

S 11 Group Public Company Limited
and its subsidiary
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020



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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 consolidated statements of financial position of S 11 Group Public Company Limited and its subsidiary as at 30 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of S 11 Group Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



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Emphasis of Matters

I draw attention to the following matters

- (1) As described in Notes 1.2 and 1.5.1 to the interim consolidated financial statements, the COVID-19 pandemic is impacting various businesses and industries. This situation could create uncertainties and this may be impacting the operating results and cash flows in the future. Furthermore, in preparing interim financial information, the Company has elected to adopt the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.
- (2) As described in Note 2 to the interim consolidated financial statements, the Company has adopted a new accounting policy regarding the financial instruments which is in accordance with a set of financial reporting standards related to financial instruments.

My conclusion is not modified in respect of these matters.

A handwritten signature in black ink, appearing to read 'R. Y.', is positioned above the printed name.

Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 12 November 2020

S 11 Group Public Company Limited and its subsidiary

Statements of financial position

As at 30 September 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity		Separate financial statements
		financial statements	method is applied		
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		39,374,115	41,443,026	38,225,414	41,443,026
Current portion of hire purchase receivables - net	3	3,324,958,415	3,122,683,406	3,324,958,415	3,122,683,406
Counter service receivables		41,362,945	67,407,267	41,362,945	67,407,267
Prepaid insurance premium		72,469,734	78,171,088	72,469,734	78,171,088
Assets foreclosed - net	4	30,590,325	23,774,880	30,590,325	23,774,880
Other current assets	5	45,622,020	44,661,132	45,851,607	44,661,132
Total current assets		3,554,377,554	3,378,140,799	3,553,458,440	3,378,140,799
Non-current assets					
Investment in subsidiary	6	-	-	1,327,690	-
Investment in an associate company	7.1	-	414,611	-	249,990
Restricted bank deposits	8	1,082,034	1,044,853	1,082,034	1,044,853
Hire purchase receivables - net of current portion	3	2,833,833,063	3,061,899,077	2,833,833,063	3,061,899,077
Prepaid insurance premium		22,416,266	29,152,640	22,416,266	29,152,640
Land, building and equipment - net	9	97,632,943	86,837,474	97,184,761	86,837,474
Deferred tax assets	10.1	180,559,639	151,801,785	180,559,639	151,801,785
Other non-current assets		317,635	311,135	311,135	311,135
Total non-current assets		3,135,841,580	3,331,461,575	3,136,714,588	3,331,296,954
Total assets		6,690,219,134	6,709,602,374	6,690,173,028	6,709,437,753

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

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 30 September 2020

(Unit: Baht)

Note	Financial statements				
	Consolidated	in which the equity		Separate financial statements	
	financial statements	method is applied	30 September 2020	31 December 2019	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	11	200,189,895	190,000,000	200,189,895	190,000,000
Trade accounts payables		48,437,570	70,674,347	48,437,570	70,674,347
Current portion of long-term loans	13	1,828,487,688	1,759,599,794	1,828,487,688	1,759,599,794
Short-term loans	12	426,520,825	585,996,599	426,520,825	585,996,599
Current portion of lease liabilities		1,903,164	-	1,903,164	-
Derivatives liabilities		12,950,873	-	12,950,873	-
Income tax payable		33,826,577	67,689,070	34,166,606	67,689,070
Insurance premium payables		17,698,177	24,437,167	17,698,177	24,437,167
Accrued expenses		55,095,685	33,462,626	55,621,923	33,462,626
Other current liabilities		46,194,015	33,460,664	45,984,363	33,460,664
Total current liabilities		2,671,304,469	2,765,320,267	2,671,961,084	2,765,320,267
Non-current liabilities					
Long-term loans - net of current portion	13	964,601,286	1,082,175,464	964,601,286	1,082,175,464
Debenture - net of current portion	14				
Related persons and related parties		37,844,608	37,743,713	37,844,608	37,743,713
Unrelated persons and unrelated parties		187,529,990	187,030,031	187,529,990	187,030,031
Lease liabilities - net of current portion		12,007,324	-	12,007,324	-
Provision for long-term employee benefits		19,547,024	17,166,607	19,547,024	17,166,607
Total non-current liabilities		1,221,530,232	1,324,115,815	1,221,530,232	1,324,115,815
Total liabilities		3,892,834,701	4,089,436,082	3,893,491,316	4,089,436,082

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

S 11 Group Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 30 September 2020

(Unit: Baht)

Note	Financial statements			
	Consolidated	in which the equity		Separate financial statements
	financial statements	method is applied		
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
	613,000,000 ordinary shares of Baht 1 each	613,000,000	613,000,000	613,000,000
Issued and fully paid-up				
	613,000,000 ordinary shares of Baht 1 each	613,000,000	613,000,000	613,000,000
	Share premium	427,822,558	427,822,558	427,822,558
	Capital reserve for share-based payment transactions	15,300,000	15,300,000	15,300,000
Retained earnings				
	Appropriated - statutory reserve	61,300,000	61,300,000	61,300,000
	Unappropriated	1,679,730,093	1,502,743,734	1,679,259,154
	Equity attributable to owners of the Company	2,797,152,651	2,620,166,292	2,796,681,712
	Non-controlling interests of the subsidiary	231,782	-	-
	Total shareholders' equity	2,797,384,433	2,620,166,292	2,796,681,712
	Total liabilities and shareholders' equity	6,690,219,134	6,709,602,374	6,690,173,028

