

S 11 Group Public Company Limited
Review report and interim financial statements
31 March 2018

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, in which the equity method is applied, of S 11 Group Public Company Limited as at 31 March 2018, the related statements of comprehensive income, the statements of changes in shareholders' equity and cash flows, in which equity method is applied, for the three-month period ended 31 March 2018, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of S 11 Group Public Company Limited for the same period. 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.



Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 14 May 2018

S 11 Group Public Company Limited

Statements of financial position

As at 31 March 2018

(Unit: Baht)

	Note	Financial statements in			
		which the equity method is applied		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		14,532,720	21,347,748	14,532,720	21,347,748
Current portion of hire purchase receivables - net	2	2,413,913,240	2,313,877,011	2,413,913,240	2,313,877,011
Counter service receivables		48,571,244	57,731,415	48,571,244	57,731,415
Prepaid insurance premium		72,978,571	75,260,851	72,978,571	75,260,851
Assets foreclosed - net	3	13,311,308	10,433,978	13,311,308	10,433,978
Other current assets	4	47,305,176	47,513,659	47,305,176	47,513,659
Total current assets		2,610,612,259	2,526,164,662	2,610,612,259	2,526,164,662
Non-current assets					
Investment in an associated company	5	291,301	297,157	249,990	249,990
Restricted bank deposits	6	781,065	747,134	781,065	747,134
Hire purchase receivables - net of current portion	2	2,362,550,745	2,249,248,316	2,362,550,745	2,249,248,316
Prepaid insurance premium		25,219,875	25,396,959	25,219,875	25,396,959
Land, building and equipment - net	7	88,245,340	89,394,837	88,245,340	89,394,837
Deferred tax assets	8	135,000,567	125,302,128	135,000,567	125,302,128
Other non-current assets		264,135	264,135	264,135	264,135
Total non-current assets		2,612,353,028	2,490,650,666	2,612,311,717	2,490,603,499
Total assets		5,222,965,287	5,016,815,328	5,222,923,976	5,016,768,161

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

S 11 Group Public Company Limited
 Statements of financial position (continued)
 As at 31 March 2018

(Unit: Baht)

	Note	Financial statements in			
		which the equity method is applied		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from financial institutions	9	37,998,028	30,000,000	37,998,028	30,000,000
Trade accounts payables		72,145,058	28,096,659	72,145,058	28,096,659
Current portion of long-term loans	11	1,104,098,507	1,061,821,634	1,104,098,507	1,061,821,634
Current portion of debentures	12	499,508,482	499,231,464	499,508,482	499,231,464
Short-term loans	10	247,748,864	233,258,283	247,748,864	233,258,283
Income tax payable		106,001,163	68,805,095	106,001,163	68,805,095
Insurance premium payables		20,672,447	20,318,432	20,672,447	20,318,432
Accrued expenses		39,907,021	29,897,720	39,907,021	29,897,720
Other current liabilities		20,471,063	21,256,570	20,471,063	21,256,570
Total current liabilities		2,148,550,633	1,992,685,857	2,148,550,633	1,992,685,857
Non-current liabilities					
Long-term loans - net of current portion	11	706,049,206	768,807,035	706,049,206	768,807,035
Debenture - net of current portion	12	149,903,102	149,866,150	149,903,102	149,866,150
Provision for long-term employee benefits		10,650,789	9,698,074	10,650,789	9,698,074
Total non-current liabilities		866,603,097	928,371,259	866,603,097	928,371,259
Total liabilities		3,015,153,730	2,921,057,116	3,015,153,730	2,921,057,116

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

S 11 Group Public Company Limited
 Statements of financial position (continued)
 As at 31 March 2018

(Unit: Baht)

