

S 11 Group Public Company Limited
Review report and interim financial statements
30 September 2016

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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 2016, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, 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: 11 November 2016

S 11 Group Public Company Limited

Statements of financial position

As at 30 September 2016

(Unit: Baht)

	Note	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Assets			
Current assets			
Cash and cash equivalents		41,690,271	41,321,048
Current portion of hire purchase receivables - net	2	1,987,864,225	1,761,881,528
Assets foreclosed - net	3	9,594,307	6,498,696
Revenue Department receivables		33,926,562	32,259,654
Prepaid insurance premium		68,442,606	47,972,239
Other current assets	4	29,633,274	28,928,308
Total current assets		2,171,151,245	1,918,861,473
Non-current assets			
Restricted bank deposits		471,669	1,758,465
Hire purchase receivables - net of current portion	2	1,805,354,933	1,562,533,065
Prepaid insurance premium		29,512,954	18,067,482
Land, building and equipment - net	5	78,557,583	79,126,517
Deferred tax assets	6.1	81,625,952	63,000,404
Other non-current assets		223,950	212,600
Total non-current assets		1,995,747,041	1,724,698,533
Total assets		4,166,898,286	3,643,560,006

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 2016

		(Unit: Baht)	
	Note	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft and short-term loans from financial institutions	7	29,010,929	50,000,000
Trade accounts payables		58,171,501	3,136,150
Short-term loans	8	316,925,475	422,338,883
Current portion of long-term loans	9	836,395,499	939,133,131
Current portion of liabilities under financial lease agreements		608,689	1,175,434
Income tax payable		30,960,165	57,072,722
Insurance premium payables		17,070,110	13,778,798
Accrued expenses		48,783,493	18,443,607
Other current liabilities		19,933,308	20,698,997
Total current liabilities		1,357,859,169	1,525,777,722
Non-current liabilities			
Long-term loans - net of current portion	9	504,903,255	390,983,641
Liabilities under financial lease agreements - net of current portion		-	456,728
Provision for long-term employee benefits		8,219,253	6,492,528
Debt issued - debentures	10	497,974,692	-
Total non-current liabilities		1,011,097,200	397,932,897
Total liabilities		2,368,956,369	1,923,710,619

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 2016

		(Unit: Baht)	
	Note	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)
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			
613,000,000 ordinary shares of Baht 1 each	11	613,000,000	613,000,000
Share premium	11	427,822,558	427,822,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000
Retained earnings			
Appropriated - statutory reserve		38,406,028	38,406,028
Unappropriated		703,413,331	625,320,801
Total shareholders' equity		1,797,941,917	1,719,849,387
Total liabilities and shareholders' equity		4,166,898,286	3,643,560,006

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 period ended 30 September 2016

		(Unit: Baht)	
	Note	2016	2015
Profit or loss:			
Revenues			
Hire purchase interest income		307,574,346	276,375,415
Fee and service income		13,382,167	12,632,636
Other income		11,436,930	3,572,779
Total revenues		<u>332,393,443</u>	<u>292,580,830</u>
Expenses			
Selling and administrative expenses		71,287,449	55,777,385
Bad debts and doubtful accounts		62,468,251	46,765,897
Loss on impairment and on disposal of assets foreclosed	12	<u>37,247,443</u>	<u>40,248,848</u>
Total expenses		<u>171,003,143</u>	<u>142,792,130</u>
Profit before finance cost and income tax expenses		161,390,300	149,788,700
Finance cost		<u>(31,705,152)</u>	<u>(34,583,638)</u>
Profit before income tax expenses		129,685,148	115,205,062
Income tax expenses	6.2	<u>(25,905,426)</u>	<u>(23,018,785)</u>
Profit for the period		<u>103,779,722</u>	<u>92,186,277</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain		26,097	-
Income tax relating to actuarial gain		<u>(5,220)</u>	<u>-</u>
Other comprehensive income for the period		<u>20,877</u>	<u>-</u>
Total comprehensive income for the period		<u>103,800,599</u>	<u>92,186,277</u>
Earnings per share	13		
Basic earnings per share		<u>0.17</u>	<u>0.15</u>
Weight average number of ordinary shares (shares)		<u>613,000,000</u>	<u>613,000,000</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited
 Statements of comprehensive income
 For the nine-month period ended 30 September 2016