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

Directors

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
Statements of comprehensive income
For the three-month period ended 30 September 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity	Separate financial statements	
		financial statements	method is applied	2020	2019
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Hire purchase interest income		472,221,209	462,347,200	472,221,209	462,347,200
Fee and service income		24,991,960	20,981,364	24,836,353	20,981,364
Other income		7,869,489	7,512,000	7,867,808	7,512,000
Total revenues		505,082,658	490,840,564	504,925,370	490,840,564
Expenses					
Selling and administrative expenses		91,426,192	88,150,144	91,474,349	88,150,144
Expected credit losses		174,422,831	-	174,422,831	-
Bad debts and doubtful accounts		-	133,722,458	-	133,722,458
Loss on impairment and disposal of assets foreclosed	15	47,832,035	63,625,929	47,832,035	63,625,929
Loss from derivative		5,486,325	-	5,486,325	-
Total expenses		319,167,383	285,498,531	319,215,540	285,498,531
Profit before finance cost, share of gain from investment					
in an associate company and income tax expenses		185,915,275	205,342,033	185,709,830	205,342,033
Finance cost		(35,318,049)	(39,609,192)	(35,318,049)	(39,609,192)
Profit before share of gain from investment					
in an associate company and income tax expense		150,597,226	165,732,841	150,391,781	165,732,841
Share of gain from investment in an associate company	7.2	-	34,934	-	-
Profit before income tax expenses		150,597,226	165,767,775	150,391,781	165,732,841
Income tax expenses	10.2	(30,144,014)	(33,221,397)	(30,120,697)	(33,221,397)
Profit for the period		120,453,212	132,546,378	120,271,084	132,511,444
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		1,098,454	(1,249,781)	1,098,454	(1,249,781)
Income tax relating to actuarial (gain) loss	10.2	(219,691)	249,956	(219,691)	249,956
Other comprehensive income for the period (loss)		878,763	(999,825)	878,763	(999,825)
Total comprehensive income for the period		121,331,975	131,546,553	121,149,847	131,511,619

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
Statements of comprehensive income (continued)
For the three-month period ended 30 September 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated financial statements	in which the equity method is applied	Separate financial statements	
		2020	2019	2020	2019
Profit or loss attributable to:					
Equity holders of the Company		120,434,999	132,546,378	120,271,084	132,511,444
Non-controlling interests of the subsidiary		18,213			
		<u>120,453,212</u>			
Total comprehensive income attributable to:					
Equity holders of the Company		121,313,762	131,546,553	121,149,847	131,511,619
Non-controlling interests of the subsidiary		18,213			
		<u>121,331,975</u>			
Earnings per share	16				
Basic earnings per share		<u>0.20</u>	<u>0.22</u>	<u>0.20</u>	<u>0.22</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
 Statements of comprehensive income
 For the nine-month period ended 30 September 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the equity	Separate financial statements	
		financial statements	method is applied		
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Hire purchase interest income		1,440,934,467	1,330,659,508	1,440,934,467	1,330,659,508
Fee and service income		69,767,579	62,809,493	69,560,103	62,809,493
Other income		17,585,607	19,586,255	17,583,598	19,586,255
Total revenues		1,528,287,653	1,413,055,256	1,528,078,168	1,413,055,256
Expenses					
Selling and administrative expenses		269,552,569	261,255,808	269,587,381	261,255,808
Expected credit losses	3.5	468,087,494	-	468,087,494	-
Bad debts and doubtful accounts		-	374,252,486	-	374,252,486
Loss on impairment and disposal of assets foreclosed	15	172,568,205	172,721,852	172,568,205	172,721,852
Loss from derivative		13,436,139	-	13,436,139	-
Total expenses		923,644,407	808,230,146	923,679,219	808,230,146
Profit before finance cost, share of gain from investment					
in an associate company and income tax expenses		604,643,246	604,825,110	604,398,949	604,825,110
Finance cost		(110,839,196)	(110,724,717)	(110,839,196)	(110,724,717)
Profit before share of gain from investment					
in an associate company and income tax expense		493,804,050	494,100,393	493,559,753	494,100,393
Share of gain from investment in an associate company	7.2	110,431	109,193	-	-
Profit before income tax expenses		493,914,481	494,209,586	493,559,753	494,100,393
Income tax expenses	10.2	(98,736,743)	(98,991,341)	(98,710,098)	(98,991,341)
Profit for the period		395,177,738	395,218,245	394,849,655	395,109,052
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		521,221	(3,604,307)	521,221	(3,604,307)
Income tax relating to actuarial (gain) loss	10.2	(104,244)	720,861	(104,244)	720,861
Other comprehensive income for the period (loss)		416,977	(2,883,446)	416,977	(2,883,446)
Total comprehensive income for the period		395,594,715	392,334,799	395,266,632	392,225,606

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Statements of comprehensive income (continued)

For the nine-month period ended 30 September 2020

(Unit: Baht)

	Note	Financial statements			
		Consolidated financial statements	in which the equity method is applied	Separate financial statements	
		2020	2019	2020	2019
Profit or loss attributable to:					
Equity holders of the Company		395,155,973	395,218,245	394,849,655	395,109,052
Non-controlling interests of the subsidiary		21,765			
		<u>395,177,738</u>			
Total comprehensive income attributable to:					
Equity holders of the Company		395,572,950	392,334,799	395,266,632	392,225,606
Non-controlling interests of the subsidiary		21,765			
		<u>395,594,715</u>			
Earnings per share	16				
Basic earnings per share		<u>0.64</u>	<u>0.64</u>	<u>0.64</u>	<u>0.64</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2020

(Unit: Baht)

	Consolidated financial statements							
	Issued and fully	Share	Capital reserve	Retained earnings		Equity attributable	Non-controlling	Total
	paid-up	premium	for share-based	Appropriated -	Unappropriated	to owners	interests of	
share capital		payment transactions	statutory reserve		of the Company	the subsidiary	shareholders' equity	
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,502,743,734	2,620,166,292	-	2,620,166,292
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	(46,946,591)	(46,946,591)	-	(46,946,591)
Balance as at 1 January 2020 - as restated	613,000,000	427,822,558	15,300,000	61,300,000	1,455,797,143	2,573,219,701	-	2,573,219,701
Profit for the period	-	-	-	-	395,155,973	395,155,973	21,765	395,177,738
Other comprehensive income for the period	-	-	-	-	416,977	416,977	-	416,977
Total comprehensive income for the period	-	-	-	-	395,572,950	395,572,950	21,765	395,594,715
Payment for dividend (Note 18)	-	-	-	-	(171,640,000)	(171,640,000)	-	(171,640,000)
Non-controlling interests of the subsidiary from acquisition of the subsidiary (Note 6)	-	-	-	-	-	-	210,017	210,017
Balance as at 30 September 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,679,730,093	2,797,152,651	231,782	2,797,384,433

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
Statements of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2020

