

S 11 Group Public Company Limited
Review report and interim financial statements
31 March 2014



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเดกรีซดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

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 statement of financial position of S 11 Group Public Company Limited as at 31 March 2014, the related 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 financial statements. Management is responsible for the preparation and fair 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: 14 May 2014

S 11 Group Public Company Limited

Statements of financial position

As at 31 March 2014

(Unit: Baht)

	Note	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		12,740,020	41,145,312
Current portion of hire purchase receivables - net	2	1,320,471,263	1,232,746,457
Assets foreclosed - net	3	7,150,212	5,545,158
Revenue Department receivables		20,344,397	20,287,344
Prepaid insurance premium		35,825,304	34,936,412
Other current assets		19,843,624	17,063,822
Total current assets		1,416,374,820	1,351,724,505
Non-current assets			
Restricted bank deposits		804,495	769,688
Hire purchase receivables - net of current portion - net	2	1,137,105,810	1,064,213,010
Prepaid insurance premium		13,175,509	12,994,779
Land, building and equipment - net	4	68,920,871	68,559,459
Deferred tax assets	5.1	29,994,410	26,442,166
Other non-current assets		130,601	130,601
Total non-current assets		1,250,131,696	1,173,109,703
Total assets		2,666,506,516	2,524,834,208

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 2014

(Unit: Baht)

	Note	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payables		60,954,246	14,432,226
Current portion of long-term loans	6	978,155,888	952,055,532
Current portion of liabilities under financial lease payables		870,614	572,220
Income tax payable		43,059,470	26,470,356
Insurance premium payables		11,038,951	10,336,981
Accrued expenses		19,711,430	19,863,588
Other current liabilities		5,089,539	4,930,999
Total current liabilities		1,118,880,138	1,028,661,902
Non-current liabilities			
Long-term loans - net of current portion	6	649,503,381	651,133,470
Financial lease payables - net of current portion		952,986	507,515
Provision for long-term employee benefits		3,851,100	3,525,497
Total non-current liabilities		654,307,467	655,166,482
Total liabilities		1,773,187,605	1,683,828,384

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 2014

(Unit: Baht)

	Note	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Shareholders' equity			
Share capital	7		
Registered, issued and fully paid-up			
106,600,000 ordinary shares of Baht 5 each		533,000,000	533,000,000
Share premium		90,606,558	90,606,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000
Retained earnings			
Appropriated - statutory reserve		10,105,304	10,105,304
Unappropriated		244,307,049	191,993,962
Total shareholders' equity		893,318,911	841,005,824
Total liabilities and shareholders' equity		2,666,506,516	2,524,834,208

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

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 Directors

(Unaudited but reviewed)

S 11 Group Public Company Limited
Statements of comprehensive income
For the three-month period ended 31 March 2014

		(Unit: Baht)	
	Note	2014	2013
Profit or loss:			
Revenues			
Hire purchase interest income		187,822,506	140,534,421
Fee and service income		7,869,564	3,629,398
Other income		1,734,084	1,851,441
Total revenues		<u>197,426,154</u>	<u>146,015,260</u>
Expenses			
Selling and administrative expenses		24,543,062	21,351,981
Bad debts and doubtful accounts	2.6	45,057,090	37,397,664
Loss on impairment and disposal of assets foreclosed	8	31,246,310	19,836,876
Total expenses		<u>100,846,462</u>	<u>78,586,521</u>
Profit before finance cost and income tax expenses		96,579,692	67,428,739
Finance cost		(31,221,934)	(23,507,473)
Profit before income tax expenses		65,357,758	43,921,266
Income tax expenses	5.2	(13,044,671)	(8,791,345)
Profit for the period		<u>52,313,087</u>	<u>35,129,921</u>
Other comprehensive income for the period:		-	-
Total comprehensive income for the period		<u><u>52,313,087</u></u>	<u><u>35,129,921</u></u>
Earnings per share			
Basic earnings per share	9	0.49	0.37
Weighted average number of ordinary shares (shares)		<u>106,600,000</u>	<u>94,046,606</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 three-month period ended 31 March 2014

(Unit: Baht)

