

S 11 Group Public Company Limited
Review report and interim financial statements
31 March 2017



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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, in which the equity method is applied, of S 11 Group Public Company Limited as at 31 March 2017, the related statements of comprehensive income, changes in shareholders' equity and cash flows, in which equity method is applied, for the three-month period then ended, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of S 11 Group Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 11 May 2017

S 11 Group Public Company Limited

Statements of financial position

As at 31 March 2017

(Unit: Baht)

	Financial statements		
	in which the equity		
	method is applied	Separate financial statements	
Note	31 March 2017	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	17,930,432	17,930,432	4,948,506
Current portion of hire purchase receivables - net	2 2,102,186,502	2,102,186,502	2,038,475,099
Assets foreclosed - net	3 7,308,116	7,308,116	8,478,179
Revenue Department receivables	33,926,562	33,926,562	33,926,562
Prepaid insurance premium	80,547,206	80,547,206	75,061,831
Other current assets	4 65,326,558	65,326,558	70,195,892
Total current assets	2,307,225,376	2,307,225,376	2,231,086,069
Non-current assets			
Investment in an associated company	5 247,330	249,990	-
Restricted bank deposits	6 593,856	593,856	537,057
Hire purchase receivables - net of current portion	2 1,908,769,530	1,908,769,530	1,855,779,328
Prepaid insurance premium	30,729,087	30,729,087	30,682,151
Land, building and equipment - net	7 86,694,405	86,694,405	82,972,707
Deferred tax assets	8 92,693,407	92,693,407	82,067,350
Other non-current assets	215,135	215,135	223,950
Total non-current assets	2,119,942,750	2,119,945,410	2,052,262,543
Total assets	4,427,168,126	4,427,170,786	4,283,348,612

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 2017

(Unit: Baht)

	Financial statements		
	in which the equity		
	method is applied	Separate financial statements	
Note	31 March 2017	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payables	42,280,537	42,280,537	9,521,799
Current portion of long-term loans	10 733,881,794	733,881,794	777,146,012
Current portion of liabilities under financial lease agreements	302,877	302,877	456,728
Short-term loans	9 346,706,199	346,706,199	325,492,123
Income tax payable	94,484,738	94,484,738	58,790,052
Insurance premium payables	18,437,767	18,437,767	18,444,426
Accrued expenses	39,989,955	39,989,955	28,299,306
Other current liabilities	16,687,452	16,687,452	19,114,878
Total current liabilities	1,292,771,319	1,292,771,319	1,237,265,324
Non-current liabilities			
Long-term loans - net of current portion	10 467,102,905	467,102,905	481,214,537
Debt issued - debentures	11 648,138,260	648,138,260	647,824,289
Provision for long-term employee benefits	9,030,189	9,030,189	8,403,504
Total non-current liabilities	1,124,271,354	1,124,271,354	1,137,442,330
Total liabilities	2,417,042,673	2,417,042,673	2,374,707,654

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 2017

(Unit: Baht)

	Financial statements		
	in which the equity		
	method is applied	Separate financial statements	
Note	31 March 2017	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
Shareholders' equity			
Share capital			
Registered			
613,000,000 ordinary shares of Baht 1 each	613,000,000	613,000,000	613,000,000
Issued and fully paid-up			
613,000,000 ordinary shares of Baht 1 each	613,000,000	613,000,000	613,000,000
Share premium	427,822,558	427,822,558	427,822,558
Capital reserve for share-based payment transactions	15,300,000	15,300,000	15,300,000
Retained earnings			
Appropriated - statutory reserve	59,478,174	59,478,174	59,478,174
Unappropriated	894,524,721	894,527,381	793,040,226
Total shareholders' equity	2,010,125,453	2,010,128,113	1,908,640,958
Total liabilities and shareholders' equity	4,427,168,126	4,427,170,786	4,283,348,612

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

Directors

(Unaudited but reviewed)

S 11 Group Public Company Limited

Statements of comprehensive income

For the three-month period ended 31 March 2017

(Unit: Baht)

