

S 11 Group Public Company Limited
Review report and interim financial statements
30 September 2014



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of S 11 Group Public Company Limited

I have reviewed the accompanying statements of financial position of S 11 Group Public Company Limited as at 30 September 2014, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014, the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 14 November 2014

S 11 Group Public Company Limited**Statements of financial position****As at 30 September 2014**

		(Unit: Baht)	
	Note	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		43,268,442	41,145,312
Current portion of hire purchase receivables - net	2	1,463,321,729	1,232,746,457
Assets foreclosed - net	3	2,854,887	5,545,158
Revenue Department receivables		22,975,145	20,287,344
Prepaid insurance premium		39,232,407	34,936,412
Other current assets		27,722,577	17,063,822
Total current assets		1,599,375,187	1,351,724,505
Non-current assets			
Restricted bank deposits		1,014,980	769,688
Hire purchase receivables - net of current portion	2	1,285,841,384	1,064,213,010
Prepaid insurance premium		14,901,098	12,994,779
Land, building and equipment - net	4	72,863,758	68,559,459
Deferred tax assets	5.1	41,029,938	26,442,166
Other non-current assets		134,101	130,601
Total non-current assets		1,415,785,259	1,173,109,703
Total assets		3,015,160,446	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 30 September 2014

		(Unit: Baht)	
	Note	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payables		67,530,336	14,432,226
Current portion of long-term loans	6	1,104,128,812	952,055,532
Current portion of financial lease payables		1,651,820	572,220
Income tax payable		19,257,924	26,470,356
Insurance premium payables		12,307,158	10,336,981
Accrued expenses		32,252,828	19,863,588
Other current liabilities		8,177,260	4,930,999
Total current liabilities		<u>1,245,306,138</u>	<u>1,028,661,902</u>
Non-current liabilities			
Long-term loans - net of current portion	6	774,075,729	651,133,470
Financial lease payables - net of current portion		2,060,356	507,515
Provision for long-term employee benefits		4,709,178	3,525,497
Total non-current liabilities		<u>780,845,263</u>	<u>655,166,482</u>
Total liabilities		<u>2,026,151,401</u>	<u>1,683,828,384</u>

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

S 11 Group Public Company Limited
Statements of financial position (continued)
As at 30 September 2014

		(Unit: Baht)	
	Note	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Shareholders' equity			
Share capital			
Registered	7		
613,000,000 ordinary shares of Baht 1 each (31 December 2013: 106,600,000 ordinary shares of Baht 5 each)		613,000,000	533,000,000
Issued and fully paid-up	7		
533,000,000 ordinary shares of Baht 1 each (31 December 2013: 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		339,997,183	191,993,962
Total shareholders' equity		989,009,045	841,005,824
Total liabilities and shareholders' equity		3,015,160,446	2,524,834,208

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

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Directors

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(Unaudited but reviewed)

S 11 Group Public Company Limited**Statements of comprehensive income****For the three-month and nine-month periods ended 30 September 2014**

(Unit: Baht)

	Note	For the three-month periods		For the nine-month periods	
		ended 30 September		ended 30 September	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Hire purchase interest income		226,191,026	186,316,645	644,657,704	509,137,734
Fee and service income		10,304,152	6,071,955	27,139,252	14,267,128
Other income		2,678,226	2,062,028	6,196,857	5,563,618
Total revenues		239,173,404	194,450,628	677,993,813	528,968,480
Expenses					
Selling and administrative expenses		56,472,775	34,729,116	133,582,859	97,563,421
Bad debts and doubtful accounts	2.6	55,468,511	58,796,618	158,885,741	141,795,025
Loss on impairment and on disposal of assets foreclosed	8	35,324,544	29,757,007	99,713,467	74,250,805
Total expenses		147,265,830	123,282,741	392,182,067	313,609,251
Profit before finance cost and income tax expenses					
Finance cost		(36,138,806)	(31,268,231)	(100,819,314)	(81,912,275)
Profit before income tax expenses		55,768,768	39,899,656	184,992,432	133,446,954
Income tax expenses	5.2	(11,157,930)	(7,905,453)	(36,989,211)	(26,551,480)
Profit for the period		44,610,838	31,994,203	148,003,221	106,895,474
Other comprehensive income:					
		-	-	-	-
Total comprehensive income for the period		44,610,838	31,994,203	148,003,221	106,895,474
Earnings per share					
Basic earnings per share	9	0.08	0.07	0.28	0.23