	Registered, issued and 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 2013	470,000,000	4,000,000	-	534,778	85,257,000	559,791,778
Increase in share capital during the period	1,103,835	331,151	-	-	-	1,434,986
Total comprehensive income for the period	-	-	-	-	35,129,921	35,129,921
Balance as at 31 March 2013	<u>471,103,835</u>	<u>4,331,151</u>	<u>-</u>	<u>534,778</u>	<u>120,386,921</u>	<u>596,356,685</u>
Balance as at 1 January 2014	533,000,000	90,606,558	15,300,000	10,105,304	191,993,962	841,005,824
Total comprehensive income for the period	-	-	-	-	52,313,087	52,313,087
Balance as at 31 March 2014	<u>533,000,000</u>	<u>90,606,558</u>	<u>15,300,000</u>	<u>10,105,304</u>	<u>244,307,049</u>	<u>893,318,911</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 three-month period ended 31 March 2014

	(Unit: Baht)	
	2014	2013
Cash flows from operating activities		
Profit before income tax	65,357,758	43,921,266
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation	1,599,568	1,261,746
Bad debts and doubtful accounts	45,057,090	37,397,664
Loss on disposal of assets foreclosed	31,123,113	18,255,153
Loss on impairment of assets foreclosed	123,197	1,581,723
Provision for long-term employee benefits	325,603	1,988,767
Hire purchase interest income	(187,822,506)	(140,534,421)
Interest expenses	31,221,934	23,507,473
Loss from operating activities before changes in operating assets and liabilities	(13,014,243)	(12,620,629)
Operating assets (increase) decrease		
Hire purchase receivables	(206,016,332)	(302,757,836)
Assets foreclosed	(32,851,364)	(22,724,687)
Revenue Department receivables	(57,053)	(7,777,114)
Prepaid insurance premium	(1,069,622)	(3,683,517)
Other current assets	(2,779,802)	(2,768,948)
Other assets	-	328,100
Operating liabilities increase (decrease)		
Trade accounts payables	46,522,020	45,668,439
Insurance premium payables	701,970	1,807,030
Accrued expenses	(59,238)	1,056,411
Other current liabilities	158,540	583,696
Cash flows used in operating activities	(208,465,124)	(302,889,055)
Cash received from interest	188,164,143	134,803,289
Cash paid for corporate income tax	(7,801)	(9,089)
Cash paid for interest	(30,964,920)	(23,250,198)
Net cash flows used in operating activities	(51,273,702)	(191,345,053)

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 three-month period ended 31 March 2014

	(Unit: Baht)	
	2014	2013
Cash flows from investing activities		
Decrease in restricted bank deposits	(34,807)	(160,096)
Cash paid for acquisition of land, building and equipment	(893,484)	(3,688,534)
Net cash flows used in investing activities	(928,291)	(3,848,630)
Cash flows from financing activities		
Proceeds from increase in share capital	-	1,434,986
Increase in short-term loans from related parties	-	20,599,700
Cash receipt from long-term loans	293,000,000	306,000,000
Repayment of long-term loans	(268,879,668)	(138,515,652)
Repayment of financial lease payables	(323,631)	(648,211)
Net cash flows from financing activities	23,796,701	188,870,823
Net decrease in cash and cash equivalents	(28,405,292)	(6,322,860)
Cash and cash equivalents at beginning of period	41,145,312	25,040,969
Cash and cash equivalents at end of period	12,740,020	18,718,109
Supplement cash flow information		
Non-cash items		
Purchase of assets by financial lease payables	1,067,496	-

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

S 11 Group Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2014

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 2014, the Company has 2 branches in Chonburi and Ayudhya.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 New accounting standards

a) Accounting standards that became effective in the current accounting period

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

The management of the Company had assessed and noted that the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have a significant impact on the financial statements.

b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016

The management of the Company had assessed and noted that this financial reporting standard is not relevant to the businesses of the Company.

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 2013.

2. Hire purchase receivables

2.1 As at 31 March 2014 and 31 December 2013, 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. Details are as follows:

(Unit: Baht)

	31 March 2014		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	2,215,235,632	1,462,202,736	3,677,438,368
Less: Unearned hire purchase income ⁽¹⁾	(704,011,943)	(313,084,619)	(1,017,096,562)
Present value of the minimum lease payment receivables	1,511,223,689	1,149,118,117	2,660,341,806
Less: Allowance for doubtful accounts	(190,752,426)	(12,012,307)	(202,764,733)
Hire purchase receivables, net	1,320,471,263	1,137,105,810	2,457,577,073

(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 ceased.

