

S 11 Group Public Company Limited
and its subsidiary
Review report and interim financial information
For the three-month period ended
31 March 2021

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 consolidated statements of financial position of S 11 Group Public Company Limited and its subsidiary as at 31 March 2021, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of S 11 Group Public Company Limited for the same period (collectively "interim financial information"). 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.

Emphasis of Matters

I draw attention to Note 1.2 to the interim consolidated financial statements, the COVID-19 pandemic is impacting various businesses and industries. This situation could create uncertainties and this may be impacting the operating results and cash flows in the future. My conclusion is not modified in respect of this matter.

Saranya Pludsri

Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 13 May 2021

S 11 Group Public Company Limited and its subsidiary

Statements of financial position

As at 31 March 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		33,033,808	28,882,062	32,111,072	27,417,172
Current portion of hire purchase receivables - net	2	3,196,845,107	3,240,806,439	3,196,845,107	3,240,806,439
Counter service receivables		30,273,446	36,922,856	30,273,446	36,922,856
Prepaid insurance premium		62,933,539	67,651,758	62,933,539	67,651,758
Assets foreclosed - net	3	14,777,370	22,087,503	14,777,370	22,087,503
Other current assets	4	41,391,852	43,750,587	41,274,020	43,769,401
Total current assets		3,379,255,122	3,440,101,205	3,378,214,554	3,438,655,129
Non-current assets					
Investment in subsidiary	5	-	-	1,327,690	1,327,690
Restricted bank deposits	6	1,254,197	1,173,197	1,254,197	1,173,197
Hire purchase receivables - net of current portion	2	2,664,701,894	2,710,288,696	2,664,701,894	2,710,288,696
Prepaid insurance premium		19,488,666	20,230,843	19,488,666	20,230,843
Land, building and equipment - net	7	109,318,578	102,863,603	108,668,890	102,460,654
Deferred tax assets	8.1	167,958,551	169,627,396	167,958,551	169,627,396
Other non-current assets		322,135	317,635	311,135	311,135
Total non-current assets		2,963,044,021	3,004,501,370	2,963,711,023	3,005,419,611
Total assets		6,342,299,143	6,444,602,575	6,341,925,577	6,444,074,740

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

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 March 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	9	348,600,000	249,300,000	348,600,000	249,300,000
Trade accounts payables		60,481,661	5,299,445	60,481,661	5,299,445
Current portion of long-term loans	11	1,513,378,304	1,691,831,930	1,513,378,304	1,691,831,930
Current portion of debentures	12				
Related persons and related parties		37,911,625	37,878,485	37,911,625	37,878,485
Unrelated persons and unrelated parties		187,862,080	187,697,859	187,862,080	187,697,859
Short-term loans	10	426,699,531	457,239,859	426,699,531	457,239,859
Current portion of lease liabilities		1,702,845	1,784,908	1,702,845	1,784,908
Derivatives liabilities		6,881,896	9,934,776	6,881,896	9,934,776
Income tax payable		66,475,956	46,511,706	66,542,907	46,636,400
Insurance premium payables		16,982,887	16,383,877	16,982,887	16,383,877
Accrued expenses		39,943,622	25,635,324	40,590,741	26,087,295
Other current liabilities		45,042,250	53,060,343	44,811,350	52,821,866
Total current liabilities		2,751,962,657	2,782,558,512	2,752,445,827	2,782,896,700
Non-current liabilities					
Long-term loans - net of current portion	11	640,128,665	798,394,585	640,128,665	798,394,585
Debenture - net of current portion					
Lease liabilities - net of current portion		10,940,475	11,215,246	10,940,475	11,215,246
Provision for long-term employee benefits		19,368,827	20,368,986	19,368,827	20,368,986
Total non-current liabilities		670,437,967	829,978,817	670,437,967	829,978,817
Total liabilities		3,422,400,624	3,612,537,329	3,422,883,794	3,612,875,517

