

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 2023

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 2023, 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.



Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 9 November 2023

S 11 Group Public Company Limited and its subsidiary

Statements of financial position

As at 30 September 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		92,310,572	43,291,892	90,727,317	42,275,645
Current portion of hire purchase receivables - net	2	3,238,802,683	2,968,937,954	3,238,802,683	2,968,937,954
Current portion of loan receivables - net		10,066,141	-	10,066,141	-
Counter service receivables		14,607,485	14,771,274	14,607,485	14,771,274
Prepaid insurance premium		59,348,525	52,742,296	59,348,525	52,742,296
Assets foreclosed - net	3	22,256,421	22,496,021	22,256,421	22,496,021
Other current assets		111,070,286	43,940,081	110,942,449	44,220,136
Total current assets		3,548,462,113	3,146,179,518	3,546,751,021	3,145,443,326
Non-current assets					
Restricted bank deposits		1,733,593	1,808,697	1,733,593	1,808,697
Investment in subsidiary		-	-	1,327,690	1,327,690
Hire purchase receivables - net of current portion	2	3,667,795,961	2,705,576,670	3,667,795,961	2,705,576,670
Loan receivables - net of current portion		5,402,420	-	5,402,420	-
Prepaid insurance premium		23,027,055	20,763,932	23,027,055	20,763,932
Land, building and equipment - net		95,350,431	98,510,417	95,123,230	98,267,201
Deferred tax assets		125,430,404	138,539,301	125,430,404	138,539,301
Other non-current assets		348,135	303,135	341,635	296,635
Total non-current assets		3,919,087,999	2,965,502,152	3,920,181,988	2,966,580,126
Total assets		7,467,550,112	6,111,681,670	7,466,933,009	6,112,023,452

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 2023

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	4	426,200,000	293,491,233	426,200,000	293,491,233
Trade accounts payables		59,438,369	40,755,070	59,438,369	40,755,070
Current portion of long-term loans	6	1,707,078,295	1,110,191,489	1,707,078,295	1,110,191,489
Current portion of lease liabilities		1,611,020	1,869,031	1,611,020	1,869,031
Short-term loans	5	386,281,204	387,496,391	386,281,204	387,496,391
Derivatives liabilities		22,097	350,758	22,097	350,758
Income tax payable		-	45,889,781	-	46,166,809
Insurance premium payables		9,236,276	17,875,563	9,236,276	17,875,563
Accrued expenses		77,320,816	68,279,560	78,039,147	68,836,737
Other current liabilities		69,415,170	65,619,175	69,348,101	65,562,016
Total current liabilities		2,736,603,247	2,031,818,051	2,737,254,509	2,032,595,097
Non-current liabilities					
Long-term loans - net of current portion	6	1,380,963,112	774,424,790	1,380,963,112	774,424,790
Lease liabilities - net of current portion		8,910,235	8,669,253	8,910,235	8,669,253
Provision for long-term employee benefits		24,614,823	23,151,350	24,614,823	23,151,350
Total non-current liabilities		1,414,488,170	806,245,393	1,414,488,170	806,245,393
Total liabilities		4,151,091,417	2,838,063,444	4,151,742,679	2,838,840,490

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(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	613,000,000
Issued and fully paid					
613,000,000 ordinary shares of Baht 1 each		613,000,000	613,000,000	613,000,000	613,000,000
Share premium		427,822,558	427,822,558	427,822,558	427,822,558
Capital reserve for share-based payment transactions		15,300,000	15,300,000	15,300,000	15,300,000
Retained earnings					
Appropriated - statutory reserve		61,300,000	61,300,000	61,300,000	61,300,000
Unappropriated		2,198,747,791	2,155,990,632	2,197,767,772	2,155,760,404
Equity attributable to owners of the Company		3,316,170,349	3,273,413,190	3,315,190,330	3,273,182,962
Non-controlling interests of the subsidiary		288,346	205,036	-	-
Total shareholders' equity		3,316,458,695	3,273,618,226	3,315,190,330	3,273,182,962
Total liabilities and shareholders' equity		7,467,550,112	6,111,681,670	7,466,933,009	6,112,023,452