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

(Unaudited but reviewed)

S 11 Group Public Company Limited

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2014

	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	4,040,430	1,675,289	-	-	-	5,715,719
Transferred retained earnings to appropriated statutory reserve	-	-	-	3,755,151	(3,755,151)	-
Total comprehensive income for the period	-	-	-	-	106,895,474	106,895,474
Balance as at 30 September 2013	<u>474,040,430</u>	<u>5,675,289</u>	<u>-</u>	<u>4,289,929</u>	<u>188,397,323</u>	<u>672,402,971</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	-	-	-	-	148,003,221	148,003,221
Balance as at 30 September 2014	<u>533,000,000</u>	<u>90,606,558</u>	<u>15,300,000</u>	<u>10,105,304</u>	<u>339,997,183</u>	<u>989,009,045</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited

Cash flows statements

For the nine-month period ended 30 September 2014

	(Unit: Baht)	
	2014	2013
Cash flows from operating activities		
Profit before income tax	184,992,432	133,446,954
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation	5,039,305	4,105,005
Bad debts and doubtful accounts	158,885,741	141,795,025
Loss (gain) on disposal of assets	97,732	(50,652)
Loss on written-off assets	57,941	-
Loss on impairment of assets foreclosed	(2,366,236)	1,575,577
Provision for long-term employee benefits	1,183,681	3,372,713
Hire purchase interest income	(644,657,704)	(509,137,734)
Interest expenses	100,819,314	81,912,275
Loss from operating activities before changes in operating assets and liabilities	(195,947,794)	(142,980,837)
Operating assets (increase) decrease		
Hire purchase receivables	(604,620,111)	(725,606,315)
Assets foreclosed	5,056,507	(3,686,489)
Revenue Department receivables	(2,687,801)	(14,980,756)
Prepaid insurance premium	(6,202,314)	(8,755,773)
Other current assets	(10,658,755)	(8,090,776)
Other assets	(3,500)	162,000
Operating liabilities increase (decrease)		
Trade accounts payables	53,098,110	20,517,246
Insurance premium payables	1,970,177	1,894,220
Accrued expenses	12,495,948	(1,278,422)
Other current liabilities	3,246,261	(98,285)
Cash flows used in operating activities	(744,253,272)	(882,904,187)
Cash received from interest	638,188,428	487,538,231
Cash paid for corporate income tax	(58,789,415)	(42,488,349)
Cash paid for interest	(98,072,749)	(81,247,393)
Net cash flows used in operating activities	(262,927,008)	(519,101,698)

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

(Unaudited but reviewed)

S 11 Group Public Company Limited

Cash flows statements (continued)

For the nine-month period ended 30 September 2014

	(Unit: Baht)	
	2014	2013
Cash flows from investing activities		
Increase in restricted bank deposits	(245,292)	(270,235)
Cash receipt from proceed of land, building and equipment	35,280	943,980
Cash paid for acquisition of land, building and equipment	(5,872,061)	(7,771,114)
Net cash flows used in investing activities	(6,082,073)	(7,097,369)
Cash flows from financing activities		
Proceeds from increase in share capital	-	5,715,719
Increase in short-term loans from related parties	-	55,468,516
Cash receipt from long-term loans	1,159,370,000	956,000,000
Repayment of long-term loans	(876,557,609)	(510,682,143)
Repayment of financial lease payables	(1,030,055)	(1,771,953)
Payment for loans issuing cost	(10,650,125)	-
Net cash flows from financing activities	271,132,211	504,730,139
Net increase (decrease) in cash and cash equivalents	2,123,130	(21,468,928)
Cash and cash equivalents at beginning of period	41,145,312	25,040,969
Cash and cash equivalents at end of period	43,268,442	3,572,041
Supplement cash flow information		
Non-cash items		
Purchase of assets by financial lease payables	3,662,496	911,520

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

S 11 Group Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 30 September 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 for the current period.