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

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 March 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
	613,000,000	613,000,000	613,000,000	613,000,000
613,000,000 ordinary shares of Baht 1 each				
Issued and fully paid-up				
	613,000,000	613,000,000	613,000,000	613,000,000
613,000,000 ordinary shares of Baht 1 each				
Share premium	427,822,558	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	15,300,000
Retained earnings				
Appropriated - statutory reserve	61,300,000	61,300,000	61,300,000	61,300,000
Unappropriated	1,802,228,778	1,714,394,576	1,801,619,225	1,713,776,665
Equity attributable to owners of the Company	2,919,651,336	2,831,817,134	2,919,041,783	2,831,199,223
Non-controlling interests of the subsidiary	247,183	248,112	-	-
Total shareholders' equity	2,919,898,519	2,832,065,246	2,919,041,783	2,831,199,223
Total liabilities and shareholders' equity	6,342,299,143	6,444,602,575	6,341,925,577	6,444,074,740

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

Directors

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Statements of comprehensive income

For the three-month period ended 31 March 2021

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity	Separate financial statements	
		financial statements	method is applied	2021	2020
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Hire purchase interest income		437,676,893	487,685,290	437,676,893	487,685,290
Fee and service income		25,452,652	21,838,154	25,297,045	21,838,154
Other income		8,384,789	5,747,251	8,382,543	5,747,251
Total revenues		471,514,334	515,270,695	471,356,481	515,270,695
Expenses					
Selling and administrative expenses		88,895,725	89,187,598	88,728,585	89,187,598
Expected credit losses		208,061,885	180,068,741	208,061,885	180,068,741
Loss on impairment and disposal of assets foreclosed	13	35,543,702	65,289,287	35,543,702	65,289,287
Loss (gain) from derivative		(234,147)	4,346,034	(234,147)	4,346,034
Total expenses		332,267,165	338,891,660	332,100,025	338,891,660
Profit before finance cost, share of gain from investment					
in an associated company and income tax expenses		139,247,169	176,379,035	139,256,456	176,379,035
Finance cost		(31,160,977)	(38,395,526)	(31,160,977)	(38,395,526)
Profit before share of gain from investment					
in an associated company and income tax expenses		108,086,192	137,983,509	108,095,479	137,983,509
Share of gain from investment in an associated company		-	60,418	-	-
Profit before income tax expenses		108,086,192	138,043,927	108,095,479	137,983,509
Income tax expenses	8.2	(21,571,544)	(27,487,279)	(21,571,544)	(27,487,279)
Profit for the period		86,514,648	110,556,648	86,523,935	110,496,230
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		1,648,281	417,613	1,648,281	417,613
Income tax relating to actuarial gain	8.2	(329,656)	(83,523)	(329,656)	(83,523)
Other comprehensive income for the period		1,318,625	334,090	1,318,625	334,090
Total comprehensive income for the period		87,833,273	110,890,738	87,842,560	110,830,320

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Statements of comprehensive income (continued)

For the three-month period ended 31 March 2021

(Unit: Baht)

	Note	Financial statements			
		Consolidated financial statements	in which the equity method is applied	Separate financial statements	
		2021	2020	2021	2020
Profit or loss attributable to:					
Equity holders of the Company		86,515,577	110,556,648	86,523,935	110,496,230
Non-controlling interests of the subsidiary		(929)			
		<u>86,514,648</u>			
Total comprehensive income attributable to:					
Equity holders of the Company		87,834,202	110,890,738	87,842,560	110,830,320
Non-controlling interests of the subsidiary		(929)			
		<u>87,833,273</u>			
Earnings per share	14				
Basic earnings per share		<u>0.14</u>	<u>0.18</u>	<u>0.14</u>	<u>0.18</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2021

(Unit: Baht)

	Consolidated financial statements							
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests of the subsidiary	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2021	613,000,000	427,822,558	15,300,000	61,300,000	1,714,394,576	2,831,817,134	248,112	2,832,065,246
Profit for the period (loss)	-	-	-	-	86,515,577	86,515,577	(929)	86,514,648
Other comprehensive income for the period	-	-	-	-	1,318,625	1,318,625	-	1,318,625
Total comprehensive income for the period	-	-	-	-	87,834,202	87,834,202	(929)	87,833,273
Balance as at 31 March 2021	613,000,000	427,822,558	15,300,000	61,300,000	1,802,228,778	2,919,651,336	247,183	2,919,898,519

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
Statements of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2021

(Unit: Baht)

	Financial statements in which the equity method is applied					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,455,797,143	2,573,219,701
Profit for the period	-	-	-	-	110,556,648	110,556,648
Other comprehensive income for the period	-	-	-	-	334,090	334,090
Total comprehensive income for the period	-	-	-	-	110,890,738	110,890,738
Balance as at 31 March 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,566,687,881	2,684,110,439

