

S 11 Group Public Company Limited
Review report and interim financial statements
30 September 2015



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of S 11 Group Public Company Limited

I have reviewed the accompanying statements of financial position of S 11 Group Public Company Limited as at 30 September 2015, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 12 November 2015

S 11 Group Public Company Limited

Statements of financial position

As at 30 September 2015

		(Unit: Baht)	
	Note	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		57,161,314	35,013,496
Current portion of hire purchase receivables - net	2	1,736,886,182	1,501,815,293
Assets foreclosed - net	3	9,517,313	8,175,814
Revenue Department receivables		32,218,040	23,060,130
Prepaid insurance premium		45,881,650	40,879,426
Other current assets	4	23,958,296	23,395,000
Total current assets		<u>1,905,622,795</u>	<u>1,632,339,159</u>
Non-current assets			
Restricted bank deposits		1,849,008	1,350,363
Hire purchase receivables - net of current portion	2	1,585,117,242	1,331,986,217
Prepaid insurance premium		16,842,949	15,590,202
Land, building and equipment - net	5	79,047,968	74,009,802
Deferred tax assets	6.1	60,501,184	44,808,146
Other non-current assets		212,600	136,600
Total non-current assets		<u>1,743,570,951</u>	<u>1,467,881,330</u>
Total assets		<u><u>3,649,193,746</u></u>	<u><u>3,100,220,489</u></u>

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

S 11 Group Public Company Limited
 Statements of financial position (continued)
 As at 30 September 2015

		(Unit: Baht)	
	Note	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payables		45,969,229	2,622,408
Short-term loans	7	243,473,689	-
Current portion of long-term loans	8	1,064,646,437	1,155,216,199
Current portion of financial lease payables		1,451,667	1,598,033
Income tax payable		29,008,715	39,167,038
Insurance premium payables		9,118,752	10,654,078
Accrued expenses		36,665,618	16,139,377
Other current liabilities		17,174,241	11,057,462
Total current liabilities		1,447,508,348	1,236,454,595
Non-current liabilities			
Long-term loans - net of current portion	8	577,488,226	802,965,439
Financial lease payables - net of current portion		608,689	1,632,162
Provision for long-term employee benefits		6,102,207	5,140,410
Total non-current liabilities		584,199,122	809,738,011
Total liabilities		2,031,707,470	2,046,192,606
Shareholders' equity			
Share capital			
Registered			
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000
Issued and fully paid-up	9		
613,000,000 ordinary shares of Baht 1 each (31 December 2014: 533,00,000 ordinary shares of Baht 1 each)		613,000,000	533,000,000
Share premium	9	427,822,558	90,606,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000
Retained earnings			
Appropriated - statutory reserve		20,756,407	20,756,407
Unappropriated		540,607,311	394,364,918
Total shareholders' equity		1,617,486,276	1,054,027,883
Total liabilities and shareholders' equity		3,649,193,746	3,100,220,489

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

Directors

(Unaudited but reviewed)

S 11 Group Public Company Limited
Statements of comprehensive income

For the three-month and nine-month periods ended 30 September 2015

(Unit: Baht)

	Note	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Hire purchase interest income		276,375,415	226,191,026	783,676,058	644,657,704
Fee and service income		12,632,636	10,304,152	36,036,470	27,139,252
Other income		3,572,779	2,678,226	10,448,450	6,196,857
Total revenues		292,580,830	239,173,404	830,160,978	677,993,813
Expenses					
Selling and administrative expenses		55,777,385	56,472,775	159,464,681	133,582,859
Bad debts and doubtful accounts	2.6	46,765,897	55,468,511	151,518,254	158,885,741
Loss on impairment and on disposal of assets foreclosed	10	40,248,848	35,324,544	102,004,284	99,713,467
Total expenses		142,792,130	147,265,830	412,987,219	392,182,067
Profit before finance cost and income tax expenses					
Finance cost		(34,583,638)	(36,138,806)	(104,198,400)	(100,819,314)
Profit before income tax expenses		115,205,062	55,768,768	312,975,359	184,992,432
Income tax expenses	6.2	(23,018,785)	(11,157,930)	(62,522,966)	(36,989,211)
Profit for the period		92,186,277	44,610,838	250,452,393	148,003,221
Other comprehensive income:					
		-	-	-	-
Total comprehensive income for the period		92,186,277	44,610,838	250,452,393	148,003,221
Earnings per share					
Basic earnings per share	11	0.15	0.08	0.42	0.28
Weight average number of ordinary shares (shares)		613,000,000	533,000,000	599,520,147	533,000,000