(Unit: Baht)

	31 December 2013		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	2,043,820,663	1,375,229,560	3,419,050,223
Less: Unearned hire purchase income ⁽¹⁾	(649,465,375)	(290,959,627)	(940,425,002)
Present value of the minimum lease payment receivables	1,394,355,288	1,084,269,933	2,478,625,221
Less: Allowance for doubtful accounts	(161,608,831)	(20,056,923)	(181,665,754)
Hire purchase receivables, net	1,232,746,457	1,064,213,010	2,296,959,467

(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 ceased.

- 2.2 As at 31 March 2014 and 31 December 2013, 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	Hire purchase receivables		Percentage of allowance set up by the Company	Allowance for doubtful accounts	
	31 March 2014	31 December 2013		31 March 2014	31 December 2013
Not yet due	2,162,191,134	2,021,875,677	1	21,621,911	20,218,758
Past due:					
1 month	162,674,641	151,489,874	1	1,626,746	1,514,899
2 - 3 months	159,142,811	148,293,442	2	3,182,856	2,965,869
4 - 6 months	85,298,640	80,706,024	100	85,298,640	80,706,024
7 - 12 months	70,285,930	62,806,391	100	70,285,930	62,806,391
Over 12 months	20,748,650	13,453,813	100	20,748,650	13,453,813
Total	<u>2,660,341,806</u>	<u>2,478,625,221</u>		<u>202,764,733</u>	<u>181,665,754</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 for hire purchase receivables with 4 or more installments past due. The management has considered this policies and confident that it is appropriated for the debtor's character and to the Company's business.

2.4 As at 31 March 2014, the Company had hire purchase receivables amounting to Baht 283 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2013: Baht 130 million).

2.5 As at 31 March 2014 and 31 December 2013, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 4,395 million and Baht 3,928 million, respectively, in order to secure credit facilities granted by a commercial bank as discussed in Note 6 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 31 March 2014	For the year ended 31 December 2013
Balance beginning of the period	181,665,754	65,817,720
Add: Doubtful account increased during the period	45,057,090	189,808,250
Less: Bad debt written-off	(23,958,111)	(73,960,216)
Balance end of the period	202,764,733	181,665,754

3. Assets foreclosed

(Unit: Baht)

	31 March 2014	31 December 2013
Assets foreclosed - cost	11,527,855	9,799,604
Less: Allowance for impairment	(4,377,643)	(4,254,446)
Assets foreclosed - net	7,150,212	5,545,158

4. Land, building and equipment

Movements of land, building and equipment during the three-month period ended 31 March 2014 are summarised below.

	(Unit: Baht)
Cost	
Balance as at 1 January 2014	79,998,092
Additions	1,960,980
Balance as at 31 March 2014	<u>81,959,072</u>
Accumulated depreciation	
Balance as at 1 January 2014	11,438,633
Depreciation for the period	1,599,568
Balance as at 31 March 2014	<u>13,038,201</u>
Net book value	
Balance as at 31 March 2014	<u>68,920,871</u>

As at 31 March 2014 and 31 December 2013, the Company had pledged land and premises thereon with net book values amounting to Baht 57.83 million and Baht 58.32 million, respectively, as collateral against credit facilities received from the financial institution as mentioned in Note 6 to the financial statements.

5. Deferred tax assets/income tax expenses

5.1 Deferred tax assets

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

	(Unit: Baht)	
	31 March 2014	31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	40,552,947	36,333,151
Allowance for impairment of assets foreclosed	875,529	850,889
Provision for long-term employee benefits	770,220	705,099
Total	<u>42,198,696</u>	<u>37,889,139</u>
Deferred tax liabilities		
Deferred commission and initial direct cost from hire purchase contracts	12,204,286	11,446,973
Total	<u>12,204,286</u>	<u>11,446,973</u>
Deferred tax assets - net	<u>29,994,410</u>	<u>26,442,166</u>

5.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2014 and 2013 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2014	2013
Current income tax:		
Interim corporate income tax charge for the period	16,596,915	13,188,812
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,552,244)	(4,397,467)
Income tax expenses reported in the statements of comprehensive income	<u>13,044,671</u>	<u>8,791,345</u>

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 2014 and 2013 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2014	2013
Accounting profit before tax	<u>65,357,758</u>	<u>43,921,266</u>
Applicable tax rate	20%	20%
Amounts of profit before tax multiplied by applicable tax rate	13,071,552	8,784,253
Tax effect of tax-exempt income and disallowed expenses	(26,881)	7,092
Income tax expenses reported in the statements of comprehensive income	<u>13,044,671</u>	<u>8,791,345</u>

6. Long-term loans

The long-term loans, which the Company obtained from a local financial institution, are as detailed below.