	Note	Financial statements		
		in which the equity		
		method is applied	Separate financial statements	
		2017	2017	2016
Profit or loss:				
Revenues				
Hire purchase interest income		320,823,651	320,823,651	283,556,798
Fee and service income		14,636,388	14,636,388	13,163,478
Other income		11,676,173	11,676,173	13,086,190
Total revenues		347,136,212	347,136,212	309,806,466
Expenses				
Selling and administrative expenses		71,286,545	71,286,545	57,633,320
Bad debts and doubtful accounts		86,279,374	86,279,374	67,739,932
Loss on impairment and disposal of assets foreclosed	12	35,212,917	35,212,917	31,249,026
Total expenses		192,778,836	192,778,836	156,622,278
Profit before finance cost, share of loss from investment				
in an associated company and income tax expenses		154,357,376	154,357,376	153,184,188
Finance cost		(26,893,319)	(26,893,319)	(29,530,562)
Profit before share of loss from investment				
in an associated company and income tax expense		127,464,057	127,464,057	123,653,626
Share of loss from investment in an associated company	5	(2,660)	-	-
Profit before income tax expenses		127,461,397	127,464,057	123,653,626
Income tax expenses	8.2	(25,475,554)	(25,475,554)	(24,730,706)
Profit for the period		101,985,843	101,988,503	98,922,920
Other comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Actuarial gain (loss)		(626,685)	(626,685)	7,762
Income tax relating to actuarial gain (loss)		125,337	125,337	(1,552)
Other comprehensive income for the period (loss)		(501,348)	(501,348)	6,210
Total comprehensive income for the period		101,484,495	101,487,155	98,929,130
Earnings per share	13			
Basic earnings per share		0.17	0.17	0.16

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

(Unaudited but review)

S 11 Group Public Company Limited
Statements of changes in shareholders' equity
For the three-month period ended 31 March 2017

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	613,000,000	427,822,558	15,300,000	38,406,028	625,320,801	1,719,849,387
Profit for the period	-	-	-	-	98,922,920	98,922,920
Other comprehensive income for the period	-	-	-	-	6,210	6,210
Total comprehensive income for the period	-	-	-	-	98,929,130	98,929,130
Balance as at 31 March 2016	613,000,000	427,822,558	15,300,000	38,406,028	724,249,931	1,818,778,517
Balance as at 1 January 2017	613,000,000	427,822,558	15,300,000	59,478,174	793,040,226	1,908,640,958
Profit for the period	-	-	-	-	101,988,503	101,988,503
Other comprehensive income for the period (loss)	-	-	-	-	(501,348)	(501,348)
Total comprehensive income for the period	-	-	-	-	101,487,155	101,487,155
Balance as at 31 March 2017	613,000,000	427,822,558	15,300,000	59,478,174	894,527,381	2,010,128,113

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

(Unaudited but review)

S 11 Group Public Company Limited

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2017

(Unit: Baht)

Financial statements in which the equity method is applied

	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2017	613,000,000	427,822,558	15,300,000	59,478,174	793,040,226	1,908,640,958
Profit for the period	-	-	-	-	101,985,843	101,985,843
Other comprehensive income for the period (loss)	-	-	-	-	(501,348)	(501,348)
Total comprehensive income for the period	-	-	-	-	101,484,495	101,484,495
Balance as at 31 March 2017	613,000,000	427,822,558	15,300,000	59,478,174	894,524,721	2,010,125,453