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

(Unaudited but reviewed)

S 11 Group Public Company Limited

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2015

(Unit: Baht)

	Registered, issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2014	533,000,000	90,606,558	15,300,000	10,105,304	191,993,962	841,005,824
Total comprehensive income for the period	-	-	-	-	148,003,221	148,003,221
Balance as at 30 September 2014	533,000,000	90,606,558	15,300,000	10,105,304	339,997,183	989,009,045
Balance as at 1 January 2015	533,000,000	90,606,558	15,300,000	20,756,407	394,364,918	1,054,027,883
Proceeds from increase in share capital (Note 9)	80,000,000	337,216,000	-	-	-	417,216,000
Total comprehensive income for the period	-	-	-	-	250,452,393	250,452,393
Dividend payment (Note 12)	-	-	-	-	(104,210,000)	(104,210,000)
Balance as at 30 September 2015	613,000,000	427,822,558	15,300,000	20,756,407	540,607,311	1,617,486,276

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

(Unaudited but reviewed)

S 11 Group Public Company Limited

Cash flows statements

For the nine-month period ended 30 September 2015

	(Unit: Baht)	
	2015	2014
Cash flows from operating activities		
Profit before income tax	312,975,359	184,992,432
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation	5,455,237	5,039,305
Bad debts and doubtful accounts	151,518,254	158,885,741
Loss on impairment of assets foreclosed (reversal)	41,433	(2,366,236)
Loss on written-off assets	19,487	57,941
Loss (profit) on disposal fixed assets	(196,723)	97,732
Provision for long-term employee benefits	961,797	1,183,681
Hire purchase interest income	(783,676,058)	(644,657,704)
Interest expenses	104,198,400	100,819,314
Loss from operating activities before changes in operating assets and liabilities	(208,702,814)	(195,947,794)
Operating assets (increase) decrease		
Hire purchase receivables	(630,578,103)	(604,620,111)
Assets foreclosed	(1,382,932)	5,056,507
Revenue Department receivables	(9,157,910)	(2,687,801)
Prepaid insurance premium	(6,254,971)	(6,202,314)
Other current assets	(563,296)	(10,658,755)
Other non-current assets	(76,000)	(3,500)
Operating liabilities increase (decrease)		
Trade accounts payables	43,346,821	53,098,110
Insurance premium payables	(1,535,326)	1,970,177
Accrued expenses	20,574,349	12,495,948
Other current liabilities	6,065,440	3,246,261
Cash flows used in operating activities	(788,264,742)	(744,253,272)
Cash received from interest	774,533,993	638,188,428
Cash paid for corporate income tax	(88,374,327)	(58,789,415)
Cash paid for interest	(95,602,876)	(98,072,749)
Net cash flows used in operating activities	(197,707,952)	(262,927,008)

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

(Unaudited but reviewed)

S 11 Group Public Company Limited

Cash flows statements (continued)

For the nine-month period ended 30 September 2015

	(Unit: Baht)	
	2015	2014
Cash flows from investing activities		
Increase in restricted bank deposits	(498,645)	(245,292)
Cash receipt from proceed of equipment	214,953	35,280
Cash paid for acquisition of equipment	(10,531,120)	(5,872,061)
Net cash flows used in investing activities	(10,814,812)	(6,082,073)
Cash flows from financing activities		
Proceeds from increase in share capital	417,216,000	-
Cash received from short-term loans	241,103,607	-
Cash received from long-term loans	670,500,000	1,159,370,000
Repayment of long-term loans	(982,820,526)	(876,557,609)
Repayment of financial lease payables	(1,169,839)	(1,030,055)
Payment for loans issuing cost	(10,000,000)	(10,650,125)
Payment for dividend	(104,158,660)	-
Net cash flows from financing activities	230,670,582	271,132,211
Net increase in cash and cash equivalents	22,147,818	2,123,130
Cash and cash equivalents at beginning of period	35,013,496	41,145,312
Cash and cash equivalents at end of period	57,161,314	43,268,442
Supplement cash flow information		
Non-cash items		
Purchase of assets by financial lease payables	-	3,662,496

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

S 11 Group Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2015

1. General information

1.1 Corporate information

S 11 Group Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is S Charter Company Limited which was incorporated in Thailand. The Company is principally engaged in the hire purchase of motorcycles and its registered address is 888, Soi Chatuchot 10, Chatuchot road, Ao Ngoen, Sai Mai, Bangkok.