Note	Financial statements in		Separate financial statements	
	which the equity method is applied			
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
	613,000,000 ordinary shares of Baht 1 each	613,000,000	613,000,000	613,000,000
Issued and fully paid-up				
	613,000,000 ordinary shares of Baht 1 each	613,000,000	613,000,000	613,000,000
	Share premium	427,822,558	427,822,558	427,822,558
	Capital reserve for share-based payment transactions	15,300,000	15,300,000	15,300,000
Retained earnings				
	Appropriated - statutory reserve	61,300,000	61,300,000	61,300,000
	Unappropriated	1,090,388,999	978,335,654	978,288,487
	Total shareholders' equity	2,207,811,557	2,095,758,212	2,207,770,246
	Total liabilities and shareholders' equity	5,222,965,287	5,016,815,328	5,222,923,976

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 31 March 2018

(Unit: Baht)

Note	Financial statements in which the equity method is applied		Separate financial statements		
	2018	2017	2018	2017	
Profit or loss:					
Revenues					
	Hire purchase interest income	373,145,622	320,823,651	373,145,622	320,823,651
	Fee and service income	16,237,354	14,636,388	16,237,354	14,636,388
	Other income	3,951,618	2,432,669	3,951,618	2,432,669
	Total revenues	393,334,594	337,892,708	393,334,594	337,892,708
Expenses					
	Selling and administrative expenses	84,162,203	62,043,041	84,162,203	62,043,041
	Bad debts and doubtful accounts	92,362,435	86,279,374	92,362,435	86,279,374
13	Loss on impairment and disposal of assets foreclosed	46,693,310	35,212,917	46,693,310	35,212,917
	Total expenses	223,217,948	183,535,332	223,217,948	183,535,332
Profit before finance cost, share of loss from investment in an associated company and income tax expenses					
		170,116,646	154,357,376	170,116,646	154,357,376
	Finance cost	(29,682,892)	(26,893,319)	(29,682,892)	(26,893,319)
Profit before share of loss from investment in an associated company and income tax expense					
		140,433,754	127,464,057	140,433,754	127,464,057
5.2	Share of loss from investment in an associated company	(5,856)	(2,660)	-	-
Profit before income tax expenses					
		140,427,898	127,461,397	140,433,754	127,464,057
8.2	Income tax expenses	(28,087,979)	(25,475,554)	(28,087,979)	(25,475,554)
Profit for the period					
		112,339,919	101,985,843	112,345,775	101,988,503
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
	Actuarial loss	(358,218)	(626,685)	(358,218)	(626,685)
8.2	Income tax relating to actuarial loss	71,644	125,337	71,644	125,337
Other comprehensive income for the period (loss)					
		(286,574)	(501,348)	(286,574)	(501,348)
Total comprehensive income for the period					
		112,053,345	101,484,495	112,059,201	101,487,155
Earnings per share					
14	Basic earnings per share	0.18	0.17	0.18	0.17

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 three-month period ended 31 March 2018

(Unit: Baht)

Financial statements in which the equity method is applied

	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 2017	613,000,000	427,822,558	15,300,000	59,478,174	793,040,226	1,908,640,958
Profit for the period	-	-	-	-	101,985,843	101,985,843
Other comprehensive income for the period (loss)	-	-	-	-	(501,348)	(501,348)
Total comprehensive income for the period	-	-	-	-	101,484,495	101,484,495
Balance as at 31 March 2017	613,000,000	427,822,558	15,300,000	59,478,174	894,524,721	2,010,125,453
Balance as at 1 January 2018	613,000,000	427,822,558	15,300,000	61,300,000	978,335,654	2,095,758,212
Profit for the period	-	-	-	-	112,339,919	112,339,919
Other comprehensive income for the period (loss)	-	-	-	-	(286,574)	(286,574)
Total comprehensive income for the period	-	-	-	-	112,053,345	112,053,345
Balance as at 31 March 2018	613,000,000	427,822,558	15,300,000	61,300,000	1,090,388,999	2,207,811,557

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 (continued)

For the three-month period ended 31 March 2018

(Unit: Baht)