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 2017**

	Financial statements		(Unit: Baht)
	in which the equity		
	method is applied	Separate financial statements	
	2017	2017	2016
Cash flows from operating activities			
Profit before income tax	127,461,397	127,464,057	123,653,626
Adjustments to reconcile profit before income tax to net cash provided by (paid) from operating activities			
Depreciation	1,499,456	1,499,456	1,621,447
Bad debts and doubtful accounts	86,279,374	86,279,374	67,739,932
Loss on written-off assets	-	-	8,711
Share of loss from investment in an associated company	2,660	-	-
Loss (reversal) on impairment of assets foreclosed	(1,440,878)	(1,440,878)	1,022,232
Provision for long-term employee benefits	-	-	166,320
Hire purchase interest income	(320,823,651)	(320,823,651)	(283,556,798)
Interest expenses	26,893,319	26,893,319	29,530,562
Loss from operating activities before changes in operating assets and liabilities	(80,128,323)	(80,128,323)	(59,813,968)
Operating assets (increase) decrease			
Hire purchase receivables	(198,737,281)	(198,737,281)	(210,559,295)
Assets foreclosed	2,610,941	2,610,941	(4,367,161)
Revenue Department receivables	-	-	(1,122,887)
Prepaid insurance premium	(5,532,311)	(5,532,311)	(11,426,184)
Other current assets	4,869,334	4,869,334	(732,450)
Other non-current assets	8,815	8,815	4,000
Operating liabilities increase (decrease)			
Trade accounts payables	32,758,738	32,758,738	47,798,194
Insurance premium payables	(6,659)	(6,659)	4,353,453
Accrued expenses	10,299,728	10,299,728	10,115,869
Other current liabilities	(2,427,019)	(2,427,019)	(9,662,371)
Cash flows used in operating activities	(236,284,037)	(236,284,037)	(235,412,800)
Cash received from interest	316,579,953	316,579,953	281,043,280
Cash paid for corporate income tax	(281,588)	(281,588)	(319,700)
Cash paid for interest	(20,398,340)	(20,398,340)	(21,750,985)
Net cash flows from operating activities	59,615,988	59,615,988	23,559,795

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 2017

	Financial statements		(Unit: Baht)
	in which the equity		
	method is applied	Separate financial statements	
	2017	2017	2016
Cash flows from investing activities			
Cash paid for investment in an associated company	(249,990)	(249,990)	-
Decrease (increase) in restricted bank deposits	(56,799)	(56,799)	1,351,060
Cash receipt for proceed of equipment	-	-	(1,306,216)
Cash paid for acquisition of land, building and equipment	(5,221,154)	(5,221,154)	-
Net cash flows from (used in) investing activities	(5,527,943)	(5,527,943)	44,844
Cash flows from financing activities			
Decrease in bank overdraft	-	-	(229,313)
Increase in short-term loans	18,313,387	18,313,387	97,972,128
Cash receipt from long-term loans	194,000,000	194,000,000	168,110,000
Repayment of long-term loans	(253,265,250)	(253,265,250)	(288,445,981)
Repayment of financial lease payables	(153,851)	(153,851)	(434,484)
Payment for dividend	(405)	(405)	-
Net cash flows used in financing activities	(41,106,119)	(41,106,119)	(23,027,650)
Net increase in cash and cash equivalents	12,981,926	12,981,926	576,989
Cash and cash equivalents at beginning of period	4,948,506	4,948,506	41,321,048
Cash and cash equivalents at end of period	17,930,432	17,930,432	41,898,037

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 2017

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 2017, the Company has 4 branches located in Chonburi, Ayudhya and Rayong.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 New accounting standards

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal year beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016, except for the new accounting policy relating to investments in an associated company.

Investment in an associated company is presented under the cost method in the separate financial statements, and is presented under the equity method in the financial statements in which the equity method is applied.

2. Hire purchase receivables

2.1 As at 31 March 2017 and 31 December 2016, the contract terms of the Company's hire purchase receivables are 12 - 36 installments with payments to be made in equal installments, and interest charged at the fixed rates as specified in the contracts. These are summarised as follows:

(Unit: Baht)

	31 March 2017		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	3,780,299,570	2,438,057,653	6,218,357,223
Less: Unearned hire purchase income ⁽¹⁾	(1,160,778,945)	(508,827,356)	(1,669,606,301)
Present value of the minimum lease payment receivables	2,619,520,625	1,929,230,297	4,548,750,922
Less: Allowance for doubtful accounts ⁽³⁾	(517,334,123)	(20,460,767)	(537,794,890)
Net hire purchase receivables	<u>2,102,186,502</u>	<u>1,908,769,530</u>	<u>4,010,956,032</u>