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 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Hire purchase interest income		344,434,969	368,578,604	344,434,969	368,578,604
Loan interest income		575,149	-	575,149	-
Fee and service income		20,315,294	23,198,268	20,159,687	23,042,660
Other income		12,619,071	11,182,381	12,617,738	11,182,208
Total revenues		377,944,483	402,959,253	377,787,543	402,803,472
Expenses					
Selling and administrative expenses		81,755,158	77,685,638	82,027,547	76,883,042
Expected credit losses		161,845,576	124,544,185	161,845,576	124,544,185
Loss on impairment and disposal of assets foreclosed		46,423,262	22,459,337	46,423,262	22,459,337
Loss from derivatives		243	215,749	243	215,749
Total expenses		290,024,239	224,904,909	290,296,628	224,102,313
Profit before finance cost and income tax expenses		87,920,244	178,054,344	87,490,915	178,701,159
Finance cost		(47,080,098)	(23,776,960)	(47,080,098)	(23,776,960)
Profit before income tax expenses		40,840,146	154,277,384	40,410,817	154,924,199
Income tax expenses	7	(8,080,034)	(30,952,182)	(8,015,634)	(30,952,182)
Profit for the period		32,760,112	123,325,202	32,395,183	123,972,017
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		1,342,389	132,462	1,342,389	132,462
Income tax relating to actuarial gain	7	(268,478)	(26,493)	(268,478)	(26,493)
Other comprehensive income for the period		1,073,911	105,969	1,073,911	105,969
Total comprehensive income for the period		33,834,023	123,431,171	33,469,094	124,077,986

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 2023

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit or loss attributable to:					
Equity holders of the Company		32,723,619	123,389,883	32,395,183	123,972,017
Non-controlling interests of the subsidiary		36,493	(64,681)		
		<u>32,760,112</u>	<u>123,325,202</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		33,797,530	123,495,852	33,469,094	124,077,986
Non-controlling interests of the subsidiary		36,493	(64,681)		
		<u>33,834,023</u>	<u>123,431,171</u>		
Earnings per share	8				
Basic earnings per share		<u>0.05</u>	<u>0.20</u>	<u>0.05</u>	<u>0.20</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 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Hire purchase interest income		1,017,584,614	1,112,607,442	1,017,584,614	1,112,607,442
Loan interest income		575,149	-	575,149	-
Fee and service income		62,760,802	67,566,297	62,293,980	67,099,474
Other income		38,110,056	32,845,428	38,089,201	32,705,510
Total revenues		1,119,030,621	1,213,019,167	1,118,542,944	1,212,412,426
Expenses					
Selling and administrative expenses		243,995,143	232,227,251	244,434,644	230,972,877
Expected credit losses		531,217,798	525,766,919	531,217,798	525,766,919
Loss on impairment and disposal of assets foreclosed		102,250,104	58,168,610	102,250,104	58,168,610
Loss (gain) from derivatives		2,102	(778,002)	2,102	(778,002)
Total expenses		877,465,147	815,384,778	877,904,648	814,130,404
Profit before finance cost and income tax expenses		241,565,474	397,634,389	240,638,296	398,282,022
Finance cost		(112,154,047)	(65,795,991)	(112,154,047)	(65,795,991)
Profit before income tax expenses		129,411,427	331,838,398	128,484,249	332,486,031
Income tax expenses	7	(25,641,021)	(66,560,510)	(25,546,944)	(66,560,510)
Profit for the period		103,770,406	265,277,888	102,937,305	265,925,521
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		462,579	1,630,419	462,579	1,630,419
Income tax relating to actuarial gain	7	(92,516)	(326,084)	(92,516)	(326,084)
Other comprehensive income for the period		370,063	1,304,335	370,063	1,304,335
Total comprehensive income for the period		104,140,469	266,582,223	103,307,368	267,229,856

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 2023

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
Note	2023	2022	2023	2022
Profit or loss attributable to:				
Equity holders of the Company	103,687,096	265,342,651	102,937,305	265,925,521
Non-controlling interests of the subsidiary	83,310	(64,763)		
	<u>103,770,406</u>	<u>265,277,888</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	104,057,159	266,646,986	103,307,368	267,229,856
Non-controlling interests of the subsidiary	83,310	(64,763)		
	<u>104,140,469</u>	<u>266,582,223</u>		
Earnings per share	8			
Basic earnings per share	<u>0.17</u>	<u>0.43</u>	<u>0.17</u>	<u>0.43</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 2023