	Note	2016	2015
(Unit: Baht)			
Profit or loss:			
Revenues			
Hire purchase interest income		885,404,307	783,676,058
Fee and service income		39,440,144	36,036,470
Other income		37,255,610	10,448,450
Total revenues		<u>962,100,061</u>	<u>830,160,978</u>
Expenses			
Selling and administrative expenses		190,959,262	159,464,681
Bad debts and doubtful accounts	2.6	190,336,134	151,518,254
Loss on impairment and on disposal of assets foreclosed	12	101,680,059	102,004,284
Total expenses		<u>482,975,455</u>	<u>412,987,219</u>
Profit before finance cost and income tax expenses		479,124,606	417,173,759
Finance cost		(90,807,813)	(104,198,400)
Profit before income tax expenses		<u>388,316,793</u>	<u>312,975,359</u>
Income tax expenses	6.2	(77,607,576)	(62,522,966)
Profit for the period		<u>310,709,217</u>	<u>250,452,393</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain		404,108	-
Income tax relating to actuarial gain		(80,822)	-
Other comprehensive income for the period		<u>323,286</u>	<u>-</u>
Total comprehensive income for the period		<u>311,032,503</u>	<u>250,452,393</u>
Earnings per share	13		
Basic earnings per share		<u>0.51</u>	<u>0.42</u>
Weight average number of ordinary shares (shares)		<u>613,000,000</u>	<u>599,520,147</u>

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 2016

(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 2015	533,000,000	90,606,558	15,300,000	20,756,407	394,364,918	1,054,027,883
Profit for the period	-	-	-	-	250,452,393	250,452,393
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	250,452,393	250,452,393
Proceeds from increase in share capital (Note 11)	80,000,000	337,216,000	-	-	-	417,216,000
Payment for dividend (Note 14)	-	-	-	-	(104,210,000)	(104,210,000)
Balance as at 30 September 2015	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>20,756,407</u>	<u>540,607,311</u>	<u>1,617,486,276</u>
Balance as at 1 January 2016	613,000,000	427,822,558	15,300,000	38,406,028	625,320,801	1,719,849,387
Profit for the period	-	-	-	-	310,709,217	310,709,217
Other comprehensive income for the period	-	-	-	-	323,286	323,286
Total comprehensive income for the period	-	-	-	-	311,032,503	311,032,503
Payment for dividend (Note 14)	-	-	-	-	(232,939,973)	(232,939,973)
Balance as at 30 September 2016	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>38,406,028</u>	<u>703,413,331</u>	<u>1,797,941,917</u>

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 2016

	(Unit: Baht)	
	2016	2015
Cash flows from operating activities		
Profit before income tax	388,316,793	312,975,359
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation	4,679,204	5,455,237
Bad debts and doubtful accounts	190,336,134	151,518,254
Loss on impairment of assets foreclosed	632,054	41,433
Gain on sale assets	(71,367)	(196,723)
Loss on written-off assets	8,711	19,487
Provision for long-term employee benefits	2,130,833	961,797
Hire purchase interest income	(885,404,307)	(783,676,058)
Interest expenses and amortisation of loans issuing cost	90,807,813	104,198,400
Loss from operating activities before changes in operating assets and liabilities	(208,564,132)	(208,702,814)
Operating assets (increase) decrease		
Hire purchase receivables	(648,235,228)	(630,578,103)
Assets foreclosed	(3,727,665)	(1,382,932)
Revenue Department receivables	(1,666,908)	(9,157,910)
Prepaid insurance premium	(31,915,839)	(6,254,971)
Other current assets	(704,966)	(563,296)
Other non-current assets	(11,350)	(76,000)
Operating liabilities increase (decrease)		
Trade accounts payables	55,035,351	43,346,821
Insurance premium payables	3,291,312	(1,535,326)
Accrued expenses	26,339,512	20,574,349
Other current liabilities	(826,462)	6,065,440
Cash flows used in operating activities	(810,986,375)	(788,264,742)
Cash received from interest	874,498,836	774,533,993
Cash paid for corporate income tax	(122,426,503)	(88,374,327)
Cash paid for interest	(61,318,589)	(95,602,876)
Net cash flows used in operating activities	(120,232,631)	(197,707,952)