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
Statements of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2021

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,455,632,522	2,573,055,080
Profit for the period	-	-	-	-	110,496,230	110,496,230
Other comprehensive income for the period	-	-	-	-	334,090	334,090
Total comprehensive income for the period	-	-	-	-	110,830,320	110,830,320
Balance as at 31 March 2020	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,566,462,842</u>	<u>2,683,885,400</u>
Balance as at 1 January 2021	613,000,000	427,822,558	15,300,000	61,300,000	1,713,776,665	2,831,199,223
Profit for the period	-	-	-	-	86,523,935	86,523,935
Other comprehensive income for the period	-	-	-	-	1,318,625	1,318,625
Total comprehensive income for the period	-	-	-	-	87,842,560	87,842,560
Balance as at 31 March 2021	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,801,619,225</u>	<u>2,919,041,783</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Cash flows statements

For the three-month period ended 31 March 2021

(Unit: Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2021	2020
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax	108,086,192	138,043,927	108,095,479	137,983,509
Adjustments to reconcile profit before income tax to net cash provided by (paid) from operating activities				
Depreciation	2,569,165	2,028,210	2,495,507	2,028,210
Expected credit losses	208,061,885	180,068,741	208,061,885	180,068,741
Gain on sale assets	(224,196)	(426)	(224,196)	(426)
Loss on written-off assets	1,404	3,684	1,404	3,684
Share of gain from investment in an associated company	-	(60,418)	-	-
Reversal on impairment of assets foreclosed	(6,116,142)	(3,804,349)	(6,116,142)	(3,804,349)
Provision for long-term employee benefits	648,122	599,910	648,122	599,910
Hire purchase interest income	(437,676,893)	(487,685,290)	(437,676,893)	(487,685,290)
Loss (gain) from derivative	(234,147)	4,346,034	(234,147)	4,346,034
Interest expenses and amortisation of loans issuing cost	31,116,419	38,368,369	31,116,419	38,368,369
Amortised finance cost for lease liabilities	44,558	27,157	44,558	27,157
Loss from operating activities before changes in operating assets and liabilities	(93,723,633)	(128,064,451)	(93,788,004)	(128,064,451)
Operating assets (increase) decrease				
Hire purchase receivables	(133,568,130)	(428,289,790)	(133,568,130)	(428,289,790)
Assets foreclosed	13,426,276	7,775,184	13,426,276	7,775,184
Prepaid insurance premium	5,460,396	(1,983,246)	5,460,396	(1,983,246)
Other current assets	9,008,145	19,818,397	9,144,791	19,818,397
Other non-current assets	(4,500)	-	-	-
Operating liabilities increase (decrease)				
Trade accounts payables	55,182,216	(6,469,925)	55,182,216	(6,469,925)
Insurance premium payables	599,010	1,758,960	599,010	1,758,960
Accrued expenses	14,373,564	9,022,604	14,568,712	9,022,604
Other current liabilities	(8,018,093)	1,376,702	(8,010,516)	1,376,702
Cash flows used in operating activities	(137,264,749)	(525,055,565)	(136,985,249)	(525,055,565)
Cash received from interest	452,731,272	475,972,489	452,731,272	475,972,489
Cash paid for corporate income tax	(268,105)	(604,731)	(325,848)	(604,731)
Cash paid for interest	(29,021,483)	(34,994,529)	(29,021,483)	(34,994,529)
Net cash flows from (used in) operating activities	286,176,935	(84,682,336)	286,398,692	(84,682,336)

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Cash flows statements (continued)