(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 2019	613,000,000	427,822,558	15,300,000	61,300,000	1,215,644,865	2,333,067,423
Profit for the period	-	-	-	-	395,218,245	395,218,245
Other comprehensive income for the period (loss)	-	-	-	-	(2,883,446)	(2,883,446)
Total comprehensive income for the period	-	-	-	-	392,334,799	392,334,799
Payment for dividend (Note 18)	-	-	-	-	(239,070,000)	(239,070,000)
Balance as at 30 September 2019	613,000,000	427,822,558	15,300,000	61,300,000	1,368,909,664	2,486,332,222

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary
 Statements of changes in shareholders' equity (continued)
 For the nine-month period ended 30 September 2020

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	613,000,000	427,822,558	15,300,000	61,300,000	1,215,590,596	2,333,013,154
Profit for the period	-	-	-	-	395,109,052	395,109,052
Other comprehensive income for the period (loss)	-	-	-	-	(2,883,446)	(2,883,446)
Total comprehensive income for the period	-	-	-	-	392,225,606	392,225,606
Payment for dividend (Note 18)	-	-	-	-	(239,070,000)	(239,070,000)
Balance as at 30 September 2019	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,368,746,202</u>	<u>2,486,168,760</u>
Balance as at 1 January 2020	613,000,000	427,822,558	15,300,000	61,300,000	1,502,579,113	2,620,001,671
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	(46,946,591)	(46,946,591)
Balance as at 1 January 2020 - as restated	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,455,632,522</u>	<u>2,573,055,080</u>
Profit for the period	-	-	-	-	394,849,655	394,849,655
Other comprehensive income for the period	-	-	-	-	416,977	416,977
Total comprehensive income for the period	-	-	-	-	395,266,632	395,266,632
Payment for dividend (Note 18)	-	-	-	-	(171,640,000)	(171,640,000)
Balance as at 30 September 2020	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>1,679,259,154</u>	<u>2,796,681,712</u>

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Cash flows statements

For the nine-month period ended 30 September 2020

(Unit: Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2020	2019
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	493,914,481	494,209,586	493,559,753	494,100,393
Adjustments to reconcile profit before income tax to net cash provided by (paid) from operating activities				
Depreciation	6,493,698	5,329,375	6,371,662	5,329,375
Expected credit losses	468,087,494	-	468,087,494	-
Bad debts and doubtful accounts	-	374,252,486	-	374,252,486
Gain on sale assets	(2,105)	(57,534)	(2,105)	(57,534)
Loss on written-off assets	15,137	4,863	15,137	4,863
Share of gain from investment in an associate company	(110,431)	(109,193)	-	-
Loss on impairment of assets foreclosed (reversal)	(2,562,100)	4,454,920	(2,562,100)	4,454,920
Provision for long-term employee benefits	2,901,638	1,864,003	2,901,638	1,864,003
Hire purchase interest income	(1,440,934,467)	(1,330,659,508)	(1,440,934,467)	(1,330,659,508)
Loss from derivative	13,436,139	-	13,436,139	-
Interest expenses and amortisation of loans issuing cost	110,717,557	110,724,717	110,717,557	110,724,717
Amortised finance cost for lease liabilities	121,639	-	121,639	-
Loss from operating activities before changes in operating assets and liabilities	(347,921,320)	(339,986,285)	(348,287,653)	(339,986,285)
Operating assets (increase) decrease				
Hire purchase receivables	(462,579,177)	(1,028,403,206)	(462,579,177)	(1,028,403,206)
Assets foreclosed	(4,253,345)	(10,767,957)	(4,253,345)	(10,767,957)
Prepaid insurance premium	12,437,728	(7,378,416)	12,437,728	(7,378,416)
Other current assets	25,814,852	8,288,242	24,853,847	8,288,242
Other non-current assets	-	(62,000)	-	(62,000)
Operating liabilities increase (decrease)				
Trade accounts payables	(22,236,777)	19,644,774	(22,236,777)	19,644,774
Insurance premium payables	(6,738,990)	541,305	(6,738,990)	541,305
Accrued expenses	21,610,219	33,474,789	22,310,511	33,474,789
Other current liabilities	12,557,856	5,738,462	12,523,699	5,738,462
Cash flows used in operating activities	(771,308,954)	(1,318,910,292)	(771,970,157)	(1,318,910,292)
Cash received from interest	1,411,123,893	1,324,614,741	1,411,123,893	1,324,614,741
Cash paid for corporate income tax	(149,724,686)	(129,677,437)	(149,358,012)	(129,677,437)
Cash paid for interest	(104,023,818)	(95,840,562)	(104,023,818)	(95,840,562)
Net cash flows from (used in) operating activities	386,066,435	(219,813,550)	385,771,906	(219,813,550)

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

(Unaudited but reviewed)

S 11 Group Public Company Limited and its subsidiary

Cash flows statements (continued)

For the nine-month period ended 30 September 2020

(Unit: Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2020	2019
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	(37,181)	(50,600)	(37,181)	(50,600)
Cash paid for purchases of investment in subsidiary	(206,346)	-	(1,077,700)	-
Cash receipt for proceed of equipment	5,160	59,945	5,160	59,945
Cash paid for acquisition of land, building and equipment	(1,919,023)	(6,114,587)	(1,901,841)	(6,114,587)
Net cash flows used in investing activities	(2,157,390)	(6,105,242)	(3,011,562)	(6,105,242)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	10,189,895	(2,866,948)	10,189,895	(2,866,948)
Decrease in short-term loans	(171,296,144)	(48,539,678)	(171,296,144)	(48,539,678)
Cash receipt from long-term loans	1,545,000,000	1,937,000,000	1,545,000,000	1,937,000,000
Repayment of long-term loans	(1,594,735,257)	(1,403,724,671)	(1,594,735,257)	(1,403,724,671)
Payment for loans issuing cost	(2,450,000)	(5,700,000)	(2,450,000)	(5,700,000)
Cash paid for lease liabilities	(1,046,450)	-	(1,046,450)	-
Payment for dividend	(171,640,000)	(239,070,000)	(171,640,000)	(239,070,000)
Net cash flows from (used in) financing activities	(385,977,956)	237,098,703	(385,977,956)	237,098,703
Net increase (decrease) in cash and cash equivalents	(2,068,911)	11,179,911	(3,217,612)	11,179,911
Cash and cash equivalents at beginning of period	41,443,026	23,670,440	41,443,026	23,670,440
Cash and cash equivalents at end of period	39,374,115	34,850,351	38,225,414	34,850,351

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

S 11 Group Public Company Limited and its subsidiary

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2020

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 2020, the Company has 9 branches located in Chonburi, Ayudhya, Rayong, Nakhon Ratchasima, Prachinburi and Chantaburi (31 December 2019: 9 branches).