(Unit: Baht)

	Consolidated financial statements							Total shareholders' equity
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests of the subsidiary	
				Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2022	613,000,000	427,822,558	15,300,000	61,300,000	1,962,631,727	3,080,054,285	273,871	3,080,328,156
Profit for the period	-	-	-	-	265,342,651	265,342,651	(64,763)	265,277,888
Other comprehensive income for the period	-	-	-	-	1,304,335	1,304,335	-	1,304,335
Total comprehensive income for the period	-	-	-	-	266,646,986	266,646,986	(64,763)	266,582,223
Dividend paid (Note 10)	-	-	-	-	(98,079,200)	(98,079,200)	-	(98,079,200)
Balance as at 30 September 2022	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>2,131,199,513</u>	<u>3,248,622,071</u>	<u>209,108</u>	<u>3,248,831,179</u>
Balance as at 1 January 2023	613,000,000	427,822,558	15,300,000	61,300,000	2,155,990,632	3,273,413,190	205,036	3,273,618,226
Profit for the period	-	-	-	-	103,687,096	103,687,096	83,310	103,770,406
Other comprehensive income for the period	-	-	-	-	370,063	370,063	-	370,063
Total comprehensive income for the period	-	-	-	-	104,057,159	104,057,159	83,310	104,140,469
Dividend paid (Note 10)	-	-	-	-	(61,300,000)	(61,300,000)	-	(61,300,000)
Balance as at 30 September 2023	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>2,198,747,791</u>	<u>3,316,170,349</u>	<u>288,346</u>	<u>3,316,458,695</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 (continued)
 For the nine-month period ended 30 September 2023

(Unit: Baht)

Separate financial statements

	Issued and fully paid 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 2022	613,000,000	427,822,558	15,300,000	61,300,000	1,961,781,981	3,079,204,539
Profit for the period	-	-	-	-	265,925,521	265,925,521
Other comprehensive income for the period	-	-	-	-	1,304,335	1,304,335
Total comprehensive income for the period	-	-	-	-	267,229,856	267,229,856
Dividend paid (Note 10)	-	-	-	-	(98,079,200)	(98,079,200)
Balance as at 30 September 2022	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>2,130,932,637</u>	<u>3,248,355,195</u>
Balance as at 1 January 2023	613,000,000	427,822,558	15,300,000	61,300,000	2,155,760,404	3,273,182,962
Profit for the period	-	-	-	-	102,937,305	102,937,305
Other comprehensive income for the period	-	-	-	-	370,063	370,063
Total comprehensive income for the period	-	-	-	-	103,307,368	103,307,368
Dividend paid (Note 10)	-	-	-	-	(61,300,000)	(61,300,000)
Balance as at 30 September 2023	<u>613,000,000</u>	<u>427,822,558</u>	<u>15,300,000</u>	<u>61,300,000</u>	<u>2,197,767,772</u>	<u>3,315,190,330</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 2023**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before income tax	129,411,427	331,838,398	128,484,249	332,486,031
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation	6,492,978	7,122,410	6,385,945	6,999,208
Expected credit losses	531,217,798	525,766,919	531,217,798	525,766,919
Gain on sales of fixed assets	-	(2,513)	-	(2,513)
Loss on written-offs of fixed assets	247	14,660	247	14,657
Gain on cancel and change in lease contracts	(22,027)	-	(22,027)	-
Loss on impairment of assets foreclosed	3,033,245	3,152,157	3,033,245	3,152,158
Provision for long-term employee benefits	1,926,052	2,181,334	1,926,052	2,181,334
Interest income	(1,018,159,763)	(1,112,607,442)	(1,018,159,763)	(1,112,607,442)
Loss (gain) from derivatives	2,102	(778,002)	2,102	(778,002)
Finance cost	112,050,550	65,701,619	112,050,550	65,701,619
Amortised finance cost for lease liabilities	103,497	94,372	103,497	94,372
Loss from operating activities before changes in operating assets and liabilities	(233,943,894)	(177,516,088)	(234,978,105)	(176,991,659)
Operating assets (increase) decrease				
Hire purchase receivables	(1,760,349,552)	(831,315,133)	(1,760,349,552)	(831,315,133)
Loan receivables	(17,208,024)	-	(17,208,024)	-
Assets foreclosed	(2,793,645)	(7,934,872)	(2,793,645)	(7,934,872)
Prepaid insurance premium	(8,869,352)	(4,642,178)	(8,869,352)	(4,642,178)
Other current assets	(51,904,713)	5,947,576	(51,641,149)	5,248,430
Other non-current assets	(45,000)	(5,500)	(45,000)	(10,000)
Operating liabilities increase (decrease)				
Trade accounts payables	18,683,299	39,269,142	18,683,299	39,269,142
Insurance premium payables	(8,639,287)	1,556,024	(8,639,287)	1,556,024
Accrued expenses	8,933,594	61,163,179	9,094,748	61,181,455
Other current liabilities	3,795,995	(2,985,643)	3,786,085	(2,816,815)
Cash flows used in operating activities	(2,052,340,579)	(916,463,493)	(2,052,959,982)	(916,455,606)
Cash received from interest	1,016,946,960	1,131,106,511	1,016,946,960	1,131,106,511
Cash paid for income tax	(73,576,124)	(63,666,883)	(73,614,747)	(63,460,404)
Cash paid for interest	(98,325,716)	(57,309,269)	(98,325,716)	(57,309,269)
Net cash flows from (used in) operating activities	(1,207,295,459)	93,666,866	(1,207,953,485)	93,881,232