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 2016

	(Unit: Baht)	
	2016	2015
Cash flows from investing activities		
Decrease (increase) in restricted bank deposits	1,286,796	(498,645)
Cash received for proceed of equipment	75,000	214,953
Cash paid for acquisition of building and equipment	(4,122,615)	(10,531,120)
Net cash flows used in investing activities	(2,760,819)	(10,814,812)
Cash flows from financing activities		
Proceeds from increase in share capital	-	417,216,000
Decrease in bank overdraft and short-term loans from financial institutions	(20,989,071)	-
Increase (decrease) in short-term loans	(120,722,250)	241,103,607
Cash received from debentures	497,750,000	-
Cash received from long-term loans	889,827,000	670,500,000
Repayment of long-term loans	(886,594,334)	(982,820,526)
Repayment of financial lease payables	(1,023,473)	(1,169,839)
Payment for loans issuing cost	(2,006,000)	(10,000,000)
Payment for dividend	(232,879,199)	(104,158,660)
Net cash flows from financing activities	123,362,673	230,670,582
Net increase (decreased) in cash and cash equivalents	369,223	22,147,818
Cash and cash equivalents at beginning of period	41,321,048	35,013,496
Cash and cash equivalents at end of period	41,690,271	57,161,314

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 2016

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 2016, the Company has 3 branches located in Chonburi, Ayudhya and Rayong.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) "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

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

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 2015.

2. Hire purchase receivables

2.1 As at 30 September 2016 and 31 December 2015, 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 2016		Total
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	
Hire purchase receivables	3,533,577,513	2,307,875,980	5,841,453,493
Less: Unearned hire purchase income ⁽¹⁾	(1,099,321,233)	(483,241,565)	(1,582,562,798)
Present value of the minimum lease payment receivables	2,434,256,280	1,824,634,415	4,258,890,695
Less: Allowance for doubtful accounts	(446,392,055)	(19,279,482)	(465,671,537)
Net hire purchase receivables	1,987,864,225	1,805,354,933	3,793,219,158

(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.

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2015		
	Amounts due	Amounts due	Total
	within 1 year ⁽²⁾	over 1 year	
Hire purchase receivables	3,112,243,691	1,993,620,679	5,105,864,370
Less: Unearned hire purchase income ⁽¹⁾	(976,054,391)	(414,328,907)	(1,390,383,298)
Present value of the minimum lease payment receivables	2,136,189,300	1,579,291,772	3,715,481,072
Less: Allowance for doubtful accounts	(374,307,772)	(16,758,707)	(391,066,479)
Net hire purchase receivables	<u>1,761,881,528</u>	<u>1,562,533,065</u>	<u>3,324,414,593</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 2016 and 31 December 2015, 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 2016	31 December 2015		2016	2015
Not yet due	2,741,152,665	2,286,325,483	1	27,411,531	22,863,257
Past due					
Less than 1 months	641,581,093	664,437,559	1	6,415,811	6,644,376
1 month or more, but less than 2 months	237,714,697	207,710,494	1	2,377,147	2,077,105
2 months or more, but less than 4 months	213,239,991	201,556,934	2	4,264,799	4,031,139
4 months or more, but less than 7 months	120,188,146	107,583,056	100	120,188,146	107,583,056
7 months or more, but less than 12 months	135,412,034	111,643,635	100	135,412,034	111,643,635
12 months or more	169,602,069	136,223,911	100	169,602,069	136,223,911
Total	<u>4,258,890,695</u>	<u>3,715,481,072</u>		<u>465,671,537</u>	<u>391,066,479</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 months 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 2016, the Company had hire purchase receivables amounting to Baht 639 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2015: Baht 558 million).
- 2.5 As at 31 December 2015, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 1,895 million in order to secure credit facilities granted by a commercial bank as discussed in Note 10 to the financial statements. However, during 2016 the Company redeemed all rights of claim under hire purchase agreements.

