
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Information

***Three-month and nine-month periods
ended September 30, 2017***

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS
EASY BUY PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of EASY BUY Public Company Limited as at September 30, 2017 and the related statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2017, and the related statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2017, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK

November 9, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2017

Unit : Thousand Baht

		"Unaudited"	
	Notes	As at	As at
		September 30,	December 31,
		2017	2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		514,155	750,906
Loan receivables due within one year	6	46,623,948	43,316,700
Other receivables		264,714	262,800
Total Current Assets		<u>47,402,817</u>	<u>44,330,406</u>
NON-CURRENT ASSETS			
Loan receivables	6	37,548	46,348
Leasehold improvements and equipment	7	282,649	335,511
Intangible assets		117,711	151,583
Deferred tax assets	8	814,085	603,522
Other non-current assets		78,536	73,123
Total Non-current Assets		<u>1,330,529</u>	<u>1,210,087</u>
TOTAL ASSETS		<u><u>48,733,346</u></u>	<u><u>45,540,493</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2017

Unit : Thousand Baht

	Notes	"Unaudited" As at September 30, 2017	As at December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	4,722,243	3,588,616
Trade accounts payable		1,456	3,519
Other payables		604,438	640,546
Current portion of long-term borrowings from financial institutions	5 and 9	3,579,145	5,628,356
Current portion of debentures	9	2,998,377	-
Current income tax payable		328,299	468,101
Total Current Liabilities		<u>12,233,958</u>	<u>10,329,138</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	7,302,792	7,900,510
Debentures	9	12,063,161	12,552,143
Employee benefit obligations		92,068	84,244
Provision for restoration cost of leasehold improvements		68,527	66,964
Other non-current liabilities		-	654
Total Non-current Liabilities		<u>19,526,548</u>	<u>20,604,515</u>
TOTAL LIABILITIES		<u>31,760,506</u>	<u>30,933,653</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2017

Unit : Thousand Baht

	Notes	"Unaudited" As at September 30, 2017	As at December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each	12	<u>6,000,000</u>	
450,000,000 ordinary shares of Baht 10 each			<u>4,500,000</u>
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	
450,000,000 ordinary shares of Baht 10 each, fully paid			4,500,000
RETAINED EARNINGS			
Appropriated			
Legal reserve		450,000	450,000
Unappropriated		<u>10,522,840</u>	<u>9,656,840</u>
TOTAL SHAREHOLDERS' EQUITY		<u>16,972,840</u>	<u>14,606,840</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>48,733,346</u>	<u>45,540,493</u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
“Unaudited”

		Unit : Thousand Baht	
	Notes	2017	2016
REVENUES			
Income from personal loans		3,167,275	2,928,079
Income from installment loans		5,794	5,335
Other income	10	294,836	220,901
Total Revenues		<u>3,467,905</u>	<u>3,154,315</u>
EXPENSES			
Selling expenses		228,540	194,851
Administrative expenses		715,397	656,301
Bad debts and doubtful accounts expenses		871,979	906,453
Finance costs		242,950	256,403
Total Expenses		<u>2,058,866</u>	<u>2,014,008</u>
PROFIT BEFORE INCOME TAX EXPENSE		1,409,039	1,140,307
INCOME TAX EXPENSE	14	(278,512)	(228,790)
NET PROFIT FOR THE PERIODS		<u>1,130,527</u>	<u>911,517</u>
OTHER COMPREHENSIVE INCOME			
FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIODS		<u><u>1,130,527</u></u>	<u><u>911,517</u></u>
BASIC EARNINGS PER SHARE			
	BAHT	1.88	2.03
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES (See Note 12)	SHARES	600,000,000	450,000,000

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
“Unaudited”

Unit : Thousand Baht

	Notes	2017	2016
REVENUES			
Income from personal loans		9,174,450	8,455,203
Income from installment loans		17,202	16,205
Other income	10	765,555	648,394
Total Revenues		<u>9,957,207</u>	<u>9,119,802</u>
EXPENSES			
Selling expenses		635,817	544,761
Administrative expenses		2,092,038	1,920,117
Bad debts and doubtful accounts expenses		2,917,635	2,780,429
Finance costs		717,780	777,398
Total Expenses		<u>6,363,270</u>	<u>6,022,705</u>
PROFIT BEFORE INCOME TAX EXPENSE		3,593,937	3,097,097
INCOME TAX EXPENSE	14	<u>(714,937)</u>	<u>(616,042)</u>
NET PROFIT FOR THE PERIODS		2,879,000	2,481,055
OTHER COMPREHENSIVE INCOME			
FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIODS		<u><u>2,879,000</u></u>	<u><u>2,481,055</u></u>
BASIC EARNINGS PER SHARE	BAHT	5.48	5.51
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES (See Note 12)	SHARES	525,274,725	450,000,000