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	75,104	(258,805)	75,104	(258,805)
Cash received for proceeds of equipment	-	2,580	-	2,580
Cash paid for acquisitions of land, building and equipment	(2,267,179)	(1,875,900)	(2,176,161)	(1,872,518)
Net cash flows used in investing activities	(2,192,075)	(2,132,125)	(2,101,057)	(2,128,743)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	132,708,767	83,900,000	132,708,767	83,900,000
Cash paid for loan issuing cost	(5,600,000)	(2,800,000)	(5,600,000)	(2,800,000)
Cash paid for lease liabilities	(1,143,384)	(1,031,871)	(1,143,384)	(1,031,871)
Decrease in short-term loans	(11,797,197)	(78,477,951)	(11,797,197)	(78,477,951)
Cash received from long-term loans	2,387,000,000	1,110,000,000	2,387,000,000	1,110,000,000
Repayment of long-term loans	(1,181,361,972)	(1,085,320,126)	(1,181,361,972)	(1,085,320,126)
Payment for dividend	(61,300,000)	(98,079,200)	(61,300,000)	(98,079,200)
Net cash flows from (used in) financing activities	1,258,506,214	(71,809,148)	1,258,506,214	(71,809,148)
Net increase in cash and cash equivalents	49,018,680	19,725,593	48,451,672	19,943,341
Cash and cash equivalents at beginning of period	43,291,892	41,400,008	42,275,645	40,012,334
Cash and cash equivalents at end of period	92,310,572	61,125,601	90,727,317	59,955,675

Supplemental cash flows information

Non-cash item consists of:

Additions to right-of-use assets and lease liabilities	2,064,000	-	2,064,000	-
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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 2023

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 2023, the Company has 9 branches located in Chonburi, Ayudhya, Rayong, Nakhon Ratchasima, Prachinburi, Chantaburi, Buriram and Nakhon Sawan (31 December 2022: 8 branches).

1.2 The Coronavirus disease 2019 pandemic (COVID-19)

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

1.3 Basis for the preparation of the interim financial statements

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

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

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

1.4 Basis for the preparation of the interim consolidated financial statements

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022 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 (collectively as “the Group”).

1.5 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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group’s financial statements.

1.6 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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.