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 business 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 30 September 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. These are summarised as follows:

(Unit: Baht)

	30 September 2014		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	2,519,474,030	1,653,228,321	4,172,702,351
Less: Unearned hire purchase income ⁽¹⁾	(801,836,398)	(353,507,652)	(1,155,344,050)
Present value of the minimum lease payment receivables	1,717,637,632	1,299,720,669	3,017,358,301
Less: Allowance for doubtful accounts	(254,315,903)	(13,879,285)	(268,195,188)
Hire purchase receivables, net	<u>1,463,321,729</u>	<u>1,285,841,384</u>	<u>2,749,163,113</u>

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

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

(Unit: Baht)

	31 December 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	<u>1,232,746,457</u>	<u>1,064,213,010</u>	<u>2,296,959,467</u>

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

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

2.2 As at 30 September 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	
	30 September 2014	31 December 2013		30 September 2014	31 December 2013
Not yet due	1,849,550,248	1,704,851,581	1	18,495,503	17,045,066
Past due:					
Less than 1 months	569,693,067	317,024,096	1	5,696,930	3,173,692
1 month or more, but less than 2 months	184,032,796	151,489,874	1	1,840,328	1,514,899
2 months or more, but less than 4 months	175,428,330	148,293,442	2	3,508,567	2,965,869
4 months or more, but less than 7 months	102,835,793	80,706,024	100	102,835,793	80,706,024
7 months or more, but less than 12 months	96,793,574	62,806,391	100	96,793,574	62,806,391
12 months or more	39,024,493	13,453,813	100	39,024,493	13,453,813
Total	<u>3,017,358,301</u>	<u>2,478,625,221</u>		<u>268,195,188</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 and confided that this policy is appropriated for the debtor's character and to the Company's business.

2.4 As at 30 September 2014, the Company had hire purchase receivables amounting to Baht 379 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2013: Baht 130 million).

2.5 As at 30 September 2014, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 2,543 million (31 December 2013: Baht 3,928 million) 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 nine-month period ended 30 September 2014	For the year ended 31 December 2013
Balance beginning of the period	181,665,754	65,817,720
Add: Doubtful account set up during the period	158,885,741	189,808,250
Less: Bad debt written-off	(72,356,307)	(73,960,216)
Balance end of the period	<u>268,195,188</u>	<u>181,665,754</u>

3. Assets foreclosed

(Unit: Baht)

	30 September 2014	31 December 2013
Assets foreclosed - cost	4,743,097	9,799,604
Less: Allowance for impairment	(1,888,210)	(4,254,446)
Assets foreclosed - net	<u>2,854,887</u>	<u>5,545,158</u>

4. Land, building and equipment

Movements of land, building and equipment during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Baht)
Cost	
Balance as at 1 January 2014	79,998,092
Additions	9,534,557
Disposals/written-off	(363,872)
Balance as at 30 September 2014	<u>89,168,777</u>
Accumulated depreciation	
Balance as at 1 January 2014	11,438,633
Depreciation for the period	5,039,305
Accumulated depreciation on disposals/written-off	(172,919)
Balance as at 30 September 2014	<u>16,305,019</u>
Net book value	
Balance as at 30 September 2014	<u><u>72,863,758</u></u>

As at 30 September 2014 and 31 December 2013, the Company had pledged land and premises thereon with net book value amounting to Baht 56.86 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)	
	30 September 2014	31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	53,639,037	36,333,151
Allowance for impairment of assets foreclosed	377,642	850,889
Provision for long-term employee benefits	941,836	705,099
Accrued employee expenses	2,700,000	-
Total	<u>57,658,515</u>	<u>37,889,139</u>
Deferred tax liabilities		
Deferred commission and initial direct cost from hire purchase contracts	13,124,833	11,446,973
Deferred loans issuing costs	3,503,744	-
Total	<u>16,628,577</u>	<u>11,446,973</u>
Deferred tax assets - net	<u><u>41,029,938</u></u>	<u><u>26,442,166</u></u>

5.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2014 and 2013 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Current income tax:				
Interim corporate income tax charge for the period	19,263,207	13,851,848	53,561,381	41,861,418
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,105,277)	(5,946,395)	(16,572,170)	(15,309,938)
Income tax expenses reported in the statements of comprehensive income	<u>11,157,930</u>	<u>7,905,453</u>	<u>36,989,211</u>	<u>26,551,480</u>