For the three-month period ended 31 March 2021

(Unit: Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2021	2020
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in restricted bank deposits	(81,000)	(62,392)	(81,000)	(62,392)
Cash received for proceed of equipment	229,346	1,290	229,346	1,290
Cash paid for acquisition of equipment	(9,030,693)	(1,468,277)	(8,710,296)	(1,468,277)
Net cash flows used in investing activities	(8,882,347)	(1,529,379)	(8,561,950)	(1,529,379)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	99,300,000	(13,800,000)	99,300,000	(13,800,000)
Cash paid for loan issuing cost	-	(2,450,000)	-	(2,450,000)
Cash paid for lease liabilities	(393,150)	(246,150)	(393,150)	(246,150)
Decrease in short-term loans	(33,853,443)	(4,743,192)	(33,853,443)	(4,743,192)
Cash received from long-term loans	176,000,000	644,000,000	176,000,000	644,000,000
Repayment of long-term loans	(514,196,249)	(536,777,392)	(514,196,249)	(536,777,392)
Net cash flows from (used in) financing activities	(273,142,842)	85,983,266	(273,142,842)	85,983,266
Net increase (decrease) in cash and cash equivalents	4,151,746	(228,449)	4,693,900	(228,449)
Cash and cash equivalents at beginning of period	28,882,062	41,443,026	27,417,172	41,443,026
Cash and cash equivalents at end of period	33,033,808	41,214,577	32,111,072	41,214,577

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

S 11 Group Public Company Limited and its subsidiary
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2021

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 2021, the Company has 9 branches located in Chonburi, Ayudhya, Rayong, Nakhon Ratchasima, Prachinburi and Chantaburi (31 December 2020: 9 branches).

1.2 The Coronavirus disease 2019 pandemic (COVID-19)

The Coronavirus disease 2019 pandemic (COVID-19) is impacting various businesses and industries both directly and indirectly and resulting in an economic slowdown. This situation could create uncertainties and this may be impacting the Company’s operating results and cash flows in the future. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities. The management has used estimates and judgement in various matters as the situation evolves.

1.3 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.

1.4 Basis for the preparation of the interim consolidated financial statements

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020 include the financial statements of S 11 Group Public Company Limited and MOD S Company Limited ("the subsidiary"), which is domiciled in Thailand and is principally engaged in management and accelerated collection of assets. The Company holds 90% of the subsidiary's shares.

1.5 New financial reporting standards

1.5.1 Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

1.5.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation that were used for the financial statements for the year ended 31 December 2020.

2. Hire purchase receivables

- 2.1 As at 31 March 2021 and 31 December 2020, the contract terms of the Company's hire purchase receivables are 12 - 48 installments with payments to be made in equal installments and interest charged at the fixed rates throughout the contracts. Hire purchase receivables classified by due date per agreement are as follows:

(Unit: Baht)

	31 March 2021		
	Amounts due within 1 year	Amounts due over 1 year	Total
Hire purchase receivables	5,477,731,178	3,539,055,862	9,016,787,040
Less: Unearned hire purchase income ⁽¹⁾	(1,595,436,410)	(683,394,922)	(2,278,831,332)
Present value of the minimum lease payment receivables	3,882,294,768	2,855,660,940	6,737,955,708
Less: Allowance for expected credit losses	(685,449,661)	(190,959,046)	(876,408,707)
Net hire purchase receivables	<u>3,196,845,107</u>	<u>2,664,701,894</u>	<u>5,861,547,001</u>

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

(Unit: Baht)

	31 December 2020		
	Amounts due within 1 year	Amounts due over 1 year	Total
Hire purchase receivables	5,602,891,714	3,562,513,040	9,165,404,754
Less: Unearned hire purchase income ⁽¹⁾	(1,640,230,478)	(693,939,626)	(2,334,170,104)
Present value of the minimum lease payment receivables	3,962,661,236	2,868,573,414	6,831,234,650
Less: Allowance for expected credit losses	(721,854,797)	(158,284,718)	(880,139,515)
Net hire purchase receivables	<u>3,240,806,439</u>	<u>2,710,288,696</u>	<u>5,951,095,135</u>

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

(Unaudited but reviewed)

- 2.2 As at 31 March 2021 and 31 December 2020, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for expected credit losses are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Balance of hire purchase receivables		Allowance for expected credit losses	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	Not yet due, past due not more than 2 months	5,851,748,383	5,848,448,723	325,708,696
More than 2 months, but less than 4 months	233,854,330	272,130,850	3,320,760	3,334,387
4 months or more, but less than 6 months	106,786,219	107,803,113	1,812,475	1,494,782
6 months or more, including fully-mature deposit contracts	545,566,776	602,851,964	545,566,776	602,851,964
Total	<u>6,737,955,708</u>	<u>6,831,234,650</u>	<u>876,408,707</u>	<u>880,139,515</u>

- 2.3 As at 31 March 2021, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 834 million (31 December 2020: Baht 837 million) in order to secure credit facilities granted by commercial banks as described in Note 11 to the interim financial statements.