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

2. Hire purchase receivables

2.1 As at 30 September 2023 and 31 December 2022, the contract terms of the Company's hire purchase receivables are 12 - 60 installments with payments to be made in equal installments and interest charged at the fixed rates throughout the contracts. Hire purchase receivables classified by due date per agreement are as follows:

(Unit: Baht)

Consolidated and Separate financial statements						
30 September 2023						
	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
Hire purchase receivables	4,869,872,149	2,785,806,573	1,470,802,235	606,692,702	31,233,413	9,764,407,072
Less: Unearned hire purchase income ⁽¹⁾	(1,168,116,125)	(551,231,050)	(219,233,966)	(47,400,459)	(1,286,824)	(1,987,268,424)
Present value of the minimum lease payment receivables	3,701,756,024	2,234,575,523	1,251,568,269	559,292,243	29,946,589	7,777,138,648
Less: Allowance for expected credit losses	(462,953,341)	(202,677,513)	(137,039,835)	(64,422,691)	(3,446,624)	(870,540,004)
Net hire purchase receivables	3,238,802,683	2,031,898,010	1,114,528,434	494,869,552	26,499,965	6,906,598,644

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

(Unit: Baht)

Consolidated and Separate financial statements						
31 December 2022						
	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
Hire purchase receivables	4,641,859,500	2,454,167,164	1,064,260,008	205,867,017	9,946,917	8,376,100,606
Less: Unearned hire purchase income ⁽¹⁾	(1,182,894,176)	(494,940,813)	(134,238,095)	(17,590,710)	(391,601)	(1,830,055,395)
Present value of the minimum lease payment receivables	3,458,965,324	1,959,226,351	930,021,913	188,276,307	9,555,316	6,546,045,211
Less: Allowance for expected credit losses	(490,027,370)	(224,471,142)	(128,244,057)	(27,414,206)	(1,373,812)	(871,530,587)
Net hire purchase receivables	2,968,937,954	1,734,755,209	801,777,856	160,862,101	8,181,504	5,674,514,624

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

(Unaudited but reviewed)

2.2 As at 30 September 2023 and 31 December 2022, 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			
	Balance of		Allowance for	
	hire purchase receivables		expected credit losses	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
Not yet due, past due not more than 2 months	7,194,091,322	5,982,864,426	626,086,456	626,313,997
More than 2 months, but less than 4 months	236,696,132	220,546,037	17,489,034	12,492,182
4 months or more, but less than 6 months	131,136,536	118,713,536	11,749,856	8,803,196
6 months or more, including fully-mature deposit contracts	215,214,658	223,921,212	215,214,658	223,921,212
Total	<u>7,777,138,648</u>	<u>6,546,045,211</u>	<u>870,540,004</u>	<u>871,530,587</u>

2.3 As at 30 September 2023, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before netting with unearned hire purchase income) of Baht 708 million (31 December 2022: Baht 580 million) in order to secure credit facilities granted by commercial banks as described in Note 6 to the interim financial statements.

2.4 Allowance for expected credit losses

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

(Unit: Baht)

	Consolidated and Separate financial statements	
	For the nine-month	
	period ended	For the year ended
	30 September 2023	31 December 2022
Balance beginning of the period/year	871,530,587	807,980,410
Add: Expected credit losses during the period/year	529,214,768	692,639,391
Less: Bad debt written-off	(530,205,351)	(629,089,214)
Balance end of the period/year	<u>870,540,004</u>	<u>871,530,587</u>

3. Assets foreclosed

(Unit: Baht)

	Consolidated and Separate financial statements	
	30 September 2023	31 December 2022
Assets foreclosed - cost	37,173,086	34,379,441
Less: Allowance for impairment	(14,916,665)	(11,883,420)
Assets foreclosed - net	22,256,421	22,496,021

4. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (% per annum)	Consolidated and Separate financial statements	
		30 September 2023	31 December 2022
Promissory notes	4.60 - 5.20	426,200,000	293,491,233
Total		426,200,000	293,491,233

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 2023, the short-term credit facilities which have not yet been drawdown amounted to Baht 124 million.

5. Short-term loans

As at 30 September 2023, the Company has loans in form of bills of exchange, net of discount, totaling Baht 386 million, the bills are registered, transferable, and maturing within 182 days from the date of issuance (maturity date between October 2023 - March 2024), with interest charged at the rate of 3.85 - 4.40 percent per annum (31 December 2022: Bills of exchange of Baht 387 million, registered, transferable, and maturing within 183 days from the date of issuance, maturity date between January - June 2023, with interest charge at the rate of 3.14 - 3.50 percent per annum).