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

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

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

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2016		
	Amounts due	Amounts due	Total
	within 1 year ⁽²⁾	over 1 year	
Hire purchase receivables	3,627,635,361	2,372,079,207	5,999,714,568
Less: Unearned hire purchase income ⁽¹⁾	(1,119,110,884)	(496,435,514)	(1,615,546,398)
Present value of the minimum lease			
payment receivables	2,508,524,477	1,875,643,693	4,384,168,170
Less: Allowance for doubtful accounts	(470,049,378)	(19,864,365)	(489,913,743)
Net hire purchase receivables	<u>2,038,475,099</u>	<u>1,855,779,328</u>	<u>3,894,254,427</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 31 March 2017 and 31 December 2016, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for doubtful accounts are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Balance of		Percentage of allowance set up by the Company	Allowance for	
	hire purchase receivables			doubtful accounts	
	31 March 2017	31 December 2016		31 March 2017	31 December 2016
Not yet due	2,956,309,670	2,829,089,769	1	29,563,090	28,290,897
Past due					
Less than 1 months	626,184,846	633,161,697	1	6,261,849	6,331,617
1 month or more, but less than 2 months	246,815,279	243,204,349	1	2,468,152	2,432,043
2 months or more, but less than 4 months	230,550,334	230,462,417	2	4,611,006	4,609,248
4 months or more, but less than 7 months	139,268,491	124,612,873	100	139,268,491	124,612,873
7 months or more, but less than 12 months	146,374,565	137,963,577	100	146,374,565	137,963,577
12 months or more	<u>203,247,737</u>	<u>185,673,488</u>	100	<u>203,247,737</u>	<u>185,673,488</u>
Total	<u>4,548,750,922</u>	<u>4,384,168,170</u>		531,794,890	489,913,743
Allowance for doubtful accounts - additional provision for uncollectible receivables				6,000,000	-
Total				<u>537,794,890</u>	<u>489,913,743</u>

- 2.3** The Notification of the Institute of Certified Accountants and Auditors of Thailand, with the concurrence of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease and full provision is to be recorded for accounts receivable which are past due more than 3 installments, based on the scheduled repayment date per the agreement, and general provision is to be provided for accounts receivable which are not past due or have no more than 3 installments past due. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses and the reason.

The Company had a policy to cease recognising revenue from hire purchase receivables which are past due more than 3 installments and has a policy to set up full allowance for doubtful accounts, without consider collateral value, for hire purchase receivables with 4 months or more installments past due. The management has considered and confident that this policy is appropriated for the debtor's character and to the Company's business.

- 2.4** As at 31 March 2017, the Company had hire purchase receivables amounting to Baht 734 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2016: Baht 678 million).
- 2.5** As at 31 March 2017, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 215 million (31 December 2016: Baht 78 million) in order to secure credit facilities granted by a commercial bank as discussed in Note 10 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 2017	For the year ended 31 December 2016
Balance beginning of the period	489,913,743	391,066,479
Add: Doubtful account increase during the period	86,279,374	255,763,046
Less: Bad debt written-off	(38,398,227)	(156,915,782)
Balance end of the period	<u>537,794,890</u>	<u>489,913,743</u>

3. Assets foreclosed

	(Unit: Baht)	
	31 March 2017	31 December 2016
Assets foreclosed - cost	11,695,993	14,306,934
Less: Allowance for impairment	(4,387,877)	(5,828,755)
Assets foreclosed - net	<u>7,308,116</u>	<u>8,478,179</u>

4. Other current assets

	(Unit: Baht)	
	31 March 2017	31 December 2016
Advance VAT receivable	18,844,833	17,949,480
Other receivable - sales of assets foreclosed	5,488,467	6,235,608
Other accrued income	3,801,646	3,251,022
Counter service receivables	33,951,943	40,402,551
Others	3,239,669	2,357,231
Total	<u>65,326,558</u>	<u>70,195,892</u>

5. Investment in an associated company**.1 Detail of an associated company**

Company's name	Nature of business	(Unit: Baht)					
		Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
				Book value		Book value	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(%)	(%)				
MOD S Company Limited	Manage and develop quality of assets	25	-	247,330	-	249,990	-

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

5.2 Share of comprehensive income and dividend received

During the three-month period ended 31 March 2017, the Company recognised share of loss from investment in an associated company in the financial statements, in which the equity method is applied, amounting to Baht 2,660 and no dividend income during the period.