	Separate financial statements					
	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 2017	613,000,000	427,822,558	15,300,000	59,478,174	793,040,226	1,908,640,958
Profit for the period	-	-	-	-	101,988,503	101,988,503
Other comprehensive income for the period (loss)	-	-	-	-	(501,348)	(501,348)
Total comprehensive income for the period	-	-	-	-	101,487,155	101,487,155
Balance as at 31 March 2017	613,000,000	427,822,558	15,300,000	59,478,174	894,527,381	2,010,128,113
Balance as at 1 January 2018	613,000,000	427,822,558	15,300,000	61,300,000	978,288,487	2,095,711,045
Profit for the period	-	-	-	-	112,345,775	112,345,775
Other comprehensive income for the period (loss)	-	-	-	-	(286,574)	(286,574)
Total comprehensive income for the period	-	-	-	-	112,059,201	112,059,201
Balance as at 31 March 2018	613,000,000	427,822,558	15,300,000	61,300,000	1,090,347,688	2,207,770,246

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 three-month period ended 31 March 2018

(Unit: Baht)

	Financial statements in			
	which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax	140,427,898	127,461,397	140,433,754	127,464,057
Adjustments to reconcile profit before income tax to net cash provided by (paid) from operating activities				
Depreciation	1,549,643	1,499,456	1,549,643	1,499,456
Bad debts and doubtful accounts	92,362,435	86,279,374	92,362,435	86,279,374
Gain on sale assets	(293)	-	(293)	-
Loss on written-off assets	3,609	-	3,609	-
Share of loss from investment in an associated company	5,856	2,660	-	-
Loss (reversal) on impairment of assets foreclosed	1,612,459	(1,440,878)	1,612,459	(1,440,878)
Provision for long-term employee benefits	594,497	-	594,497	-
Hire purchase interest income	(373,145,622)	(320,823,651)	(373,145,622)	(320,823,651)
Interest expenses and amortisation of loans issuing cost	29,682,892	26,893,319	29,682,892	26,893,319
Loss from operating activities before changes in operating assets and liabilities	(106,906,626)	(80,128,323)	(106,906,626)	(80,128,323)
Operating assets (increase) decrease				
Hire purchase receivables	(300,982,813)	(198,737,281)	(300,982,813)	(198,737,281)
Assets foreclosed	(4,489,789)	2,610,941	(4,489,789)	2,610,941
Prepaid insurance premium	2,459,364	(5,532,311)	2,459,364	(5,532,311)
Other current assets	9,368,654	4,869,334	9,368,654	4,869,334
Other non-current assets	-	8,815	-	8,815
Operating liabilities increase (decrease)				
Trade accounts payables	44,048,399	32,758,738	44,048,399	32,758,738
Insurance premium payables	354,015	(6,659)	354,015	(6,659)
Accrued expenses	8,715,750	10,299,728	8,715,750	10,299,728
Other current liabilities	(785,507)	(2,427,019)	(785,507)	(2,427,019)
Cash flows used in operating activities	(348,218,553)	(236,284,037)	(348,218,553)	(236,284,037)
Cash received from interest	368,427,342	316,579,953	368,427,342	316,579,953
Cash paid for corporate income tax	(518,706)	(281,588)	(518,706)	(281,588)
Cash paid for interest	(25,074,301)	(20,398,340)	(25,074,301)	(20,398,340)
Net cash flows from (used in) operating activities	(5,384,218)	59,615,988	(5,384,218)	59,615,988

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

S 11 Group Public Company Limited

Cash flows statements (continued)

For the three-month period ended 31 March 2018

(Unit: Baht)