6. Long-term loans

As at 30 September 2023 and 31 December 2022, the long-term loans, which the Company obtained from local financial institutions, are detailed below.

(Unit: Baht)

Facility		Interest rate	Repayment schedule	Consolidated and Separate	
				financial statements	
no.	Loan facility	(% per annum)		30 September 2023	31 December 2022
1.1	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	1,083,135,715	626,658,334
1.2	Loan agreement dated 27 June 2014	MLR - 1.87	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	437,368,531	-
2	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	-	7,400,000
3	Loan agreement dated 31 March 2020	4.40	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	5,157,875	132,593,807
4.1	Loan agreement dated 28 December 2020	THBFIX6M + 2.20	Payment in 24 installments, with the first installment payment on the last day of the month of drawdown	-	37,500,000
4.2	Loan agreement dated 28 December 2020	3.70	Payment in 24 installments, with the first installment payment on the last day of the month of drawdown	18,750,000	75,000,000
5	Loan agreement dated 5 July 2021	4.40	Payment in 30 equal installments, with the first installment payment on the last day of the month of drawdown	239,500,975	435,084,706
6	Loan agreement dated 7 June 2022	4.40	Payment in 24 equal installments, with the first installment payment on the last day of the next month of the month of drawdown	212,500,000	143,750,000
7	Loan agreement dated 3 August 2022	MLR - 1.56	Payment in equal not over 36 installments, with the first installment payment on the last day of the next month of the month of drawdown	323,011,293	429,671,379

(Unaudited but reviewed)

(Unit: Baht)

				Consolidated and Separate financial statements	
Facility		Interest rate		30 September	31 December
no.	Loan facility	(% per annum)	Repayment schedule	2023	2022
8	Loan agreement dated 13 March 2023	MLR - 2.03	Payment in equal not over 36 installments, with the first installment payment on the last day of the next month of the month of drawdown	557,871,865	-
9	Loan agreement dated 8 September 2023	MLR - 2.03	Payment in equal not over 36 installments, with the first installment payment on the last day of the next month of the month of drawdown	216,000,000	-
Total				3,093,296,254	1,887,658,226
Less: Deferred loans issuing costs				(5,254,847)	(3,041,947)
Long-term loans				3,088,041,407	1,884,616,279
Less: current portion due within 1 year				(1,707,078,295)	(1,110,191,489)
Long-term loans, net of current portion				1,380,963,112	774,424,790

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 2023, the Company has commitments of Baht 19 million under interest rate swap agreements with a bank that is the Company's lender for loan facilities no. 4.2 whereby floating interest rates are swapped for a fixed interest rate throughout the term of the loan and amount of Baht 19 million whereby fixed interest rates are swapped for a floating interest rate throughout the term of loan. The interest rate swap agreements gradually mature within 2023, in accordance with the conditions of loan repayment (31 December 2022: The Company had commitments of Baht 120 million under interest rate swap agreements for loan facility no. 2, 4.1 and 4.2 whereby floating interest rates are swapped for a fixed interest rate throughout the term of the loan and loan facilities no. 4.2 amount of Baht 75 million under interest rate swap agreements with a bank that is the Company's lender whereby fixed interest rates are swapped for a floating interest rate throughout the term of loan.).

(Unaudited but reviewed)

As at 30 September 2023, the Company has long-term credit facilities which have not yet been drawdown amounted to Baht 1,014 million.

Movements in the long-term loans account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Baht)
Balance as at 1 January 2023	1,887,658,226
Add: Addition borrowings during the period	2,387,000,000
Less: Loans repayment during the period	<u>(1,181,361,972)</u>
Balance as at 30 September 2023	<u>3,093,296,254</u>

7. Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2023 and 2022 are as follows:

	(Unit: Baht)			
	<u>For the three-month periods ended 30 September</u>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Interim corporate income tax charge	4,912,195	33,229,637	4,847,795	33,229,637
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>3,167,839</u>	<u>(2,277,455)</u>	<u>3,167,839</u>	<u>(2,277,455)</u>
Income tax expenses reported in the statements of comprehensive income	<u>8,080,034</u>	<u>30,952,182</u>	<u>8,015,634</u>	<u>30,952,182</u>

