312
Financial liabilities					
Trade and other payables					
Deposit from customer	-	-	-	559,056	559,056
Short-term loans	19,603	-	-	-	19,603
Long-term loans	22,387	-	-	-	22,387
Debenture	1,486,811	-	-	-	1,486,811
Convertible debenture	-	6,429,941	-	-	6,429,941
Deposit from customer	-	40,624	-	-	40,624
	1,528,801	6,470,565	-	559,056	8,558,422

Separate financial statements

	Fixed Interest rated				
	Within 1 year	After 1 year but within 5 years	Floating interest	Non-interest bearing	Total
	<i>(in thousand Baht)</i>				
2019					
Financial assets					
Cash and cash equivalent	-	-	251,736	114,244	365,980
Hire purchase receivables	1,979,097	1,544,400	-	-	3,523,497
Short-term loans to and interest receivable from subsidiary	144,127	-	-	-	144,127
Other receivables	-	-	-	71,707	71,707
Pledged fixed deposit at financial institution	-	343	-	-	343
Long-term loan to and interest receivables from subsidiary	-	4,646,075	-	-	4,646,075
Deposits	-	-	-	8,145	8,145
	2,123,224	6,190,818	251,736	194,096	8,759,874
Financial liabilities					
Trade and other payables	-	-	-	717,009	717,009
Convertible debenture	2,067,472	3,909,559	-	-	5,977,031
	2,067,472	3,909,559	-	717,009	6,694,040
2018					
Financial assets					
Cash and cash equivalent	-	-	373,375	36,518	409,893
Hire purchase receivables	2,206,919	2,013,078	-	-	4,219,997
Short-term loans to and interest receivable from subsidiary	209,983	-	-	-	209,983
Other receivables	-	-	-	42,181	42,181
Pledged fixed deposit at financial institution	-	340	-	-	340
Long-term loan to and interest receivables from subsidiary	-	5,307,792	-	-	5,307,792
Deposits	-	-	-	1,674	1,674
	2,416,902	7,321,210	373,375	80,373	10,191,860
Financial liabilities					
Trade and other payables	-	-	-	450,109	450,109
Debentures	1,486,811	-	-	-	1,486,811
Convertible debenture	-	6,429,941	-	-	6,429,941
	1,486,811	6,429,941	-	450,109	8,366,861

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 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

	Consolidated financial statements			
	Financial assets		Financial liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Foreign currency</i>				
USD	384	2,372	219,951	210,951
SGD	586	114	-	-
LKR	107,468	111,403	-	-
KHR	14	239	-	-
THB	41,060	30,407	-	22,386
	Separate financial statements			
	Financial assets		Financial liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Foreign currency</i>				
USD	158,840	168,477	219,964	210,961

Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase receivables, loan receivables and corporate 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, loan receivables and corporate loans receivables as stated in the statement of financial position.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determining fair value of assets and liabilities

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

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

Transfers between Level 1 and 2

To determine the fair value of the debt securities, management used a valuation technique in which all significant inputs were based on observable market data. There were no transfers from Level 2 to Level 1 in 2019 and no transfers in either direction in 2018.

Consolidated financial statements					
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2019					
<i>Financial assets and financial liabilities not measured at fair value</i>					
<i>Financial assets</i>					
<i>Other long-term investments</i>					
Investments in held-to-maturity					
debt securities	192,718	-	-	171,878	171,878
Investments in other companies	342,791	-	93,234	279,015	372,249
<i>Financial liabilities</i>					
Convertible debentures	3,909,559	-	4,213,645	-	4,213,645
31 December 2018					
<i>Financial assets and financial liabilities not measured at fair value</i>					
<i>Financial assets</i>					
<i>Other long-term investments</i>					
Investments in held-to-maturity					
debt securities	192,718	-	-	184,964	184,964
Investments in other companies	478,278	-	62,203	376,633	437,836
<i>Financial liabilities</i>					
Convertible debentures	6,429,941	-	7,081,453	-	7,081,453
Separate financial statements					
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2019					
<i>Financial liabilities not measured at fair value</i>					
<i>Financial liabilities</i>					
Convertible debentures	3,909,559	-	4,213,645	-	4,213,645
31 December 2018					
<i>Financial liabilities not measured at fair value</i>					
<i>Financial liabilities</i>					
Convertible debentures	6,429,941	-	7,081,453	-	7,081,453

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, corporate loan receivables, 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 receivables and loan receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- For non-marketable securities, their fair value is estimated by discounting expected future cash flow by capital assets pricing model.

- d) For fixed rate 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.