2.4 Allowance for expected credit losses

Movements of allowance for expected credit losses (ECL) are as follows:

(Unit: Baht)

	For the three-month period ended		For the year ended 31 December 2020
	31 March 2021	31 March 2021	
Balance beginning of the period/year	880,139,515	857,335,860	
Add: Expected credit losses during the period/year	208,061,885	682,611,261	
Less: Bad debt written-off	(211,792,693)	(659,807,606)	
Balance end of the period/year	<u>876,408,707</u>	<u>880,139,515</u>	

3. Assets foreclosed

(Unit: Baht)

	31 March 2021	31 December 2020
Assets foreclosed - cost	23,086,623	36,512,899
Less: Allowance for impairment	(8,309,253)	(14,425,396)
Assets foreclosed - net	<u>14,777,370</u>	<u>22,087,503</u>

4. Other current assets

(Unit: Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Advance VAT receivable	29,875,382	31,009,258	29,875,382	31,009,258
Other receivable - sales of assets foreclosed	687,338	3,192,918	687,338	3,192,918
Revenue department receivable	2,766,996	2,766,996	2,766,996	2,766,996
Other accrued income	4,447,715	4,085,677	4,447,715	4,085,677
Others	3,614,421	2,695,738	3,496,589	2,714,552
Total	41,391,852	43,750,587	41,274,020	43,769,401

5. Investment in subsidiary

Detail of investments in subsidiary as presented in separate financial statements are as follows:

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March 2021	31 December 2020	31 March 2021 (percentage)	31 December 2020 (percentage)	31 March 2021	31 December 2020
	MOD S Company Limited	1,000,000	1,000,000	90	90	1,327,690

During the three-month period ended 31 March 2021, the Company had no dividend received from the subsidiary.

6. Restricted bank deposits

As at 31 March 2021 and 31 December 2020, this represents bank deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as described in Note 17 to the interim 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 2021 are summarised below.

	(Unit: Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2021	102,863,603	102,460,654
Additions during the period - cost	9,030,693	8,710,296
Disposals / write-off during the period - net book value at disposals / write-off date	(6,553)	(6,553)
Depreciation for the period	(2,569,165)	(2,495,507)
Net book value as at 31 March 2021	<u>109,318,578</u>	<u>108,668,890</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 2021	31 December 2020
Deferred tax assets		
Allowance for expected credit losses	175,281,741	176,027,903
Allowance for impairment of assets foreclosed	1,661,851	2,885,079
Provision for long-term employee benefits	3,873,765	4,073,797
Advance receive from insurance premium	10,078,451	10,974,292
Accrued Bonus	1,462,000	-
Others	2,172,023	2,819,084
Total	<u>194,529,831</u>	<u>196,780,155</u>
Deferred tax liability		
Deferred commission and initial direct cost from hire purchase contracts	25,366,666	25,613,332
Deferred loans issuing costs	1,099,355	1,394,696
Deferred debentures issuing cost	105,259	144,731
Total	<u>26,571,280</u>	<u>27,152,759</u>
Deferred tax assets - net	<u>167,958,551</u>	<u>169,627,396</u>

8.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2021 and 2020 are as follows:

(Unit: Baht)

	For the three-month periods ended 31 March				
	Consolidated financial statements	Financial statements in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:					
Interim corporate income tax charge	20,232,355	39,725,335	20,232,355	39,725,335	
Deferred tax:					
Relating to origination and reversal of temporary differences	1,339,189	(12,238,056)	1,339,189	(12,238,056)	
Income tax expenses reported in the statements of comprehensive income	<u>21,571,544</u>	<u>27,487,279</u>	<u>21,571,544</u>	<u>27,487,279</u>	

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2021 and 2020 are as follows:

(Unit: Baht)

	For the three-month periods ended 31 March				
	Consolidated financial statements	Financial statements in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain	(329,656)	(83,523)	(329,656)	(83,523)	

(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 2021 and 2020 are as follows:

(Unit: Baht)