	Financial statements in		Separate financial statements	
	which the equity method is applied			
	2018	2017	2018	2017
Cash flows from investing activities				
Cash paid for investment in an associated company	-	(249,990)	-	(249,990)
Decrease in restricted bank deposits	(33,931)	(56,799)	(33,931)	(56,799)
Cash receipt for proceed of equipment	2,580	-	2,580	-
Cash paid for acquisition of land, building and equipment	(406,043)	(5,221,154)	(406,043)	(5,221,154)
Net cash flows used in investing activities	(437,394)	(5,527,943)	(437,394)	(5,527,943)
Cash flows from financing activities				
Increase in bank overdraft and short-term loans				
from financial institutions	7,998,028	-	7,998,028	-
Increase in short-term loans	12,526,296	18,313,387	12,526,296	18,313,387
Cash receipt from long-term loans	270,000,000	194,000,000	270,000,000	194,000,000
Repayment of long-term loans	(291,517,740)	(253,265,250)	(291,517,740)	(253,265,250)
Repayment of financial lease payables	-	(153,851)	-	(153,851)
Payment for dividend	-	(405)	-	(405)
Net cash flows used in financing activities	(993,416)	(41,106,119)	(993,416)	(41,106,119)
Net increase (decrease) in cash and cash equivalents	(6,815,028)	12,981,926	(6,815,028)	12,981,926
Cash and cash equivalents at beginning of period	21,347,748	4,948,506	21,347,748	4,948,506
Cash and cash equivalents at end of period	14,532,720	17,930,432	14,532,720	17,930,432

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 period ended 31 March 2018

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 31 March 2018, the Company has 7 branches located in Chonburi, Ayudhya, Rayong, Nakhon Ratchasima and Prachinburi (31 December 2017: 6 branches).

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 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 financial reporting standards

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

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

2. Hire purchase receivables

2.1 As at 31 March 2018 and 31 December 2017, 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)

	31 March 2018		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	4,497,741,969	3,020,407,445	7,518,149,414
Less: Unearned hire purchase income ⁽¹⁾	(1,397,860,093)	(632,450,431)	(2,030,310,524)
Present value of the minimum lease payment receivables	3,099,881,876	2,387,957,014	5,487,838,890
Less: Allowance for doubtful accounts ⁽³⁾	(685,968,636)	(25,406,269)	(711,374,905)
Net hire purchase receivables	<u>2,413,913,240</u>	<u>2,362,550,745</u>	<u>4,776,463,985</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.

(3) The balance of allowance for doubtful account due within 1 year includes additional provision for uncollectible receivables.

(Unit: Baht)

	31 December 2017		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	4,304,465,397	2,879,478,166	7,183,943,563
Less: Unearned hire purchase income ⁽¹⁾	(1,335,970,781)	(606,066,363)	(1,942,037,144)
Present value of the minimum lease payment receivables	2,968,494,616	2,273,411,803	5,241,906,419
Less: Allowance for doubtful accounts ⁽³⁾	(654,617,605)	(24,163,487)	(678,781,092)
Net hire purchase receivables	<u>2,313,877,011</u>	<u>2,249,248,316</u>	<u>4,563,125,327</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.

(3) The balance of allowance for doubtful account due within 1 year includes additional provision for uncollectible receivables.

2.2 As at 31 March 2018 and 31 December 2017, 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	
	hire purchase receivables			doubtful accounts	
	31 March 2018	31 December 2017		31 March 2018	31 December 2017
Not yet due	3,597,082,744	3,435,910,209	1	35,968,928	34,359,052
Past due					
Less than 1 month	693,992,641	666,143,523	1	6,939,927	6,661,436
1 month or more, but less than 2 months	293,009,386	274,684,785	1	2,930,056	2,746,829
2 months or more, but less than 4 months	267,569,494	259,340,926	2	5,351,369	5,186,799
4 months or more, but less than 7 months	153,770,664	149,170,083	100	153,770,664	149,170,083
7 months or more, but less than 13 months	190,229,722	185,151,058	100	190,229,722	185,151,058
13 months or more	292,184,239	271,505,835	100	292,184,239	271,505,835
Total	<u>5,487,838,890</u>	<u>5,241,906,419</u>		687,374,905	654,781,092
Allowance for doubtful accounts - additional provision for uncollectible receivables				<u>24,000,000</u>	<u>24,000,000</u>
Total				<u>711,374,905</u>	<u>678,781,092</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 installment payment has been defaulted for more than 3 installments past the due date, 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 31 March 2018, the Company had hire purchase receivables amounting to Baht 928 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2017: Baht 894 million).
- 2.5** As at 31 March 2018, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 813 million (31 December 2017: Baht 655 million) in order to secure credit facilities granted by a commercial bank as discussed in Note 11 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 three-month period ended	For the year ended
	31 March 2018	31 December 2017
Balance beginning of the period	678,781,092	489,913,743
Add: Doubtful account increase during the period	92,362,435	367,768,912
Less: Bad debt written-off	(59,768,622)	(178,901,563)
Balance end of the period	<u>711,374,905</u>	<u>678,781,092</u>