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and nine-month periods ended 30 September 2014 and 2013 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Accounting profit before tax	<u>55,768,768</u>	<u>39,899,656</u>	<u>184,992,432</u>	<u>133,446,954</u>
Applicable tax rate	20%	20%	20%	20%
Amounts of profit before tax multiplied by applicable tax rate	11,153,753	7,979,930	36,998,486	26,689,390
Tax effect of tax-exempt income and disallowed expenses	<u>4,177</u>	<u>(74,477)</u>	<u>(9,275)</u>	<u>(137,910)</u>
Income tax expenses reported in the statements of comprehensive income	<u>11,157,930</u>	<u>7,905,453</u>	<u>36,989,211</u>	<u>26,551,480</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	30 September 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	-	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	37,673,434	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	11,323,427	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	24,992,160	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	426,183,544	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	180,648,894	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	802,256,074	259,829,979
8	Loan agreement dated 27 June 2014	MLR - 0.5	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	412,845,852	-
Total				1,895,923,385	1,613,110,994
Less: Deferred loans issuing costs				(17,718,844)	(9,921,992)
Long-term loans				1,878,204,541	1,603,189,002
Less: current portion due within 1 year				(1,104,128,812)	(952,055,532)
Long-term loans, net of current portion				774,075,729	651,133,470

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, directors and management of the Company.

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

As at 30 September 2014, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 590 million. In addition, the Company has remaining overdraft facilities amounting to Baht 50 million.

7. Share capital

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 share, after the Company received authorisation from the relevant authorities in accordance with the Securities and Exchange Commission Act. On 4 April 2014, the Company had registered the increase of its share registered capital with the Ministry of Commerce.

On 10 September 2014, the Extraordinary General Meeting of shareholders No.1/2557 passed a resolution to change the par value of the ordinary shares from Baht 5 per share to Baht 1 per share resulting in the change in the number of registered ordinary shares from 122,600,000 shares to 613,000,000 shares, and the change in the number of issued and paid up ordinary shares from 106,600,000 shares to 533,000,000 shares. On 11 September 2014, the Company had registered to change the par value of the ordinary shares with the Ministry of Commerce.

8. Loss on impairment and on disposal of assets foreclosed

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Loss on impairment of assets foreclosed (reversal)	(3,860,204)	(1,035,544)	(2,366,236)	1,575,577
Loss on disposal of assets foreclosed	39,184,748	30,792,551	102,079,703	72,675,228
Total	<u>35,324,544</u>	<u>29,757,007</u>	<u>99,713,467</u>	<u>74,250,805</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, after adjusting the number of ordinary shares proportionately to the change in the number of shares as a result of the change in the par value of the ordinary shares.

On 10 September 2014, an Extraordinary General Meeting of Shareholders No.1/2557 of the Company passed a resolution to change the par value of the ordinary shares from Baht 5 per share to Baht 1 per share. In calculating earnings per share, the number of ordinary shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
	(Restated)			
Weighted average number of ordinary shares in issue during the period (shares)	533,000,000	94,596,542	533,000,000	94,323,236
Increase in number of ordinary shares due to change of par value from Baht 5 to Baht 1 (shares)	-	378,386,168	-	377,292,945
Total (shares)	<u>533,000,000</u>	<u>472,982,710</u>	<u>533,000,000</u>	<u>471,616,181</u>
Profit for the period (Baht)	44,610,838	31,994,203	148,003,221	106,895,474
Earnings per share (Baht per share)	0.08	0.07	0.28	0.23

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 periods, 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)				Transfer pricing policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	2014	2013	2014	2013	
Transaction with directors and shareholders					
Interest expenses	-	2,166,168	-	4,982,789	Interest charged at 8% per annum

As at 30 September 2014 and 31 December 2013, the Company has no outstanding balance with related parties.

11.2 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 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Short-term employee benefits	6,338,992	2,809,806	12,210,088	8,248,776
Post-employment benefits	266,996	146,021	2,892,029	2,303,281
Total	<u>6,605,988</u>	<u>2,955,827</u>	<u>15,102,117</u>	<u>10,552,057</u>

12. Commitment - guarantees

As at 30 September 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 interim financial statements

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