33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Software licenses	-	400	-	400
Building improvement and lease area	-	649	-	649
Total	-	1,049	-	1,049
Future minimum lease payments under non-cancellable operating leases				
Within one year	22,038	29,819	4,177	7,606
After one year but within five years	16,473	40,271	149	2,877
Total	38,511	70,090	4,326	10,483

Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 0.3 million. This is letters of guarantee amounting to Baht 0.3 million to guarantee electricity use and use of post services (2018: Baht 0.3 million).

In addition, as at 31 December 2018, the Company has agreement to transfer the rights of claim under hire purchase agreements (net of unearned hire purchase interest income) to guarantee debenture amounting to Baht 975.0 million as disclosed in Notes 6. (2019: nil)

34 Contingencies

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

34.1 Litigations in Thailand

1) Civil Cases

a) Civil black case number Por. 83/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”), directors and former directors of the Company	<ul style="list-style-type: none"> - Tort - Avoidance of Convertible Debenture Transaction - Compensation 	Baht 8,020,132,483.88	<ul style="list-style-type: none"> - On 9 January 2018, JTA filed a civil complaint to the Civil Court. - On 13 March 2018, GL submitted the answer to the Civil Court against the JTA’s claims. - On 17 April 2018, GL submitted the petition to the Civil Court requesting the Court to first decide on legal issues to set aside the JTA’s claim against GL case. - On 2 October 2018, GL filed a petition requesting the Court to grant an injunctive relief for the plaintiff to deposit money as security for the Court’s fee and expense in the amount of THB 10 million. - On 7 December 2018, the Court ordered dismissal of GL’s petition requesting the Court to grant an injunctive relief for JTA to deposit money as security in the amount of THB 10 million for the Court’s fees and expenses. The petition request the Court to decide on legal issues to set aside JTA’s claims. In addition, the Court has also fixed the disputed issues and burden of proof of the parties as fixed the schedules for witness examination between 20 August and 9 October 2019. - The Court scheduled a judgment date on 3 December 2019. - On 8 October 2019, The court cancel all previous schedule and rescheduled for witness examination to the date during 7 May and 24 June 2020 - The judgement date is scheduled for 25 August 2020.

b) Civil black case number Por. 2313/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	JTrust Asia Pte. Ltd. (“JTA”)	<ul style="list-style-type: none"> - Tort - Claim for damage regarding violation to Bankruptcy Act B.E. 2483 	Baht 880,000,000	<ul style="list-style-type: none"> - On 30 April 2018, GL filed a civil complaint against JTA to the Civil Court. - On 17 December 2018, the Court ordered dismissal of the JTA’s petition requesting the Court to suspend further proceedings of the case. In addition, on the same day, the Court has also fixed the disputed issues and burden of proof of the parties as fixed schedules for the parties’ witness examination between 12 and 29 November 2019. - The Court scheduled a judgment date on 5 March 2020.

c) Civil black case number Por. 2399/2561

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

2) Rehabilitation Case

Black case number For. 1/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd. ("JTA")	Group Lease Public Company Limited ("GL")	Business rehabilitation	USD 180,000,000	<ul style="list-style-type: none"> - On 10 January 2018, JTA filed a petition for rehabilitation against GL to the Central Bankruptcy Court. - On 12 March 2018, GL submitted the objection statement against the rehabilitation petition to the Court. - On 19 March 2018, the Central Bankruptcy Court dismissed JTA's rehabilitation petition. - On 17 April 2018, JTA submitted the appeal against the Court's order dismissing the Rehabilitation Petition. The appeal has been accepted by the Court on 18 April 2018. - On 19 September 2018, GL submitted its answer to the Petitioner's appeal. - On 26 February 2019, the Court of Appeal for Specialised Cases overruled the Central Bankruptcy Court's order and ordered for the re-hearing to be in accordance with the details of the case. - On 26 April 2019, the Court took testimony of some of JTA's witnesses. The Court scheduled the next hearing as the continuous trial during 26 June 2019 to 2 July 2019. - On 28 June 2019, were the examination of witnesses from both sides. - On 15 August 2019, JTA's rehabilitation petition. - On 13 December 2019, JTA submitted its appeal to the Central Bankruptcy Court. - GL are now in the process of preparing an appeal answer which the submission due is 20 March 2020.