As at 30 September 2015, the Company has 2 branches located in Chonburi and Ayudhya.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 New accounting standards

a. Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal year beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. Some of these standards involve changes to key principles, the following are those standards that directly relevant to the Company.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gain and loss immediately in other comprehensive income while the former standard allowed the entity to recognise such gain and loss immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gain and loss in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income. However, this change does not have any impact on the statement of comprehensive income for the current period because there were no such actuarial gain or loss. In addition, the Company did not restate the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy because there would be no significant impact to the financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

b. Financial reporting standard that not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.3 to the financial statements.

2. Hire purchase receivables

- 2.1 As at 30 September 2015 and 31 December 2014, the contract terms of the Company's hire purchase receivables are 12 - 36 installments with payments to be made in equal installments, and interest charged at the fixed rates as specified in the contracts. These are summarised as follows:

	(Unit: Baht)		
	30 September 2015		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	3,064,485,943	2,031,022,182	5,095,508,125
Less: Unearned hire purchase income ⁽¹⁾	(978,448,847)	(428,966,500)	(1,407,415,347)
Present value of the minimum lease payment receivables	2,086,037,096	1,602,055,682	3,688,092,778
Less: Allowance for doubtful accounts	(349,150,914)	(16,938,440)	(366,089,354)
Net hire purchase receivables	<u>1,736,886,182</u>	<u>1,585,117,242</u>	<u>3,322,003,424</u>

(1) Presented net of deferred commission and initial direct costs of hire purchase.

(2) The balance of receivables due within 1 year included receivables for which revenue recognised has been ceased.

	(Unit: Baht)		
	31 December 2014		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	2,610,457,788	1,710,989,983	4,321,447,771
Less: Unearned hire purchase income ⁽¹⁾	(829,097,776)	(364,618,313)	(1,193,716,089)
Present value of the minimum lease payment receivables	1,781,360,012	1,346,371,670	3,127,731,682
Less: Allowance for doubtful accounts	(279,544,719)	(14,385,453)	(293,930,172)
Net hire purchase receivables	<u>1,501,815,293</u>	<u>1,331,986,217</u>	<u>2,833,801,510</u>

(1) Presented net of deferred commission and initial direct costs of hire purchase.

(2) The balance of receivables due within 1 year included receivables for which revenue recognised has been ceased.

2.2 As at 30 September 2015 and 31 December 2014, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for doubtful accounts are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Balance of		Percentage of allowance set up by the Company	Allowance for doubtful accounts	
	hire purchase receivables			30 September	31 December
	30 September 2015	31 December 2014		2015	2014
Not yet due	2,305,537,868	1,938,762,765	1	23,055,380	19,387,629
Past due:					
Less than 1 month	661,788,663	571,668,598	1	6,617,886	5,716,686
1 month or more, but less than 2 months	204,516,514	178,255,396	1	2,045,166	1,782,554
2 months or more, but less than 4 months	185,590,624	175,511,857	2	3,711,813	3,510,237
4 months or more, but less than 7 months	104,477,434	105,289,791	100	104,477,434	105,289,791
7 months or more, but less than 12 months	108,140,333	108,065,711	100	108,140,333	108,065,711
12 months or more	118,041,342	50,177,564	100	118,041,342	50,177,564
Total	<u>3,688,092,778</u>	<u>3,127,731,682</u>		<u>366,089,354</u>	<u>293,930,172</u>

2.3 The Notification of the Institute of Certified Accountants and Auditors of Thailand, with the concurrence 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 and full provision is to be recorded for accounts receivable which are past due more than 3 installments, based on the scheduled repayment date per the agreement, and general provision is to be provided for accounts receivable which are not past due or have no more than 3 installments past due. 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 and the reason.

The Company had a policy to cease recognising revenue from hire purchase receivables which are past due more than 3 installments and has a policy to set up full allowance for doubtful accounts, without consider collateral value, for hire purchase receivables with 4 or more installments past due. The management has considered and confident that this policy is appropriated for the debtor's character and to the Company's business.