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 2016	For the year ended 31 December 2015
Balance beginning of the period	391,066,479	293,930,172
Add: Doubtful account set up during the period	190,336,134	204,526,270
Less: Bad debt written-off	(115,731,076)	(107,389,963)
Balance end of the period	<u>465,671,537</u>	<u>391,066,479</u>

3. Assets foreclosed

	(Unit: Baht)	
	30 September 2016	31 December 2015
Assets foreclosed - cost	14,881,460	11,153,795
Less: Allowance for impairment	(5,287,153)	(4,655,099)
Assets foreclosed - net	<u>9,594,307</u>	<u>6,498,696</u>

4. Other current assets

	(Unit: Baht)	
	30 September 2016	31 December 2015
Advance VAT receivable	17,149,106	14,258,914
Other receivable - sales of assets foreclosed	5,078,226	7,226,568
Other accrued income	2,997,728	4,094,123
Others	4,408,214	3,348,703
Total	<u>29,633,274</u>	<u>28,928,308</u>

5. Land, building and equipment

Movements of land, building and equipment during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Baht)
Cost	
Balance as at 1 January 2016	103,890,999
Additions	4,122,615
Disposal/written-off	(512,407)
Balance as at 30 September 2016	<u>107,501,207</u>
Accumulated depreciation	
Balance as at 1 January 2016	24,764,482
Depreciation for the period	4,679,204
Disposal/written-off	(500,062)
Balance as at 30 September 2016	<u>28,943,624</u>
Net book value	
Balance as at 30 September 2016	<u>78,557,583</u>

As at 31 December 2015, land and premises thereon with net book value amounting to Baht 54 million were mortgaged as collateral against credit facilities received from the financial institution as mentioned in Note 7 and 9 to the financial statements. However, during 2016 the Company redeemed the mortgage of those assets.

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)	
	30 September 2016	31 December 2015
Deferred tax assets		
Allowance for doubtful accounts	93,134,307	78,213,295
Allowance for impairment of assets foreclosed	1,057,431	931,020
Provision for long-term employee benefits	1,643,851	1,298,506
Accrued bonus	3,928,000	-
Others	436,351	405,293
Total	100,199,940	80,848,114
Deferred tax liabilities		
Deferred commission and direct cost from hire purchase contracts	16,420,416	14,508,137
Deferred loans issuing costs	1,748,510	3,339,573
Deferred debentures issuing cost	405,062	-
Total	18,573,988	17,847,710
Deferred tax assets - net	81,625,952	63,000,404

6.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2016 and 2015 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	31,275,378	29,021,587	96,313,946	76,520,004
Effects of income tax related to expenses from share offering (Note 11)	-	-	-	1,696,000
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,369,952)	(6,002,802)	(18,706,370)	(15,693,038)
Income tax expenses reported in the statements of comprehensive income	25,905,426	23,018,785	77,607,576	62,522,966

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2016 and 2015 are as follow:

(Unit: Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Deferred tax relating to actuarial gain	(5,220)	-	(80,822)	-
	<u>(5,220)</u>	<u>-</u>	<u>(80,822)</u>	<u>-</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 2016 and 2015 are as follows:

(Unit: Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Accounting profit before tax	129,685,148	115,205,062	388,316,793	312,975,359
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	25,937,030	23,041,012	77,663,359	62,595,072
Tax effect of tax-exempt income and disallowed expenses	(31,604)	(22,227)	(55,783)	(72,106)
Income tax expenses reported in the statements of comprehensive income	<u>25,905,426</u>	<u>23,018,785</u>	<u>77,607,576</u>	<u>62,522,966</u>

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

(Unit: Baht)

	Interest rate	30 September 2016	31 December 2015
	(percent per annum)		
Bank overdraft	MOR - 0.5, MOR - 2.0	929	50,000,000
Promissory notes	4.525	29,010,000	-
Total		<u>29,010,929</u>	<u>50,000,000</u>

As at 31 December 2015, bank overdraft was secured by the mortgage of the Company's land and structures thereon. However, during 2016 the Company redeemed the mortgage of those assets.

Loans in the form promissory notes pay interest every month end. As at 30 September 2016, the short-term loan of the Company which have not yet been drawn down amounted to Baht 171 million.