3) Criminal Cases

a) Criminal black case No. Aor 6/2561

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
Group Lease Public Company Limited (“GL”)	1. JTrust Asia Pte. Ltd. (“JTA”) 2. Mr. Nobuyoshi Fujisawa 3. Shigeyoshi Asano 4. Legal advisor	Submission of false business rehabilitation petition	-	<ul style="list-style-type: none"> - On 11 April 2018, GL filed the Criminal Complaint with the Central Bankruptcy Court. - On 18 September 2018, the Court has issued an order scheduling dates for cross examination of the plaintiff’s witnesses and continuing the preliminary examination on 16 and 17 January 2019. - On 16 January 2019, there was the plaintiff’s witness cross examination. - On 11 and 18 March 2019, the Court took the preliminary examination. - On 22 February 2019, GL withdraw the petition against the 4th defendant. - On 11 March 2019, the Court rendered the order that this case was temporarily struck out until the final judgment of the rehabilitation case.

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

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
1. J Trust Co., Ltd. (“JTrust”) 2. JTrust Asia Pte. Ltd. (“JTA”)	Group Lease Public Company Limited (“GL”)	Defamation	-	<ul style="list-style-type: none"> - On 3 May 2018, JTrust and JTA filed the criminal complaint with the Criminal Court against GL. - On 13 December 2018, the Court’s preliminary examination of JTrust and JTA’s witness was completed. - On 31 January 2019, the Court dismissed the complaint of JTrust and JTA. - On 25 April 2019, JTrust and JTA submitted the appeal against the Court Judgment. - 11 December 2019, the Appeal Court upheld the Court of First Instance, dismissed JTA’s complaint.

34.2 Litigation in Singapore

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
JTrust Asia Pte. Ltd (“JTA”)	Group Lease Holdings Pte. Ltd. (“GLH”), former director of GLH and other defendants	Tort of conspiracy by introducing to invest in GL	<ul style="list-style-type: none"> - Damages for the conspiracy - Interest - Costs - Other reliefs as the Court deems fit 	<ul style="list-style-type: none"> - On 26 December 2017 JTA commenced legal proceedings in Singapore court against GLH and other defendants. - JTA applied for and obtained an ex-parte interim injunction order restraining GLH from dealing with or disposing of its assets in Singapore up to the value of USD 180,000,000 (save allowances for ordinary business expenses, and legal fees). - GLH denies JTA’s claims, and has duly engaged lawyers in Singapore to defend against these allegations. - On 23 February 2018, the High Court granted GLH’s setting aside application and discharged the ex parte interim injunction order. In addition, the High Court dismissed JTA’s applications to expand the scope of the ex parte interim injunction order. - JTA filed an appeal against this decision, and on 1 June 2018, the Singapore Court allowed the appeal in part. The Singapore Supreme Court reinstated the Mareva injunction against GLH and expanded its scope to cover its assets both in Singapore and worldwide up to the value of USD 180,000,000 (save allowances for ordinary business expenses, and legal fees). The Singapore Supreme Court however disallowed JTA’s appeal in relation to its application to expand the scope of the Mareva injunction orders to include “asset sales, investments and/or loans”, regardless of whether such transactions were made in the ordinary and proper course of business. - The trial for this case was held from 8 October to 31 October 2019. - On 12 February 2020, the High Court granted the decision to dismiss JTA’s claim and ordered JTA to pay the costs of the defendants. - On the same day, JTA submitted an appeal to the Court of Appeal.

34.3 Litigation in Indonesia

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

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Bank JTrust Indonesia, TBK (“BJTI”)	PT Group Lease Finance Indonesia (“GLFI”)	Breaching of the Joint Financing agreement	IDR 103,636,408,863 (equivalent to approximately Baht 233.18 million)	<ul style="list-style-type: none"> - On 1 October 2018, BJTI filed a civil complaint against GLFI with the District Court of Central Jakarta. - During November to December 2018, there were the proceedings of mediation and all the mediations failed. - On 22 January 2019, GLFI submitted its reply to the Court. - On 12 February 2019, BJTI submitted its response of the rejoinder to the Court. - On 16 May 2019, the Court dismissed the case. - On 18 June 2019, GLFI received official notification on BJTI appeal, Memorandum of Appeal and the official summons for GLFI to appear before the District Court. - On 1 July 2019, GLFI submitted Counter Memorandum of Appeal to the High Court. - On 3 December 2019, the High Court dismiss BJTI’s claim due to inadmissible on the merit of the case.

b) Case number 321/PDT.G/2019/ PN.JKT.PST (revised from 542/PDT.G/2018/PN.JKT.PST)