	For the three-month periods ended 31 March				
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements		
		2021	2020	2021	2020
		2021	2020	2021	2020
Accounting profit before tax	<u>108,086,192</u>	<u>138,043,927</u>	<u>108,095,479</u>	<u>137,983,509</u>	
Applicable tax rate	20%	20%	20%	20%	
Accounting profit before tax multiplied by applicable tax rate	21,617,238	27,608,785	21,619,096	27,596,702	
Tax effect of tax-exempt income and disallowed expenses	<u>(45,694)</u>	<u>(121,506)</u>	<u>(47,552)</u>	<u>(109,423)</u>	
Income tax expenses reported in the statements of comprehensive income	<u>21,571,544</u>	<u>27,487,279</u>	<u>21,571,544</u>	<u>27,487,279</u>	

9. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate	31 March 2021	31 December 2020
	(percent per annum)		
Promissory notes	3.85 - 4.40	348,600,000	249,300,000

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 2021, the short-term credit facilities which have not yet been drawdown amounted to Baht 51 million.

10. Short-term loans

As at 31 March 2021, the Company has loans in form of bills of exchange, net of discount, totaling Baht 427 million, the bills are registered, transferable, and maturing within 270 days from the date of issuance (maturity date between April - September 2021), with interest charged at the rate of 3.14 - 3.15 percent per annum (31 December 2020: Bills of exchange of Baht 457 million, registered, transferable, and maturing within 270 days from the date of issuance, maturity date between January - June 2021, with interest charge at the rate of 3.13 - 3.18 percent per annum).

11. Long-term loans

As at 31 March 2021 and 31 December 2020, 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 2021	31 December 2020
1	Loan agreement dated 27 June 2014	MLR - 2.63	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	941,033,567	1,195,461,718
2	Loan agreement dated 29 June 2018	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	86,487,157	142,586,832
3	Loan agreement dated 9 July 2018	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	56,504,000	105,436,000
4	Loan agreement dated 28 June 2019	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	299,828,322	359,741,530
5	Loan agreement dated 11 September 2019	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	346,440,000	407,100,000
6	Loan agreement dated 31 March 2020	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	429,360,823	287,524,038
Total				2,159,653,869	2,497,850,118
Less: Deferred loans issuing costs				(6,146,900)	(7,623,603)
Long-term loans				2,153,506,969	2,490,226,515
Less: current portion due within 1 year				(1,513,378,304)	(1,691,831,930)
Long-term loans, net of current portion				<u>640,128,665</u>	<u>798,394,585</u>

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 2021, the Company has commitments of Baht 403 million under interest rate swap agreements with a bank that is the Company's lender for loan facilities no. 3 and 5 whereby floating interest rates are swapped for a fixed interest rate throughout the term of the loan. The interest rate swap agreements gradually mature within 2023, in accordance with the conditions of loan repayment (31 December 2020: The Company had commitments of Baht 513 million under interest rate swap agreements for loan facility no. 3 and 5).

As at 31 March 2021, the Company has long-term credit facilities which have not yet been drawdown amounted to Baht 1,410 million.

Movements in the long-term loans account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Baht)
Balance as at 1 January 2021	2,497,850,118
Add: Addition borrowings during the period	176,000,000
Less: Loans repayment during the period	<u>(514,196,249)</u>
Balance as at 31 March 2021	<u><u>2,159,653,869</u></u>

12. Debt issued - debenture

As at 31 March 2021 and 31 December 2020, there was debenture issued by the Company has detailed below.

No.	Date	Repayment schedule	(Unit: Baht)	
			31 March 2021	31 December 2020
1	26 November 2019	Issued name registered, unsubordinated and unsecured without a debentures representative, 2 years term with a coupon rate at 4% per annum, interest payable every quarter	226,300,000	226,300,000
Total			226,300,000	226,300,000
Less: Deferred issuing costs			(526,295)	(723,656)
Debentures			225,773,705	225,576,344
Less: Current portion due within 1 year			(225,773,705)	(225,576,344)
Debentures - net of current portion			-	-

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

13. Loss on impairment and disposal of assets foreclosed

	(Unit: Baht)	
	For the three-month periods ended	
	31 March	
	2021	2020
Reversal on impairment of asset foreclosed	(6,116,142)	(3,804,349)
Loss on disposal of assets foreclosed	41,659,844	69,093,636
Total	35,543,702	65,289,287