8. Short-term loans

As at 30 September 2016, the Company has loans in form of bills of exchange, net of discount, totaling Baht 317 million. The bills are registered, transferable, and maturing within 270 days from the date of issuance (maturity date between December 2016 and March 2017), with interest charged at the rate of 3.02 - 4.25 percent per annum (31 December 2015: Bills of exchange of Baht 422 million, registered transferable, and maturing within 270 days from the date of issuance (maturity date between April and July 2016), with interest charge at the rate of 4.5 - 5.2 percent per annum).

9. Long-term loans

As at 30 September 2016 and 31 December 2015, the long-term loans, which the Company obtained from a local financial institution, are detailed below.

(Unit: Baht)

Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	30 September 2016	31 December 2015
1	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, over 12 years, with the first installment due on 7 June 2012	-	10,260,881
2	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, over 12 years, with the first installment due in the 13 th month after the loan drawdown	-	22,432,174
3	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	-	12,103,098
4	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	-	17,677,019
5	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	32,327,130	304,448,131
6	Loan agreement dated 27 June 2014	MLR - 0.5, MLR - 1.5, MLR - 2.5 MLR - 2.8	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	1,318,370,300	980,543,461
Total				1,350,697,430	1,347,464,764
Less: Deferred loans issuing costs				(9,398,676)	(17,347,992)
Long-term loans				1,341,298,754	1,330,116,772
Less: current portion due within 1 year				(836,395,499)	(939,133,131)
Long-term loans, net of current portion				504,903,255	390,983,641

(Unaudited but reviewed)

Loan facilities no. 1 and 2 is for use in building construction. These loan facilities are secured by the Company's land and premises thereon. However, during 2016, the Company has made completely loan repayment and releasing the mortgage obligation.

As at 30 September 2016, 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 and the maintenance of debt to equity ratio. (31 December 2015: The Company had to comply with the maintenance of the proportion of shareholding of the major shareholders, the dividend payment, the maintenance of debt to equity ratio and maintenance of ratios of overdue hire purchase receivables to total hire purchase receivables, and the maintenance of 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.)

As at 30 September 2016, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 682 million. In addition, the Company has remaining overdraft facilities amounting to Baht 49.9 million.

10. Debt issued - debentures

During the periods, the debentures issued by Company has detailed below.

No	Date	Repayment schedule	(Unite: Baht)	
			30 September 2016	31 December 2015
1	20 July 2016	Issued name registered, unsubordinated and unsecured without a debentures representative, 2 year term with a coupon rate at 4% per annum, interest payable every quarter	500,000,000	-
Total			500,000,000	-
Less: Deferred issuing costs			(2,025,308)	-
Debentures			497,974,692	-
Less: Current portion due within 1 year			-	-
Debentures - net of current portion			497,974,692	-

Such debentures contain certain financial covenants which the Company has to comply with such as i.e maintenance of debt to equity ratio.

11. 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.

12. Loss on impairment and on disposal of assets foreclosed

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2016	2015	2016	2015
Loss on impairment of assets foreclosed	206,153	3,735,529	632,054	41,433
Loss on disposal of assets foreclosed	37,041,290	36,513,319	101,048,005	101,962,851
Total	37,247,443	40,248,848	101,680,059	102,004,284

13. 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.

14. Dividends

On 11 August 2016, the Board of Director's Meeting of the Company's passed the resolutions to pay the interim dividend of Baht 0.11 per share from the operating result of the 2016 first half year ended to the holders of the Company, or a total dividend payment of Baht 67.43 million. The dividend was paid on 9 September 2016.

On 7 April 2016, the Annual General Meeting of the Company's shareholders for the year 2016 passed the resolutions to pay a dividend of Baht 0.27 per share from the 2015 operating result to the holders of the Company, or a total dividend payment of Baht 165.51 million. The dividend was paid on 29 April 2016.

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.

15. 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.

16. 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	
	2016	2015	2016	2015
Short-term employee benefits	5,167,355	4,769,896	15,165,558	14,034,552
Post-employment benefits	(234,745)	904,539	1,227,447	1,320,183
Total	<u>4,932,610</u>	<u>5,674,435</u>	<u>16,393,005</u>	<u>15,354,735</u>

17. Commitments - Guarantees

As at 30 September 2016, there was an outstanding bank guarantee of Baht 10,000 (31 December 2015: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2016.