(Unit: Baht)

Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	31 March 2014	31 December 2013
1	Loan agreement dated 29 August 2011	MLR + 0.5	Payment in 30 equal installments, with the first installment payable on the last day of the month of the first drawdown	48,567,014	96,092,372
2	Loan agreement dated 2 March 2012	MLR + 0.5	Payment in 30 equal installments, with the first installment payable on the last day of the month of the first drawdown	144,244,188	196,039,440
3	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, within 12 years, with the first installment due on 7 June 2012	11,712,979	11,907,041
4	Loan agreement dated 2 March 2012	MLR	Installments payment, as specified in the agreement, within 12 years, with the first installment due in the 13 th month after the loan drawdown	25,932,563	26,400,114
5	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	645,249,216	751,818,015
6	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	241,434,004	271,024,033
7	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	520,091,362	259,829,979
Total				1,637,231,326	1,613,110,994
Less: Deferred loans issuing costs				(9,572,057)	(9,921,992)
Long-term loans				1,627,659,269	1,603,189,002
Less: current portion due within 1 year				(978,155,888)	(952,055,532)
Long-term loans, net of current portion				649,503,381	651,133,470

Loans facilities no. 1, 2, 5, 6 and 7 are for use in the expansion of the Company's business. The Company has to comply with loan covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, maintenance of debt to equity ratio and maintenance of ratios of overdue hire purchase receivables to total hire purchase receivables, and total hire purchase receivables to debts, as well as prohibitions on the disposal of assets or rights of claim under hire purchase agreements and prohibition from entering into new debt agreements. And these loan facilities are secured by the transfer of rights of claim under hire purchase agreements and motorcycle registrations as requested by the commercial bank, and also guaranteed by the shareholders, managing directors and management of the Company.

Loan facilities no. 3 and 4 are for use in building construction. These loan facilities are secured by the Company's land and premises thereon and also guaranteed by the shareholders, managing directors and management of the Company.

As at 31 March 2014, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 443.70 million.

7. Share capital - Capital increase

On 27 March 2014, the 2014 Annual General Meeting of the Company's shareholders approved an increase in the Company's registered share capital from Baht 533 million to Baht 613 million (122.60 million ordinary shares with a par value of Baht 5 each) by issuing 16 million new ordinary shares with a par value of Baht 5 each. The capital increase was to be made by issuing shares via an initial public offering at a price not less than the par value of the shares, after the Company received authorisation from the relevant authorities in accordance with the Securities and Exchange Commission Act. On 4 April 2014, the Company registered the increase of its share capital from Baht 533 million to Baht 613 million with the Ministry of Commerce.

8. Loss on impairment and disposal of assets foreclosed

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2014	2013
Loss on impairment of assets foreclosed	123,197	1,581,723
Loss on disposal of assets foreclosed	31,123,113	18,255,153
Total	<u>31,246,310</u>	<u>19,836,876</u>

9. 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.

10. 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.

11. Related party transactions

11.1 Significant business transactions with its related parties

During the three-month periods ended 31 March 2014 and 2013, the Company had significant business transaction with its 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.

(Unit: Baht)

	For the three-month periods		Transfer pricing policy
	ended 31 March 2014	ended 31 March 2013	
Transaction with directors and shareholders			
Interest expenses	-	1,390,572	Interest charged at 8% per annum

As at 31 March 2014 and 31 December 2013, the Company has no outstanding balance with related parties.

11.2 Directors and management benefits

During the three-month periods ended 31 March 2014 and 2013, the Company had the following employee benefit expenses payable to its directors and management.

(Unit: Baht)

	For the three-month periods	
	ended 31 March	
	2014	2013
Short-term employee benefits	2,935,548	2,719,485
Post-employment benefits	2,518,511	1,229,507
Total	5,454,059	3,948,992

12. Commitment - guarantees

As at 31 March 2014, there was an outstanding bank guarantee of Baht 10,000 (31 December 2013: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

13. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2014.