3. Assets foreclosed

	(Unit: Baht)	
	31 March 2018	31 December 2017
Assets foreclosed - cost	22,550,553	18,060,764
Less: Allowance for impairment	(9,239,245)	(7,626,786)
Assets foreclosed - net	<u>13,311,308</u>	<u>10,433,978</u>

4. Other current assets

	(Unit: Baht)	
	31 March 2018	31 December 2017
Advance VAT receivable	23,324,294	22,093,429
Other receivable - sales of assets foreclosed	6,585,746	5,158,413
Revenue department receivables	6,700,058	7,224,256
Other accrued income	7,208,221	6,567,185
Others	3,486,857	6,470,376
Total	47,305,176	47,513,659

5. Investment in an associated company**5.1 Detail of an associated company**

		(Unit: Baht)					
Company's name	Nature of business	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
		31 March 2018	31 December 2017	Book value		Cost/Book value	
		(%)	(%)	31 March 2018	31 December 2017	31 March 2018	31 December 2017
MOD S Company Limited	Manage and develop quality of assets	25	25	291,301	297,157	249,990	249,990

As at 9 January 2017, the Company invested in ordinary shares of MOD S Company Limited, a company incorporated in Thailand, 49,998 shares at amounting to Baht 249,990, or 25% of share capital registered. The Company recognised such investments as investment in an associated company.

5.2 Share of comprehensive income and dividend

During the three-month periods ended 31 March 2018 and 2017, the Company recognised shares of gain from investment in an associated company in the financial statements in which the equity method is applied, amounting to Baht 5,856 and Baht 2,660, respectively, and no dividends received from the associated company during the periods.

5.3 Summarised financial information of an associated company

Summarised financial information of MOD S Company Limited as at 31 March 2018 and 31 December 2017 and for the three-month periods ended 31 March 2018 and 2017, prepared by the management of the associated company and not reviewed by its auditor, is as follows:

Summarised information about financial position

	(Unit: Baht)	
	31 March 2018	31 December 2017
Total assets	1,380,282	1,373,246
Total liabilities	215,077	184,618
Net assets	<u>1,165,205</u>	<u>1,188,628</u>

Summarised information about income statement

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2018	2017
Revenue	380,092	-
Loss for the period	(13,423)	(10,680)

6. Restricted bank deposits

As at 31 March 2018 and 31 December 2017, this represents bank deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as discussed in Note 17 to the financial statements, a deposit used as an employee's security deposit and the security deposit of a contractor hired to repossess motorcycles.

7. Land, building and equipment

Movements of land, building and equipment for the three-month period ended 31 March 2018 are summarised below.

	(Unit: Baht)
Cost	
Balance as at 1 January 2018	125,809,683
Additions	406,042
Disposals/written-off	(83,082)
Balance as at 31 March 2018	<u>126,132,643</u>
Accumulated depreciation	
Balance as at 1 January 2018	36,414,846
Depreciation for the period	1,549,643
Disposals/written-off	(77,186)
Balance as at 31 March 2018	<u>37,887,303</u>
Net book value	
Balance as at 31 March 2018	<u><u>88,245,340</u></u>