1.2 The Coronavirus disease 2019 pandemic (COVID-19)

The Coronavirus disease 2019 pandemic (COVID-19) is impacting various businesses and industries both directly and indirectly and resulting in an economic slowdown and fluctuations in the money market and the capital market. This situation could create uncertainties and affect the Company’s business activities, and this may be impacting the operating results and cash flows in the future. The impact cannot be reasonably estimated at this stage. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, as well as the cash flow management of the Company, and has used estimates and judgement in various matters in order to continuously assess the impact as the situation evolves.

1.3 Basis for the preparation of the interim financial statements

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

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

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

1.4 Basis for the preparation of the interim consolidated financial statements

- (a) The consolidated financial statements include the financial statements of S 11 Group Public Company Limited and MOD S Company Limited (“the subsidiary”), which is domiciled in Thailand and is principally engaged in management and accelerated collection of assets. The Company holds 90% of the subsidiary’s shares.
- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable return from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those adopted by the Company.
- (e) Material balances and significant transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

1.5 New financial reporting standards

1.5.1 Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these financial reporting standards has resulted in changes in the Company's accounting policy as summarised below.

Classification and measurement of financial assets and liabilities

The Company reclassifies financial assets and liabilities to be consistent with the business model for managing the Company's financial assets and liabilities and the contractual cash flows characteristics of the financial assets, based on the facts and existing circumstances as of the date these financial reporting standards were initially adopted.

Financial assets

As at 1 January 2020, the Company's financial assets are cash and cash equivalents, hire purchase receivables and restricted bank deposits. The adoption of these set of financial reporting standards does not have any impact to the Company's classification of financial assets. The Company continues to be classified all financial assets as measured at amortised cost.

Financial liabilities

Financial liabilities are classified and measured at amortised cost.

Derivatives

The Company initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

Impairment of financial assets

TFRS 9 requires entities to estimate allowance for expected credit losses in place of the losses recognised under the previous accounting policy. It requires that impairment loss be recognised using the Expected Credit Loss model and a management overlay is applied to account for factors that are not captured by the model and requires the Company to recognise an allowance for expected credit losses for all financial assets that are debt instruments and not measured at fair value through profit or loss, including for undrawn commitments and financial guarantees, and it is not necessary for a credit-impaired event to have occurred prior to the recognition. The Company considers using a simplified approach to determine expected credit losses for hire-purchase receivables. The allowance is measured at the amount equal to the lifetime expected credit losses of financial assets.

Practices during the transitional period

The Company adopted these financial reporting standards which the cumulative effects of the initial adoption of the financial reporting standards is recognised as adjustment to the retained earnings or other components of shareholders' equity as at 1 January 2020 and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand's measures and electing to apply this Accounting Treatment Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply.

In addition, as at 19 June 2020 the BOT issued the circular of the BOT No.BOT.RPD.(01) C.648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation".

The Company do not apply this temporary relief measures.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.

1.5.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation that were used for the financial statements for the year ended 31 December 2019, except for the accounting policy relating to investments in subsidiary and the changes in accounting policies which are effective from 1 January 2020, as follow.

1.6.1 Allowance for expected credit losses of hire purchase receivables

The Company recognises expected credit losses for hire purchase receivables using a simplified approach, taking into account the business model and historical data of the business, based on assumptions and factors related to the appropriate estimation cash flow that reflects economic conditions and environment at present and in the future. The Company reviews the cash flow at least every end of the reporting period. In addition, the Company classifies the hire purchase receivables based on the credit risk characteristics of the hire purchase receivables, taking into account the correspondence between cash inflows of the hire purchase receivables on a contract basis based on the overdue date and maturity date of the contract.

1.6.2 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Company recognises expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and calculating interest income applied at each stage. An exception from this approach is that for hire purchase receivables. The Company applies a simplified approach to determine the lifetime expected credit losses.

1.6.3 Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

1.6.4 Investments in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method.

1.7 Significant accounting judgements and estimates

The interim financial statements have been prepared by using the management's judgements and accounting estimates that were used for the financial statements for the year ended 31 December 2019, except for changes in judgements and estimates with respect to the following matters, effective from 1 January 2020.

1.7.1 Allowance for expected credit losses of hire purchase receivables

The management is required to use judgement in estimating an allowance for expected credit losses of hire purchase receivables, with the assessment made with respect to the financial situation of receivables, together with the use of forward-looking information in estimating the allowance for expected credit losses. The estimation involves numerous variables; therefore, actual results may differ from the estimates.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The change in accounting policy due to the adoption of TFRS 16 do not have any impact on retained earnings as at 1 January 2020.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

	(Unit: Baht)			
	Financial statements in which the equity method is applied			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statements of financial position				
Assets				
Current assets				
Current portion of hire purchase receivables - net	3,122,683,406	64,215,706	-	3,186,899,112
Non-current assets				
Hire purchase receivables - net of current portion	3,061,899,077	(114,308,968)	-	2,947,590,109
Land, building and equipment - net	86,837,474	-	12,681,831	99,519,305
Deferred tax assets	151,801,785	11,736,648	-	163,538,433
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Current portion of lease liabilities	-	-	1,490,036	1,490,036
Derivative liabilities	-	8,589,977	-	8,589,977
Non-current liabilities				
Lease liabilities, net of current portion	-	-	11,191,795	11,191,795
Shareholders' equity				
Retained earnings - unappropriated	1,502,743,734	(46,946,591)	-	1,455,797,143

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statements of financial position				
Assets				
Current assets				
Current portion of hire purchase receivables - net	3,122,683,406	64,215,706	-	3,186,899,112
Non-current assets				
Hire purchase receivables - net of current portion	3,061,899,077	(114,308,968)	-	2,947,590,109
Land, building and equipment - net	86,837,474	-	12,681,831	99,519,305
Deferred tax assets	151,801,785	11,736,648	-	163,538,433
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Current portion of lease liabilities	-	-	1,490,036	1,490,036
Derivative liabilities	-	8,589,977	-	8,589,977
Non-current liabilities				
Lease liabilities, net of current portion	-	-	11,191,795	11,191,795
Shareholders' equity				
Retained earnings - unappropriated	1,502,579,113	(46,946,591)	-	1,455,632,522