5.3 Summarised financial information of an associated company

Summarised financial information of MOD S Company Limited as at 31 March 2017 and for the three-month period ended 31 March 2017 are as follows:

Summarised information about financial position

	(Unit: Baht)
	31 March 2017
Total assets	1,118,399
Total liabilities	129,079
Net assets	989,320

Summarised information about income statement

	(Unit: Baht)
	For the three-month period ended 31 March 2017
Revenue	-
Loss for the period	10,680

6. Restricted bank deposits

As at 31 March 2017 and 31 December 2016, these present fixed deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as discussed in Note 16 to the financial statements, and a deposit used as an employee's security deposit.

7. Land, building and equipment

Movements of land, building and equipment during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Baht)
Cost	
Balance as at 1 January 2017	113,438,385
Additions	5,221,154
Balance as at 31 March 2017	<u>118,659,539</u>
Accumulated depreciation	
Balance as at 1 January 2017	30,465,678
Depreciation for the period	1,499,456
Balance as at 31 March 2017	<u>31,965,134</u>
Net book value	
Balance as at 31 March 2017	<u><u>86,694,405</u></u>

8 Deferred tax assets/income tax expenses

8.1 Deferred tax assets

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

	(Unit: Baht)	
	31 March 2017	31 December 2016
Deferred tax assets		
Allowance for doubtful accounts	107,558,978	97,982,749
Allowance for impairment of assets foreclosed	877,575	1,165,751
Provision for long-term employee benefits	1,806,038	1,680,701
Accrued Bonus	1,476,000	-
Others	450,717	461,095
Total	<u>112,169,308</u>	<u>101,290,296</u>

(Unaudited but reviewed)

	(Unit: Baht)	
	31 March	31 December
	2017	2016
Deferred tax liabilities		
Deferred commission and initial direct cost from hire purchase contracts	17,797,441	17,103,812
Deferred loans issuing costs	1,306,112	1,683,992
Deferred debentures issuing cost	372,348	435,142
Total	<u>19,475,901</u>	<u>19,222,946</u>
Deferred tax assets - net	<u>92,693,407</u>	<u>82,067,350</u>

8.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2017	2016
Current income tax:		
Interim corporate income tax charge	35,976,274	32,718,939
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>(10,500,720)</u>	<u>(7,988,233)</u>
Income tax expenses reported in the statements of comprehensive income	<u>25,475,554</u>	<u>24,730,706</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2017 and 2016 are as follow:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2017	2016
Deferred tax relating to actuarial (gain) loss	<u>125,337</u>	<u>(1,552)</u>
	<u>125,337</u>	<u>(1,552)</u>

(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 2017 and 2016 are as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	For the three-month periods ended 31 March	For the three-month periods ended 31 March	
	2017	2017	2016
Accounting profit before tax	127,461,397	127,464,057	123,653,626
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	25,492,279	25,492,811	24,730,725
Tax effect of tax-exempt income and disallowed expenses	(16,725)	(17,257)	(19)
Income tax expenses reported in the statements of comprehensive income	25,475,554	25,475,554	24,730,706

9. Short-term loans

As at 31 March 2017, the Company has loans in form of bills of exchange, net of discount, totaling Baht 347 million. The bills are registered, transferable, and maturing within 270 days from the date of issuance (maturity date between June and September 2017), with interest charged at the rate of 3.45 percent per annum (31 December 2016: Bills of exchange of Baht 325 million, registered transferable, and maturing within 270 days from the date of issuance (maturity date between January and June 2017), with interest charge at the rate of 3.50 - 3.75 percent per annum).

10. Long-term loans

As at 31 March 2017 and 31 December 2016, the long-term loans, which the Company obtained from a local financial institution, are detailed below.