8 Deferred tax assets/income tax expenses

8.1 Deferred tax assets

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

	(Unit: Baht)	
	31 March	31 December
	2018	2017
Deferred tax assets		
Allowance for doubtful accounts	142,274,981	135,756,219
Allowance for impairment of assets foreclosed	1,847,849	1,525,357
Provision for long-term employee benefits	2,130,158	1,939,615
Accrued bonus	1,548,000	-
Advance insurance service income	9,257,696	7,302,780
Others	535,630	506,989
Total	<u>157,594,314</u>	<u>147,030,960</u>

(Unaudited but reviewed)

	(Unit: Baht)	
	31 March	31 December
	2018	2017
Deferred tax liabilities		
Deferred commission and initial direct cost from hire purchase contracts	21,421,316	20,286,250
Deferred loans issuing costs	1,054,748	1,262,105
Deferred debentures issuing cost	117,683	180,477
Total	<u>22,593,747</u>	<u>21,728,832</u>
Deferred tax assets - net	<u>135,000,567</u>	<u>125,302,128</u>

8.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2018 and 2017 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2018	2017
Current income tax:		
Interim corporate income tax charge	37,714,774	35,976,274
Deferred tax:		
Relating to origination and reversal of temporary differences	(9,626,795)	(10,500,720)
Income tax expenses reported in the statements of comprehensive income	<u>28,087,979</u>	<u>25,475,554</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2018 and 2017 are as follow:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2018	2017
Deferred tax relating to actuarial loss	71,644	125,337

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2018 and 2017 are as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2018	2017	2018	2017
Accounting profit before tax	140,427,898	127,461,397	140,433,754	127,464,057
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	28,085,580	25,492,279	28,086,751	25,492,811
Tax effect of tax-exempt income and disallowed expenses	2,399	(16,725)	1,228	(17,257)
Income tax expenses reported in the statements of comprehensive income	28,087,979	25,475,554	28,087,979	25,475,554

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

(Unit: Baht)

	Interest rate	31 March 2018	31 December 2017
	(percent per annum)		
Bank overdraft	MOR - 2	7,998,028	-
Promissory notes	4	30,000,000	30,000,000
		37,998,028	30,000,000

These present loans in the form of promissory notes, under which principal payment is due at call and interest is payable every month end.

As at 31 March 2018, the short-term credit facilities which have not yet been drawn down amounted to Baht 212 million.

10. Short-term loans

As at 31 March 2018, the Company has loans in form of bills of exchange, net of discount, totaling Baht 248 million. The bills are registered, transferable, and maturing within 270 days from the date of issuance (maturity date between April - September 2018), with interest charged at the rate of 3.20 - 3.50 percent per annum (31 December 2017: Bills of exchange of Baht 233 million, registered, transferable, and maturing within 270 days from the date of issuance (maturity date between January - June 2018), with interest charge at the rate of 3.25 - 3.44 percent per annum).

11. Long-term loans

As at 31 March 2018 and 31 December 2017, the long-term loans, which the Company obtained from local financial institutions, are detailed below.

				(Unit: Baht)	
Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	31 March 2018	31 December 2017
1	Loan agreement dated 27 June 2014	MLR - 1.5 to MLR - 2.8	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	900,718,334	1,098,530,959
2	Loan agreement dated 11 October 2016	THBFIX1M + 1.8	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	243,700,000	284,200,000
3	Loan agreement dated 13 September 2017	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	349,153,244	280,058,359
4	Loan agreement dated 4 October 2017	THBFIX1M + 1.8	Payment in between 24 and 30 installments, with the first installment payment on the last day of the month of drawdown	322,500,000	174,800,000
Total				1,816,071,578	1,837,589,318
Less: Deferred loans issuing costs				(5,923,865)	(6,960,649)
Long-term loans				1,810,147,713	1,830,628,669
Less: current portion due within 1 year				(1,104,098,507)	(1,061,821,634)
Long-term loans - net of current portion				706,049,206	768,807,035

Under each loan agreement, the Company has to comply with certain covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, the maintenance of a debt to equity ratio, hire purchase receivables with more than 3 installment past due to total hire purchase receivables ratio, hire purchase receivables with no more than 3 installments past due to total debts ratio, the transfer of rights of claim under hire purchase agreements and motorcycle registrations, as notified by the commercial bank, or the pledge of the Company's shares held by the major shareholders.