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Baht)
Recognition of an allowance for expected credit losses on financial assets	50,093,262
Recognition of derivatives at fair value through profit or loss	8,589,977
	<u>58,683,239</u>
Related income tax	<u>(11,736,648)</u>
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>46,946,591</u>

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Baht)			
Financial Statements in which the equity method is applied and Separate Financial Statements			
Classification and measurement under the former basis as at 31 December 2019		Classification and measurement under TFRS 9 as at 1 January 2020	
Financial assets			
Cash and cash equivalents	41,443,026	Amortised cost	41,443,026
Hire purchase receivables	6,184,582,483	Amortised cost	6,134,489,221
Restricted bank deposits	1,044,853	Amortised cost	1,044,853
Financial liabilities			
Short-term loans from financial institutions	190,000,000	Amortised cost	190,000,000
Trade payables	70,674,347	Amortised cost	70,674,347
Short-term loans	585,996,599	Amortised cost	585,996,599
Derivatives liabilities	-	Fair Value through profit or loss	8,589,977
Long-term loans	2,841,775,258	Amortised cost	2,841,775,258
Debentures	224,773,744	Amortised cost	224,773,744

2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020.

	(Unit: Baht)
Operating lease commitments as at 31 December 2019	13,286,038
Add: Option to extend lease term	998,484
Less: Contracts reassessed as service agreements	(1,150,495)
Less: Deferred interest expenses	(452,196)
Increase in lease liabilities due to TFRS 16 adoption	<u>12,681,831</u>
Liabilities under finance lease agreements as at 31 December 2019	<u>-</u>
Lease liabilities as at 1 January 2020 (Unaudited)	<u><u>12,681,831</u></u>
Comprise of:	
Current lease liabilities	1,490,036
Non-current lease liabilities	<u>11,191,795</u>
	<u><u>12,681,831</u></u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Baht)
Land	10,127,809
Buildings and building improvement	2,287,747
Furniture and office equipment	<u>266,275</u>
Total right-of-use assets	<u><u>12,681,831</u></u>

3. Hire purchase receivables

3.1 As at 30 September 2020 and 31 December 2019, the contract terms of the Company's hire purchase receivables are 12 - 48 installments with payments to be made in equal installments, and interest charged at the fixed rates as specified in the contracts. These are summarised as follows:

(Unit: Baht)

	Consolidated and Separate financial statements		
	30 September 2020		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	5,820,915,672	3,695,436,055	9,516,351,727
Less: Unearned hire purchase income ⁽¹⁾	(1,726,996,457)	(727,835,490)	(2,454,831,947)
Present value of the minimum lease payment receivables	4,093,919,215	2,967,600,565	7,061,519,780
Less: Allowance for expected credit losses	(768,960,800)	(133,767,502)	(902,728,302)
Net hire purchase receivables	<u>3,324,958,415</u>	<u>2,833,833,063</u>	<u>6,158,791,478</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)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2019		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Hire purchase receivables	5,633,839,744	3,905,331,616	9,539,171,360
Less: Unearned hire purchase income ⁽¹⁾	(1,736,833,740)	(810,512,539)	(2,547,346,279)
Present value of the minimum lease payment receivables	3,897,006,004	3,094,819,077	6,991,825,081
Less: Allowance for doubtful accounts ⁽³⁾	(774,322,598)	(32,920,000)	(807,242,598)
Net hire purchase receivables	<u>3,122,683,406</u>	<u>3,061,899,077</u>	<u>6,184,582,483</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)

3.2 As at 30 September 2020, the balances of hire purchase receivables (net of unearned hire purchase income) and allowance for expected credit losses are classified by aging of installment past due as follows:

(Unit: Baht)

Aging	Consolidated and Separate financial statements	
	30 September 2020	
	Balance of hire purchase receivables	Allowance for expected credit losses
Not yet due, past due not more than 2 months	5,991,442,274	231,217,205
More than 2 months, but less than 4 months	292,218,979	3,030,553
4 months or more, but less than 6 months	110,671,955	1,293,972
6 months or more, including fully-mature deposit contracts	667,186,572	667,186,572
Total	7,061,519,780	902,728,302

As at 31 December 2019, 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	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2019		
	Balance of hire purchase receivables	Percentage of allowance set up by the Company	Allowance for doubtful accounts
Not yet due	4,831,170,810	1	48,310,287
Past due			
Less than 1 month	740,865,990	1	7,408,660
1 month or more, but less than 2 months	383,453,965	1	3,834,526
2 months or more, but less than 4 months	319,025,688	2	6,380,497
4 months or more, but less than 7 months	203,284,997	100	203,284,997
7 months or more, but less than 13 months	261,322,399	100	261,322,399
13 months or more	252,701,232	100	252,701,232
Total	6,991,825,081		783,242,598
Allowance for doubtful accounts - additional provision for uncollectible receivables			24,000,000
Total			807,242,598

3.3 As at 30 September 2020, the Company had hire purchase receivables amounting to Baht 1,232 million (before netting with unearned hire purchase income) for which revenue recognition has ceased (31 December 2019: Baht 1,057 million).

3.4 As at 30 September 2020, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 1,097 million (31 December 2019: Baht 1,098 million) in order to secure credit facilities granted by commercial banks as discussed in Note 13 to the interim financial statements.

3.5 Allowance for expected credit losses

Movements of allowance for expected credit losses (ECL) / allowance for doubtful accounts of hire purchase receivables are as follows:

	(Unit: Baht)
	Consolidated and Separate financial statements
	For the nine-month period ended 30 September 2020
Balance beginning of the period - allowance for doubtful accounts	807,242,598
Restated for adoption of new accounting standards ⁽¹⁾	50,093,262
Balance beginning of the period - expected credit losses	857,335,860
Add: Expected credit losses during the period	468,087,494
Less: Bad debt written-off	(422,695,052)
Balance end of the period	902,728,302

⁽¹⁾ The beginning balance of allowance for doubtful accounts was determined based on the former accounting policy, while current information is presented in accordance with TFRS 9, without restatement of the prior period's financial statements presented as comparative information, as discussed in Note 1.5.