(Unit: Baht)					
Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	31 March 2017	31 December 2016
1	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	-	166,545,490
2	Loan agreement dated 27 June 2014	MLR - 0.5, MLR - 1.5, MLR - 2.5, MLR - 2.8	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	1,059,165,384	1,009,885,144
3	Loan agreement dated 11 October 2016	THBFIX1M + 1.8	Payment in 30 equal installments, with the first installment payment on the last day of the month of the first drawdown	149,000,000	91,000,000
Total				1,208,165,384	1,267,430,634
Less: Deferred loans issuing costs				(7,180,685)	(9,070,085)
Long-term loans				1,200,984,699	1,258,360,549
Less: current portion due within 1 year				(733,881,794)	(777,146,012)
Long-term loans, net of current portion				467,102,905	481,214,537

Under loan agreements, the Company has to comply with loan covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, the maintenance of debt to equity ratios, ratios of hire purchase receivables with more than 3 installment past due to total hire purchase receivables, and ratios of hire purchase receivables with no more than 3 installments past due to total debts. In addition, loan facility no.3 is secured by the transfer of rights of claim under hire purchase agreements and motorcycle registrations, as requested by the commercial bank.

As at 31 March 2017, the Company has commitments of Baht 149 million under interest rate swap agreements with a bank that is the Company's lender, whereby a floating interest rate is swapped for a fixed interest rate throughout the term of the loan. The interest rate swap agreements gradually mature within 2019, in accordance with the conditions of loan repayment (31 December 2016: The Company has commitments of Baht 91 million under interest rate swap agreements with a bank).

(Unaudited but reviewed)

As at 31 March 2017, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,175.83 million, and has remaining overdraft facilities amounting to Baht 50 million.

Movements in the long-term loans account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Baht)
Balance as at 1 January 2017	1,267,430,634
Add: Drawdown during the period	194,000,000
Less: Repayment during the period	(253,265,250)
Balance as at 31 March 2017	<u>1,208,165,384</u>

11. Debt issued - debentures

As at 31 March 2017 and 31 December 2016, the debentures issued by Company has detailed below.

No.	Date	Repayment schedule	(Unit: Baht)	
			31 March 2017	31 December 2016
1	20 July 2016	Issued name registered, unsubordinated and unsecured without a debentures representative, 2 year term with a coupon rate at 4% per annum, interest payable every quarter	500,000,000	500,000,000
2	22 November 2016	Issued name registered, unsubordinated and unsecured without a debentures representative, 2 year term with a coupon rate at 4.10% per annum, interest payable every six months	150,000,000	150,000,000
Total			<u>650,000,000</u>	<u>650,000,000</u>
Less: Deferred issuing costs			(1,861,740)	(2,175,711)
Debentures			648,138,260	647,824,289
Less: Current portion due within 1 year			-	-
Debentures - net of current portion			<u>648,138,260</u>	<u>647,824,289</u>

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

12. Loss on impairment and on disposal of assets foreclosed

(Unit: Baht)

	For the three-month periods ended 31 March	
	2017	2016
Loss on impairment of assets foreclosed (reversal)	(1,440,878)	1,022,232
Loss on disposal of assets foreclosed	36,653,795	30,226,794
Total	<u>35,212,917</u>	<u>31,249,026</u>

13. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

14. 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.

15. 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	
	2017	2016
Short-term employee benefits	4,996,845	5,006,094
Post-employment benefits	266,605	266,732
Total	<u>5,263,450</u>	<u>5,272,826</u>

16. Commitments - Guarantees

As at 31 March 2017, there was an outstanding bank guarantee of Baht 10,000 (31 December 2016: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

17. Events after the reporting period

On 3 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 approved to set aside Baht 21.07 million to the statutory reserve and to pay a dividend from the 2016 operating results at a rate of Baht 0.34 per share, or a total of Baht 208.42 million. The Company paid an interim dividend of Baht 0.11 per share on 9 September 2016 and is therefore to pay another final dividend of Baht 0.23 per share, which is scheduled to be paid to the shareholders on 3 May 2017.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2017.