- 2.4** As at 30 September 2015, the Company had hire purchase receivables amounting to Baht 517 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2014: Baht 416 million).
- 2.5** As at 30 September 2015, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 2,311 million (31 December 2014: Baht 2,670 million) in order to secure credit facilities granted by a commercial bank as discussed in Note 8 to the financial statements.

2.6 Allowance for doubtful accounts

Movements of allowance for doubtful accounts of hire purchase receivables are as follow:

	(Unit: Baht)	
	For the nine-month period ended 30 September 2015	For the year ended 31 December 2014
Balance beginning of the period	293,930,172	181,665,754
Add: Doubtful account set up during the period	151,518,254	210,391,625
Less: Bad debt written-off	(79,359,072)	(98,127,207)
Balance end of the period	<u>366,089,354</u>	<u>293,930,172</u>

3. Assets foreclosed

	(Unit: Baht)	
	30 September 2015	31 December 2014
Assets foreclosed - cost	15,520,857	14,137,925
Less: Allowance for impairment	(6,003,544)	(5,962,111)
Assets foreclosed - net	<u>9,517,313</u>	<u>8,175,814</u>

4. Other current assets

	(Unit: Baht)	
	30 September 2015	31 December 2014
Advance VAT receivable	13,669,950	20,121,463
Other receivable - sales of assets foreclosed	7,491,379	1,538,689
Others	2,796,967	1,734,848
Total	<u>23,958,296</u>	<u>23,395,000</u>

5. Land, building and equipment

Movements of land, building and equipment during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Baht)
Cost	
Balance as at 1 January 2015	92,288,421
Additions	10,531,120
Disposals/written-off	(700,000)
Balance as at 30 September 2015	<u>102,119,541</u>
Accumulated depreciation	
Balance as at 1 January 2015	18,278,619
Depreciation for the period	5,455,237
Disposals/written-off	(662,283)
Balance as at 30 September 2015	<u>23,071,573</u>
Net book value	
Balance as at 30 September 2015	<u><u>79,047,968</u></u>

As at 30 September 2015, land and premises thereon with net book value amounting to Baht 54.92 million were pledged as collateral against credit facilities received from the financial institution as mentioned in Note 8 to the financial statements (31 December 2014: Baht 56.38 million).

6. Deferred tax assets/income tax expenses

6.1 Deferred tax assets

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

	(Unit: Baht)	
	<u>30 September 2015</u>	<u>31 December 2014</u>
Deferred tax assets		
Allowance for doubtful accounts	73,217,871	58,786,035
Allowance for impairment of assets foreclosed	1,200,709	1,192,423
Provision for long-term employee benefits	1,220,441	1,028,083
Accrued employee expenses	3,318,000	-
Total	<u>78,957,021</u>	<u>61,006,541</u>
Deferred tax liabilities		
Deferred commission and initial direct cost from hire purchase	14,612,463	13,100,309
Deferred loans issuing costs	3,843,374	3,098,086
Total	<u>18,455,837</u>	<u>16,198,395</u>
Deferred tax assets - net	<u><u>60,501,184</u></u>	<u><u>44,808,146</u></u>

6.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge for the period	29,021,587	19,263,207	76,520,004	53,561,381
Effects of income tax related to expenses from share offering (Note 9)	-	-	1,696,000	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,002,802)	(8,105,277)	(15,693,038)	(16,572,170)
Income tax expenses reported in the statements of comprehensive income	<u>23,018,785</u>	<u>11,157,930</u>	<u>62,522,966</u>	<u>36,989,211</u>

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Accounting profit before tax	<u>115,205,062</u>	<u>55,768,768</u>	<u>312,975,359</u>	<u>184,992,432</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	23,041,012	11,153,753	62,595,072	36,998,486
Tax effect of tax-exempt income and disallowed expenses	(22,227)	4,177	(72,106)	(9,275)
Income tax expenses reported in the statements of comprehensive income	<u>23,018,785</u>	<u>11,157,930</u>	<u>62,522,966</u>	<u>36,989,211</u>

7. Short-term loans

As at 30 September 2015, short-term loans net of discount, totaling Baht 243 million, are bills of exchange with named, transferable, with maturities of no more than 270 days from the date of issuance.

8. Long-term loans

As at 30 September 2015 and 31 December 2014, the long-term loans, which the Company obtained from a local financial institution, are as detailed below.