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

Name of related party	Relationship with the Company				
MOD S Company Limited	Was an associate company until 21 May 2020 and became a subsidiary since then				
(Unit: Baht)					
For the three-month periods ended 31 March					
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements		
	2021	2020	2021	2020	Pricing policy
<u>Transactions with subsidiary</u>					
Service expense	-	-	2,092,056	-	As stipulated in agreements
<u>Transactions with associate</u>					
Service expense	-	1,719,641	-	1,719,641	As stipulated in agreements
<u>Transactions with directors and related persons</u>					
Interest expense	374,794	378,959	374,794	378,959	As stipulated in agreements
Amortisation of debenture issuing cost	33,141	33,509	33,141	33,509	As stipulated in agreements

The balance of the accounts as at 31 March 2021 and 31 December 2020, between the Company and related parties are as follows:

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	
<u>Subsidiary</u>					
Service payable	-	-	758,500	741,418	
<u>Directors and related persons</u>					
Interest payable	141,589	149,918	141,589	149,918	
Debenture	37,911,625	37,878,485	37,911,625	37,878,485	

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			
	Consolidated financial statements		Separate financial statements	
	which the equity method is applied			
	2021	2020	2021	2020
Short-term employee benefits	5,054,620	5,132,710	5,054,620	5,132,710
Post-employment benefits	253,937	233,403	253,937	233,403
Total	5,308,557	5,366,113	5,308,557	5,366,113

16. Segment information

The Company's principal operations involve a single 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 2021, there was an outstanding bank guarantee of Baht 10,000 (31 December 2020: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

18. Financial instrument**18.1 Fair value of financial instrument**

Set out below, is a comparison of the carrying amounts and fair values of financial assets and financial liabilities:

(Unit: Baht)

	Consolidated financial statements			
	31 March 2021		31 December 2020	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and cash equivalents	33,033,808	33,033,808	28,882,062	28,882,062
Hire purchase receivables	5,861,547,001	5,663,772,786	5,951,095,135	5,798,674,375
Restricted bank deposits	1,254,197	1,254,197	1,173,197	1,173,197
Financial liabilities				
Short-term loans from financial institutions	348,600,000	348,600,000	249,300,000	249,300,000
Trade accounts payables	60,481,661	60,481,661	5,299,445	5,299,445
Short-term loans	426,699,531	426,699,531	457,239,859	457,239,859
Derivatives liabilities	6,881,896	6,881,896	9,934,776	9,934,776
Long-term loans	2,153,506,969	2,157,370,417	2,490,226,515	2,492,896,966
Debt issued - debentures	225,773,705	226,252,615	225,576,344	226,355,561

(Unit: Baht)

	Separate financial statements			
	31 March 2021		31 December 2020	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and cash equivalents	32,111,072	32,111,072	27,417,172	27,417,172
Hire purchase receivables	5,861,547,001	5,663,772,786	5,951,095,135	5,798,674,375
Restricted bank deposits	1,254,197	1,254,197	1,173,197	1,173,197
Financial liabilities				
Short-term loans from financial institutions	348,600,000	348,600,000	249,300,000	249,300,000
Trade accounts payables	60,481,661	60,481,661	5,299,445	5,299,445
Short-term loans	426,699,531	426,699,531	457,239,859	457,239,859
Derivatives liabilities	6,881,896	6,881,896	9,934,776	9,934,776
Long-term loans	2,153,506,969	2,157,370,417	2,490,226,515	2,492,896,966
Debt issued - debentures	225,773,705	226,252,615	225,576,344	226,355,561

18.2 Fair value hierarchy

As at 31 March 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Fair value			(Unit: Baht)
	Level 1	Level 2	Level 3	Total
	Liabilities for which fair value are measured			
Derivatives liabilities	-	6,881,896	-	6,881,896

During the current period, methods and assumptions used to estimate fair value of financial instruments were unchanged and there were no transfers within the fair value hierarchy.

19. Events after the reporting period

On 1 April 2021, the Annual General Meeting of the Company's shareholders for the year 2021 approved to pay a dividend from the 2020 operating results at a rate of Baht 0.25 per share, or a total of Baht 153.25 million. The Company paid an interim dividend of Baht 0.10 per share on 9 December 2020 and is therefore to pay another final dividend of Baht 0.15 per share, which is scheduled to be paid to the shareholders on 30 April 2021.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2021.