	(Unit: Baht)
	Financial statements in which the equity method is applied and Separate financial statements
	For the year ended 31 December 2019
Balance beginning of the year	751,343,850
Add: Doubtful account increase during the year	512,504,015
Less: Bad debt written-off	(456,605,267)
Balance end of the year	807,242,598

4. Assets foreclosed

	(Unit: Baht)	
	Consolidated and Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
	30 September 2020	31 December 2019
Assets foreclosed - cost	48,089,403	43,836,057
Less: Allowance for impairment	(17,499,078)	(20,061,177)
Assets foreclosed - net	<u>30,590,325</u>	<u>23,774,880</u>

5. Other current assets

	(Unit: Baht)		
	Consolidated financial statements	Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
	30 September 2020	30 September 2020	31 December 2019
Advance VAT receivable	32,574,228	32,574,228	28,543,548
Other receivable - sales of assets foreclosed	2,011,292	2,011,292	3,459,380
Revenue department receivable	2,766,996	2,766,996	2,366,975
Other accrued income	5,094,361	5,094,361	6,254,759
Others	3,175,143	3,404,730	4,036,470
Total	<u>45,622,020</u>	<u>45,851,607</u>	<u>44,661,132</u>

6. Investment in subsidiary

On 14 May 2020, the Board of Directors' Meeting No. 2/2020 passed a resolution to approve the Company acquisition of an additional 130,000 ordinary shares of MOD S Company Limited (an associate) from its existing shareholder ("the Seller"), which represents 65% of all issued shares of MOD S Company Limited. Following the acquisition of the shares, then together with the 49,998 shares of MOD S Company Limited held by the Company, the Company held 179,998 shares of MOD S Company Limited, representing 90% of all issued shares of MOD S Company Limited. On 21 May 2020, the Company entered into a share purchase and sale agreement with the Seller, whereby the purchase price was Baht 1.08 million. The Company received all of these shares and made payment to the Seller on 21 May 2020. As a result, the status of MOD S Company Limited changed from an associate to a subsidiary of the Company and it has to be included in the consolidated financial statements from 21 May 2020, which is the date on which the Company assumed control.

Management of the Company and its subsidiary determined that the acquisition of the investment in the subsidiary was an asset acquisition.

The carrying amounts of the assets and liabilities of MOD S Company Limited as at the acquisition date are as summarised below.

	(Unit: Baht)
Cash and cash equivalents	871,354
Other current assets	1,018,826
Land, building and equipment - net	553,036
Other non-current assets	6,500
Accrued expenses	(174,054)
Other current liabilities	(175,495)
Other non-current liabilities	-
Net assets of the subsidiary	<u>2,100,167</u>
Less: Non-controlling interests' proportionate share of net assets of the subsidiary	<u>(210,017)</u>
The Company's proportionate share of net assets of the subsidiary	<u><u>1,890,150</u></u>
Cash paid for purchase of investment in the subsidiary	1,077,700
Less: Cash and cash equivalents of the subsidiary	<u>(871,354)</u>
Net cash paid for purchase of investment in the subsidiary	<u><u>206,346</u></u>

7. Investment in an associate company

7.1 Detail of an associate company

(Unit: Baht)

Company's name	Nature of business	Shareholding percentage	Financial statements in	Separate financial
			which the equity method is applied	statements
			Book value	Cost/Book value
		31 December 2019	31 December 2019	31 December 2019
		(%)		
MOD S Company Limited (Note 6)	Manage and develop quality of assets	25	414,611	249,990

As at 21 May 2020, the Company changes in status of investment from an associate to a subsidiary, as discussed in Note 6 to the interim financial statements.

7.2 Share of comprehensive income and dividend

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Company recognised share of gain from investment in an associate company in the financial statements in which the equity method is applied and no dividends received from the associate company during the periods as follows:

(Unit: Baht)

Company's name	Share of gain from investment		Share of gain from investment	
	for the three-month		for the nine-month	
	periods ended 30 September		periods ended 30 September	
	2020	2019	2020	2019
MOD S Company Limited	-	34,394	110,431	109,193

7.3 Summarised financial information of an associate company

Summarised financial information of MOD S Company Limited as at 31 December 2019, and for the three-month and nine-month periods ended 30 September 2019, prepared by the management of the associate company and not reviewed by its auditor, are as follows:

Summarised information about financial position

	(Unit: Baht)
	<u>31 December 2019</u>
Total assets	1,935,886
Total liabilities	<u>277,443</u>
Net assets	<u><u>1,658,443</u></u>

Summarised information about income statement

	(Unit: Baht)	
	<u>For the three-month period ended 30 September 2019</u>	<u>For the nine-month period ended 30 September 2019</u>
Revenue	1,648,373	4,128,320
Profit for the period	139,737	436,771

8. Restricted bank deposits

As at 30 September 2020 and 31 December 2019, this represents bank deposits pledged with a commercial bank to secure the issuance of letters of guarantee on behalf of the Company, as discussed in Note 20 to the interim financial statements, a deposit used as an employee's security deposit and the security deposit of a contractor hired to repossess motorcycles.

9. Land, building and equipment

Movements of land, building and equipment for the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	86,837,474	86,837,474
Adjustments of right-of-use assets due to TFRS 16 adoption	12,681,831	12,681,831
Additions during the period - cost	1,919,022	1,901,840
Increase as a result of change in status of investments		
from an associate to a subsidiary	553,036	-
Right-of-use assets increase during the period	2,153,469	2,153,469
Disposals / write-off during the period - net book value		
at disposals / write-off date	(18,191)	(18,191)
Depreciation for the period	(6,493,698)	(6,371,662)
Net book value as at 30 September 2020	97,632,943	97,184,761

10. Deferred tax assets/income tax expenses

10.1 Deferred tax assets

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

	(Unit: Baht)	
	Consolidated and	Financial statements in
	Separate financial	which the equity method
	statements	is applied and Separate
	statements	financial statements
	30 September 2020	31 December 2019
Deferred tax assets		
Allowance for expected credit losses	180,545,660	-
Allowance for doubtful accounts	-	161,448,520
Allowance for impairment of assets foreclosed	3,499,816	4,012,235
Provision for long-term employee benefits	3,909,405	3,433,321
Advance receive from insurance premium	12,016,769	11,029,373
Accrued Bonus	5,006,000	-
Loss on derivative liabilities at fair value	2,590,175	-
Others	860,660	700,183
Total	208,428,485	180,623,632