				(Unit: Baht)	
Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	30 September 2015	31 December 2014
1	Loan agreement dated 2 March 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payable on the last day of the month of the first drawdown	-	3,199,162
2	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, within 12 years, with the first installment due on 7 June 2012	10,484,804	11,120,894
3	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, within 12 years, with the first installment due in the 13th month after the loan drawdown	22,970,883	24,503,708
4	Loan agreement dated 26 July 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	42,294,030	313,419,593
5	Loan agreement dated 12 December 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	51,561,144	149,366,586
6	Loan agreement dated 24 October 2013	MLR	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	407,739,895	706,556,705
7	Loan agreement dated 27 June 2014	MLR - 0.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	1,126,950,905	766,155,539
Total				1,662,001,661	1,974,322,187
Less: Deferred loans issuing costs				(19,866,998)	(16,140,549)
Long-term loans				1,642,134,663	1,958,181,638
Less: current portion due within 1 year				(1,064,646,437)	(1,155,216,199)
Long-term loans, net of current portion				577,488,226	802,965,439

Loan facilities no. 2 and 3 are for use in building construction. These loan facilities are secured by the Company's land and premises thereon.

Other loans facilities are for use in the expansion of the Company's business. The Company has to comply with loan covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, maintenance of debt to equity ratio and maintenance of ratios of overdue hire purchase receivables to total hire purchase receivables, and total hire purchase receivables to debts, as well as prohibitions on the disposal of assets or rights of claim under hire purchase agreements and prohibition from entering into new debt agreements. And these loan facilities are secured by the transfer of rights of claim under hire purchase agreements and motorcycle registrations as requested by the commercial bank (As at 31 December 2014, loans had the same conditions as mentioned above, and included guaranteed by shareholders, managing director and management of the Company).

As at 30 September 2015, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 876.05 million. In addition, the Company has remaining overdraft facilities amounting to Baht 50 million.

9. Share capital

During 11-13 February 2015, the Company made an initial public offering of 80 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.3 per share, for total proceeds of Baht 424 million. As a result there was an increased in share premium amounting to Baht 337.22 million (net of incurred expenses and income tax relating to the share offering of Baht 6.78 million). The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 16 February 2015, and shares of the Company began trading on the Stock Exchange of Thailand on 25 February 2015.

10. Loss on impairment and on disposal of assets foreclosed

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Loss on impairment of assets foreclosed (reversal)	3,735,529	(3,860,204)	41,433	(2,366,236)
Loss on disposal of assets foreclosed	36,513,319	39,184,748	101,962,851	102,079,703
Total	40,248,848	35,324,544	102,004,284	99,713,467

11. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares proportionately to the change in the number of shares as a result of the change in the par value of the ordinary shares.

12. Dividend

On 23 April 2015, the Annual General Meeting of the Company's shareholders for the year 2015 passed the resolutions to pay a dividend of Baht 0.17 per share from the 2014 operating result to the holders of the Company, or a total dividend payment of Baht 104.21 million. The dividend was paid on 13 May 2015.

13. Segment information

The Company's operations involved a single reportable operating segment of hire purchase of motorcycles and are carried on in the single geographical area of Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that the Company's chief operating decision maker (managing director) used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

14. Directors and management benefits

During the periods, the Company had the following employee benefit expenses payable to their directors and management.

	(Unit: Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Short-term employee benefits	4,769,896	6,338,992	14,034,552	12,710,088
Post-employment benefits	904,539	365,014	1,320,183	786,890
Total	<u>5,674,435</u>	<u>6,704,006</u>	<u>15,354,735</u>	<u>13,496,978</u>

15. Commitment

15.1 Guarantees

As at 30 September 2015, there was an outstanding bank guarantee of Baht 10,000 (31 December 2014: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

15.2 Employee Joint Investment Program

The Company has an Employee Joint Investment Program ("the EJIP"), one of the Company's staff welfare benefits, which offers staff of the Company who voluntarily join the EJIP a savings scheme under which for purchase shares of the Company. EJIP members pay monthly contributions in a certain amount and the Company pays contributions on behalf of EJIP members at the same amount but not higher than 5-7.5 percent of their basic salaries based on their position. However, total contributions for each year will not exceed 60 percent of their basic salaries. In addition, the Company pays additional contributions to EJIP members by considering their length of service, with a minimum of 3 years' service required.

During the period, the amount contributed by the Company to EJIP members was presented under the caption of personnel expenses.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2015.