(Unaudited but reviewed)

(Unit: Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	12,624,639	60,865,520	12,530,562	60,865,520
Deferred tax:				
Relating to origination and reversal of temporary differences	13,016,382	5,694,990	13,016,382	5,694,990
Income tax expenses reported in the statements of comprehensive income	<u>25,641,021</u>	<u>66,560,510</u>	<u>25,546,944</u>	<u>66,560,510</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 2023 and 2022 are as follows:

(Unit: Baht)

	Consolidated and Separate financial statements			
	For the three-month periods ended		For the nine-month periods	
	30 September		ended 30 September	
	2023	2022	2023	2022
Deferred tax relating to actuarial gain	(268,478)	(26,493)	(92,516)	(326,084)

(Unaudited but reviewed)

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 2023 and 2022 are as follows:

(Unit: Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	<u>40,840,146</u>	<u>154,277,384</u>	<u>40,410,817</u>	<u>154,924,199</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	8,168,029	30,855,477	8,082,164	30,984,840
Effect of additional expense and non-deductible expense	<u>(87,995)</u>	<u>96,705</u>	<u>(66,530)</u>	<u>(32,658)</u>
Income tax expenses reported in the statements of comprehensive income	<u>8,080,034</u>	<u>30,952,182</u>	<u>8,015,634</u>	<u>30,952,182</u>

(Unit: Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	<u>129,411,427</u>	<u>331,838,398</u>	<u>128,484,249</u>	<u>332,486,031</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	25,882,285	66,367,680	25,696,850	66,497,206
Effect of additional expense and non-deductible expense	<u>(241,264)</u>	<u>192,830</u>	<u>(149,906)</u>	<u>63,304</u>
Income tax expenses reported in the statements of comprehensive income	<u>25,641,021</u>	<u>66,560,510</u>	<u>25,546,944</u>	<u>66,560,510</u>

8. Earnings per share

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

9. Related party transactions

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

	Name of related party		Relationship with the Company		
	MOD S Company Limited		Subsidiary		
(Unit: Baht)					
For the three-month periods ended 30 September					
	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	Pricing policy
<u>Transactions with subsidiary</u>					
Service expense	-	-	2,765,630	2,153,211	As stipulated in agreements

(Unit: Baht)

For the nine-month periods ended 30 September					
	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	Pricing policy
<u>Transactions with subsidiary</u>					
Service expense	-	-	7,614,707	6,398,413	As stipulated in agreements

The balance of the accounts as at 30 September 2023 and 31 December 2022, between the Company and related parties are as follows:

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<u>Subsidiary</u>				
Service payable	-	-	958,826	814,000

Directors and management benefits

During the periods, the Company had the following employee benefit expenses payable to their directors and management.

(Unit: Baht)

	Consolidated and Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2023	2022	2023	2022
Short-term employee benefits	4,931,470	4,931,470	14,794,410	14,794,410
Post-employment benefits	127,335	295,032	579,461	922,113
Total	5,058,805	5,226,502	15,373,871	15,716,523

10. Dividend

On 7 April 2022, the Annual General Meeting of the Company's shareholders for the year 2022 approved to pay a dividend from the 2021 operating results to the shareholders of the Company at a rate of Baht 0.26 per share, or a total of Baht 159.38 million (interim dividend payment of Baht 0.10 per share and Baht 0.16 per share was paid on 6 May 2022).

On 5 April 2023 the Annual General Meeting of the Company's shareholders for the year 2023 approved to pay a dividend from the 2022 operating results to the shareholders of the Company at a rate of Baht 0.20 per share, or a total of Baht 122.60 million (interim dividend payment of Baht 0.10 per share and Baht 0.10 per share was paid on 3 May 2023).

11. Segment information

The Company's principal operations involve a single operating segment of hire purchase of motorcycles and loan receivable. Their operations 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.

12. Financial instrument

12.1 Fair value of financial instrument

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

12.2 Fair value hierarchy

As at 30 September 2023, the Group had the liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht)			
	Consolidated and Separate financial statements			
	Fair value			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are measured				
Derivatives liabilities	-	22,097	-	22,097

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

13. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2023.