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated and Separate financial statements	Financial statements in which the equity method is applied and Separate financial statements
	30 September 2020	31 December 2019
Deferred tax liability		
Deferred commission and initial direct cost		
from hire purchase contracts	26,258,338	26,881,373
Deferred loans issuing costs	1,425,428	1,635,222
Deferred debentures issuing cost	185,080	305,252
Total	27,868,846	28,821,847
Deferred tax assets - net	180,559,639	151,801,785

10.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	34,434,396	36,614,747	34,411,079	36,614,747
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,290,382)	(3,393,350)	(4,290,382)	(3,393,350)
Income tax expenses reported in the statements of comprehensive income	30,144,014	33,221,397	30,120,697	33,221,397

(Unaudited but reviewed)

(Unit: Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
		2020	2019	2020
Current income tax:				
Interim corporate income tax charge	115,862,193	110,481,333	115,835,548	110,481,333
Deferred tax:				
Relating to origination and reversal of temporary differences	(17,125,450)	(11,489,992)	(17,125,450)	(11,489,992)
Income tax expenses reported in the statements of comprehensive income	<u>98,736,743</u>	<u>98,991,341</u>	<u>98,710,098</u>	<u>98,991,341</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follow:

(Unit: Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
		2020	2019	2020
Deferred tax relating to actuarial (gain) loss	(219,691)	249,956	(219,691)	249,956

(Unit: Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
		2020	2019	2020
Deferred tax relating to actuarial (gain) loss	(104,244)	720,861	(104,244)	720,861

Deferred tax relating to retain earning as at 1 January 2020 are as follow:

	(Unit: Baht)
	<u>1 January 2020</u>
Deferred tax relating to allowance for expected credit losses	10,018,653
Deferred tax relating to derivative liabilities	<u>1,717,995</u>
	<u>11,736,648</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 2020 and 2019 are as follows:

	(Unit: Baht)			
	<u>For the three-month periods ended 30 September</u>			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>150,597,226</u>	<u>165,767,775</u>	<u>150,391,781</u>	<u>165,732,841</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	30,119,445	33,153,555	30,078,357	33,146,569
Tax effect of tax-exempt income and disallowed expenses	<u>24,569</u>	<u>67,842</u>	<u>42,340</u>	<u>74,828</u>
Income tax expenses reported in the statements of comprehensive income	<u>30,144,014</u>	<u>33,221,397</u>	<u>30,120,697</u>	<u>33,221,397</u>

	(Unit: Baht)			
	<u>For the nine-month periods ended 30 September</u>			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>493,914,481</u>	<u>494,209,586</u>	<u>493,559,753</u>	<u>494,100,393</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	98,782,896	98,841,917	98,711,951	98,820,079
Tax effect of tax-exempt income and disallowed expenses	<u>(46,153)</u>	<u>149,424</u>	<u>(1,853)</u>	<u>171,262</u>
Income tax expenses reported in the statements of comprehensive income	<u>98,736,743</u>	<u>98,991,341</u>	<u>98,710,098</u>	<u>98,991,341</u>

11. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (percent per annum)	Consolidated and Separate financial statements 30 September 2020	Financial statements in which the equity method is applied and Separate financial statements 31 December 2019
Promissory notes	3.85	200,189,895	190,000,000

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

As at 30 September 2020, the short-term credit facilities which have not yet been drawdown amounted to Baht 100 million.

12. Short-term loans

As at 30 September 2020, the Company has loans in form of bills of exchange, net of discount, totaling Baht 427 million, the bills are registered, transferable, and maturing within 270 days from the date of issuance (maturity date between October 2020 - March 2021), with interest charged at the rate of 3.00 - 3.18 percent per annum (31 December 2019: Bills of exchange of Baht 586 million, registered, transferable, and maturing within 270 days from the date of issuance, maturity date between January - June 2020, with interest charge at the rate of 3.05 - 3.65 percent per annum).

13. Long-term loans

As at 30 September 2020 and 31 December 2019, the long-term loans, which the Company obtained from local financial institutions, are detailed below.

				(Unit: Baht)	
				Financial	
				statements in which	
				the equity method	
				is applied and	
				Separate financial	
				statements	
				30 September	31 December
				2020	2019
Facility no.	Loan facility	Interest rate (% per annum)	Repayment schedule	30 September 2020	31 December 2019
1	Loan agreement dated 27 June 2014	MLR - 2.63	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	1,306,551,876	1,438,196,641
2	Loan agreement dated 11 October 2016	THBFIX1M + 1.8	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	-	2,700,000
3	Loan agreement dated 13 September 2017	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	11,517,774	122,014,353
4	Loan agreement dated 4 October 2017	THBFIX1M + 1.8	Payment in between 24 and 30 installments, with the first installment payment on the last day of the month of drawdown	9,550,000	112,900,000
5	Loan agreement dated 29 June 2018	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	204,154,219	384,896,763
6	Loan agreement dated 9 July 2018	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	165,868,000	347,164,000
7	Loan agreement dated 28 June 2019	4.4	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	418,913,813	239,739,738
8	Loan agreement dated 11 September 2019	THBFIX6M + 1.65	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	467,760,000	202,990,000
9	Loan agreement dated 31 March 2020	4.4	Payment in 30 installments, with the first installment payment on the last day of the month of drawdown	216,550,556	-
Total				2,800,866,238	2,850,601,495
Less: Deferred loans issuing costs				(7,777,264)	(8,826,237)
Long-term loans				2,793,088,974	2,841,775,258
Less: current portion due within 1 year				(1,828,487,688)	(1,759,599,794)
Long-term loans, net of current portion				964,601,286	1,082,175,464

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

As at 30 September 2020, the Company has commitments of Baht 643 million under interest rate swap agreements with a bank that is the Company's lender for loan facilities no. 4, 6 and 8 whereby floating interest rates are swapped for a fixed interest rate throughout the term of the loan. The interest rate swap agreements gradually mature within 2023, in accordance with the conditions of loan repayment (31 December 2019: The Company had commitments of Baht 666 million under interest rate swap agreements for loan facility no. 2, 4, 6 and 8).

As at 30 September 2020, the Company has long-term credit facilities which have not yet been drawdown amounted to Baht 1,113 million.