As at 31 March 2018, the Company has commitments of Baht 566 million under interest rate swap agreements with a bank that is the Company's lender for loan facility no. 2 and 4, whereby a floating interest rate is swapped for a fixed interest rate throughout the term of the loan. The interest rate swap agreements gradually mature within 2020, in accordance with the conditions of loan repayment (31 December 2017: The Company has commitments of Baht 459 million under interest rate swap agreements for loan facility no. 2 and 4 with a bank).

As at 31 March 2018, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,454 million.

Movements in the long-term loans account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Baht)
Balance as at 1 January 2018	1,837,589,318
Add: Drawdown during the period	270,000,000
Less: Repayment during the period	(291,517,740)
Balance as at 31 March 2018	<u>1,816,071,578</u>

12. Debentures

As at 31 March 2018 and 31 December 2017, the debentures issued by the Company has detailed below.

			(Unit: Baht)	
No.	Date	Repayment schedule	31 March 2018	31 December 2017
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	500,000,000
2	22 November 2016	Issued name registered, unsubordinated and unsecured without a debentures representative, 3 year term with a coupon rate at 4.10% per annum, interest payable every six months	150,000,000	150,000,000
Total			650,000,000	650,000,000
Less: Deferred issuing costs			(588,416)	(902,386)
Debentures			649,411,584	649,097,614
Less: Current portion due within 1 year			(499,508,482)	(499,231,464)
Debentures - net of current portion			149,903,102	149,866,150

The Company has to comply with financial covenants i.e. maintenance of debt to equity ratio.

13. Loss on impairment and on disposal of assets foreclosed

			(Unit: Baht)	
			For the three-month periods ended 31 March	
			2018	2017
Loss on impairment of assets foreclosed (reversal)			1,612,459	(1,440,878)
Loss on disposal of assets foreclosed			45,080,851	36,653,795
Total			46,693,310	35,212,917

14. 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.

15. Related party transactions

During the periods, the Company had significant business transactions with related party. Such transactions are in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and that related party. A summary of related party and transactions with that party is below.

Name of related party	Relationship with the Company		
MOD S Company Limited	An associate company		
	(Unit: Baht)		
	For the three-month periods ended 31 March		
	2018	2017	Pricing policy
<u>Transactions with associate</u>			
Service expense	264,631	-	As stipulated in agreements

The balance of the accounts as at 31 March 2018 and 31 December 2017, between the Company and an associated company are as follows:

	(Unit: Baht)	
	31 March 2018	31 December 2017
<u>Service payable</u>		
An associated company	103,401	77,059

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 ended 31 March	
	2018	2017
Short-term employee benefits	5,257,390	4,996,845
Post-employment benefits	321,059	266,605
Total	<u>5,578,449</u>	<u>5,263,450</u>

16. 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.

17. Commitments - Guarantees

As at 31 March 2018, there was an outstanding bank guarantee of Baht 10,000 (31 December 2017: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

18. Events after the reporting period

On 5 April 2018, the Annual General Meeting of the Company's shareholders for the year 2018 approved to set aside Baht 1.82 million to the statutory reserve and to pay a dividend from the 2017 operating results at a rate of Baht 0.32 per share, or a total of Baht 196.16 million. The Company paid an interim dividend of Baht 0.11 per share on 8 September 2017 and is therefore to pay another final dividend of Baht 0.21 per share, which is scheduled to be paid to the shareholders on 4 May 2018.

19. Reclassification

The Company reclassified the following transactions in the statement of comprehensive income for the three-month period ended 31 March 2017 to conform with the current period classification, with no effect to the profit or loss or shareholders' equity.

(Unit: Baht)

For the three-month period ended
31 March 2017

	As reclassified	As previously reported
Other income	2,432,669	11,676,173
Selling and administrative expenses	62,043,041	71,286,545

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2018.