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
PT Group Lease Finance Indonesia (“GLFI”)	PT Bank JTrust Indonesia, TBK (“BJTI”)	Compensation of damages	<p>IDR 21,690,420,090 (equivalent to approximately Baht 48 million)</p> <p>Revised to</p> <p>IDR 20,735,749,549 (equivalent to approximately Baht 45 million)</p>	<ul style="list-style-type: none"> - On 29 April 2019, GLFI filed a civil complaint against BJTI with District Court of Central Jakarta. - On 23 May 2019, The Panel of Judges (“PoJ”) examined the documents and concluded that the legal standing of both parties is complete and clear. PoJ appointed mediator to the case and schedule first mediation on 29 May 2019. - On 29 May 2019, BJTI didn’t appear to the mediation. Mediator scheduled next mediation to 19 June 2019. - On 10 June 2019, GLFI submitted revised Statement of Claim, the case was registered under the number 321/PDT.G/2019/ PN.Jkt.Pst. - On 19 June 2019, BJTI didn’t appear to the mediation due to miscommunication. Mediator scheduled next mediation. - On 27 June 2019, mediation has been held, parties agreed to invite Principals to the next mediation to try to solve the case. Mediator scheduled next mediation to 4 July 2019. - On 3 July 2019, summons for revised case has been received. The first hearing of the case no. 321/PDT.G/2019/PN.JKT.PST was scheduled for 9 July 2019. - On 4 July 2019, during the mediation, GLFI informed Mediator that it revokes the claim registered under the number 254/PDT.G/2018/ PN. JKT.PST. Mediator closed the mediation. PoJ declared that the examination of the case shall be closed. - On 9 July 2019, the District Court of Central Jakarta examined documents of the representatives of the parties in the case no. 321/PDT.G/2019/PN. JKT.PST. BJTI representatives failed to submit POA since notification of the hearing was received only on 8 July 2019. - On 30 July 2019, the PoJ completed the examination of BJTI documentation.

Plaintiff	Defendant	Allegation	Amount in Controversy	Progress
				<ul style="list-style-type: none"> - There were the proceedings of mediation and several postponements. - GLFI submitted the Response and BJTI submitted the Counter-Pea. - Currently, both parties are in the process of submitting written evidence to the Court

As discussed in the Notes 34.1 34.2 and 34.3, the Group is aware of the importance of the above situation and together with external legal advisors, have considered the likelihood that there has been any breach of covenants or event of default as stipulated in the Group's credit facility agreements, debentures agreements and joint finance agreements including court claims against the Group. Both Management and the legal advisors believe that the Group is not in breach of any conditions of the agreements with the creditors and the joint finance partner and has not violated any laws and the demands as claims. Furthermore, the Company believes that as long as the legal cases are outstanding, the non-payment of interest on convertible debentures does not regard as a default of the convertible debentures conditions.

35 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

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

* *TFRS - Financial instruments standards*

(a) *TFRS - Financial instruments standards*

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled. The impact from adoption of TFRS – Financial instruments are as follows:

(i) Classification – Financial assets

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

(ii) Measurement at amortised cost

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

(iii) Impairment – Financial assets and contract assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

(iv) Classification – Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortised cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

Under TFRS 9, changes in fair value of financial liabilities classified as FVTPL are generally presented as follows:

- the amount of fair value that changes due to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of fair value changed is presented in profit or loss.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 33. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

36 Reclassification of accounts

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

	Consolidated financial statements		
	Before reclass.	Reclass. (in thousand Baht)	After reclass.
<i>Statement of financial position as at 31 December 2018</i>			
Current portion of hire purchaser receivables	3,324,919	210,446	3,535,365
Long-term portion of hire purchaser receivables	2,886,840	(210,446)	2,676,394
Current portion of assets-backed loan receivables	230,733	(230,733)	-
Current portion of loan receivables	-	282,243	282,243
Current portion of loans and interest receivables	42,123	(42,123)	-
Current portion of corporate loans and interest receivables	-	42,123	42,123
Long-term portion of assets-backed loan receivables	64,554	(64,554)	-
Long-term portion of loan receivables	-	13,044	13,044
		<u>-</u>	
<i>Statement of comprehensive income for the year ended 31 December 2018</i>			
Asset-backed loan interest income	160,589	(160,589)	-
Loan interest income	-	160,589	160,589
Interest on loan receivables	1,870	(1,870)	-
Corporate loan interest income	-	1,870	1,870
		<u>-</u>	
<i>Separate financial statements</i>			
	Before reclass.	Reclass. (in thousand Baht)	After reclass.
<i>Statement of financial position as at 31 December 2018</i>			
Current portion of hire purchaser receivables	2,123,035	83,884	2,206,919
Long-term portion of hire purchaser receivables	2,096,962	(83,884)	2,013,078
		<u>-</u>	



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