Movements in the long-term loans account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Baht)
Balance as at 1 January 2020	2,850,601,495
Add: Addition borrowings during the period	1,545,000,000
Less: Loans repayment during the period	<u>(1,594,735,257)</u>
Balance as at 30 September 2020	<u>2,800,866,238</u>

14. Debt issued - debenture

As at 30 September 2020 and 31 December 2019, there was debenture issued by the Company has detailed below.

			(Unite: Baht)	
			Financial statements in which the equity method is applied and Separate financial statements	
No.	Date	Repayment schedule	Consolidated and Separate financial statements	31 December 2019
			30 September 2020	31 December 2019
1	26 November 2019	Issued name registered, unsubordinated and unsecured without a debentures representative, 2 years term with a coupon rate at 4% per annum, interest payable every quarter	226,300,000	226,300,000
Total			226,300,000	226,300,000
Less: Deferred issuing costs			(925,402)	(1,526,256)
Debentures			225,374,598	224,773,744
Less: Current portion due within 1 year			-	-
Debentures - net of current portion			225,374,598	224,773,744

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

15. Loss on impairment and disposal of assets foreclosed

(Unit: Baht)

For the three-month periods ended 30 September					
		Financial statements in which the equity method is applied		Separate financial statements	
		Consolidated financial statements	2019	2020	2019
		2020	2019	2020	2019
Loss on impairment of assets foreclosed		5,752,878	6,155,165	5,752,878	6,155,165
Loss on disposal of assets foreclosed		42,079,157	57,470,764	42,079,157	57,470,764
Total		47,832,035	63,625,929	47,832,035	63,625,929

(Unaudited but reviewed)

(Unit: Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements	
	2020	2019	2020	2019
Loss on impairment of assets foreclosed (reversal)	(2,562,100)	4,454,920	(2,562,100)	4,454,920
Loss on disposal of assets foreclosed	175,130,305	168,266,932	175,130,305	168,266,932
Total	<u>172,568,205</u>	<u>172,721,852</u>	<u>172,568,205</u>	<u>172,721,852</u>

16. 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.

17. Related party transactions

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

Name of related party	Relationship with the Company
MOD S Company Limited	Was an associate company until 21 May 2020 and became a subsidiary since then

(Unit: Baht)

For the three-month periods ended 30 September					
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiary</u>					
Service expense	-	-	2,035,024	-	As stipulated in agreements
<u>Transactions with associate</u>					
Service income	-	1,143	-	1,143	As stipulated in agreements
Service expense	-	1,498,650	-	1,498,650	As stipulated in agreements
<u>Transactions with directors and related persons</u>					
Interest expense	383,123	-	383,123	-	As stipulated in agreements
Amortisation of debenture issuing cost	33,877	-	33,877	-	As stipulated in agreements

(Unit: Baht)

For the nine-month periods ended 30 September					
	Consolidated financial statements	Financial statements in which the equity method is applied	Separate financial statements		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiary</u>					
Service expense	-	-	2,695,986	-	As stipulated in agreements
<u>Transactions with associate</u>					
Service income	-	1,143	-	1,143	As stipulated in agreements
Service expense	2,954,347	3,684,014	2,954,347	3,684,014	As stipulated in agreements
<u>Transactions with directors and related persons</u>					
Interest expense	1,141,041	-	1,141,041	-	As stipulated in agreements
Amortisation of debenture issuing cost	100,895	-	100,895	-	As stipulated in agreements

(Unaudited but reviewed)

The balance of the accounts as at 30 September 2020 and 31 December 2019, between the Company and related party are as follows:

(Unit: Baht)

	Consolidated financial statements 30 September 2020	Separate financial statements 30 September 2020	Financial statements in which the equity method is applied and Separate financial statements 31 December 2019
<u>Subsidiary</u>			
Service payable	-	745,329	-
<u>An associate company</u>			
Service payable	-	-	524,980
<u>Directors and related persons</u>			
Interest payable	149,918	149,918	149,918
Debenture	37,844,608	37,844,608	37,743,713

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

	Consolidated financial statements 2020	Financial statements in which the equity method is applied 2019	Separate financial statements 2020	Separate financial statements 2019
Short-term employee benefits	5,047,476	4,738,941	5,047,476	4,738,941
Post-employment benefits	909,888	121,744	909,888	121,744
Total	5,957,364	4,860,685	5,957,364	4,860,685

(Unit: Baht)

For the nine-month periods ended 30 September

	Consolidated financial statements 2020	Financial statements in which the equity method is applied 2019	Separate financial statements 2020	Separate financial statements 2019
Short-term employee benefits	15,080,040	14,425,682	15,080,040	14,425,682
Post-employment benefits	1,380,232	1,549,752	1,380,232	1,549,752
Total	16,460,272	15,975,434	16,460,272	15,975,434

18. Dividends

On 4 April 2019, the Annual General Meeting of the Company's shareholders for the year 2019 approved to pay a dividend from the 2018 operating results to the shareholders of the Company at a rate of Baht 0.36 per share, or a total of Baht 220.68 million (interim dividend payment of Baht 0.12 per share and Baht 0.24 per share was paid on 3 May 2019).

On 13 August 2019, the Board of Director Meeting of the Company No. 03/2019 approved a dividend payment of Baht 0.15 per share from the operating result of the 2019 first half year ended to the shareholders of the Company, or a total dividend payment of Baht 91.95 million. The dividend was paid on 12 September 2019.

On 2 April 2020, the Annual General Meeting of the Company's shareholders for the year 2020 approved to pay a dividend from the 2019 operating results to the shareholders of the Company at a rate of Baht 0.43 per share, or a total of Baht 263.59 million (interim dividend payment of Baht 0.15 per share and Baht 0.28 per share was paid on 30 April 2020).

19. 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.

20. Commitments - Guarantees

As at 30 September 2020, there was an outstanding bank guarantee of Baht 10,000 (31 December 2019: Baht 10,000) issued by a bank on behalf of the Company as a guarantee for a post office box.

21. Events after the reporting period

On 12 November 2020, the Board of Director Meeting of the Company No. 4/2020 approved a dividend payment of Baht 0.10 per share from the operating result of the 2020 first half year ended to the shareholders of the Company, or a total dividend payment of Baht 61.30 million.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2020.