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
"Unaudited"

Unit : Thousand Baht

		Issued and paid-up share capital	Retained earnings Appropriated Legal reserve	Unappropriated	Total shareholders' equity
	Notes				
Balance as at January 1, 2016		4,500,000	450,000	6,648,225	11,598,225
Total comprehensive					
income for the period		-	-	2,481,055	2,481,055
Dividends paid	13.1	-	-	(373,500)	(373,500)
Balance as at September 30, 2016		<u>4,500,000</u>	<u>450,000</u>	<u>8,755,780</u>	<u>13,705,780</u>
Balance as at January 1, 2017		4,500,000	450,000	9,656,840	14,606,840
Total comprehensive					
income for the period		-	-	2,879,000	2,879,000
Stock dividend	12 and 13.2	1,500,000	-	(1,500,000)	-
Dividends paid	13.2	-	-	(513,000)	(513,000)
Balance as at September 30, 2017		<u>6,000,000</u>	<u>450,000</u>	<u>10,522,840</u>	<u>16,972,840</u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
“Unaudited”

	Unit : Thousand Baht	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax expense	3,593,937	3,097,097
Adjustments for:		
Depreciation and amortization expenses	135,548	127,949
Interest income	(9,191,652)	(8,471,408)
Finance costs	717,780	777,398
Bad debts and doubtful accounts expenses	2,917,635	2,780,429
Employee benefit expense	7,824	6,651
Gain (loss) on disposal of equipment and intangible assets	(521)	6,665
	<u>(1,819,449)</u>	<u>(1,675,219)</u>
Changes in operating assets and liabilities		
Loan receivables	(6,079,356)	(6,126,630)
Other receivables	1,479	121,575
Other non-current assets	(1,376)	(8,027)
Trade accounts payable	(2,063)	(441)
Other payables	87,084	61,512
Other non-current liabilities	-	(685)
Cash paid for operating activities	<u>(7,813,681)</u>	<u>(7,627,915)</u>
Cash received from interest income	9,051,533	8,281,264
Interest paid	(832,438)	(923,292)
Income tax paid	<u>(1,065,060)</u>	<u>(754,742)</u>
Net cash used in operating activities	<u>(659,646)</u>	<u>(1,024,685)</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
“Unaudited”

	Unit : Thousand Baht	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchasing of leasehold improvements and equipment	(48,417)	(71,304)
Proceeds from sale of equipment	1,605	84
Cash paid for purchasing of intangible assets	(1,988)	(12,369)
Net cash used in investing activities	<u>(48,800)</u>	<u>(83,589)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans from financial institutions	22,764,864	37,790,000
Repayment of short-term loans from financial institutions	(21,632,048)	(39,830,000)
Proceeds from long-term loans from financial institutions	1,705,800	3,553,405
Repayment of long-term loans from financial institutions	(4,353,921)	(2,138,998)
Proceeds from issuing debentures	2,500,000	6,000,000
Repayment of debentures	-	(4,000,000)
Dividends paid to owners of the Company	(513,000)	(373,500)
Net cash provided by financing activities	<u>471,695</u>	<u>1,000,907</u>
Net decrease in cash and cash equivalents	(236,751)	(107,367)
Cash and cash equivalents as at January 1,	<u>750,906</u>	<u>594,237</u>
Cash and cash equivalents as at September 30,	<u><u>514,155</u></u>	<u><u>486,870</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017
“Unaudited”

Notes	Contents
1	General information
2	Basis for preparation of the interim financial statements
3	Significant accounting policies
4	Additional cash flow information
5	Related parties
6	Loan receivables
7	Leasehold improvements and equipment
8	Deferred taxes
9	Interest-bearing liabilities
10	Other income
11	Segment information
12	Share capital
13	Dividends paid
14	Income tax expense
15	Commitments with non-related parties
16	Approval of interim financial statements

EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017
“Unaudited”

1. GENERAL INFORMATION

EASY BUY Public Company Limited, (“the Company”), was incorporated in Thailand. Its registered office is at 5th Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, Bangkok.

The immediate parent of the Company is ACOM CO., LTD. which was incorporated in Japan.

The principal business of the Company is consumer finance business representing personal loans and installment loans.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2016) Interim Financial Reporting, guidelines promulgated by the Federation of Accounting Professions (“FAP”), and applicable rules and regulations of the Thai Securities and Exchange Commission.

The statements of financial position as at December 31, 2016, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited.

The results of operations for the three-month and nine-month periods ended September 30, 2017 are not necessarily indicative of the operating results anticipated for the full year.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, this interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2016.

2.2 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current period financial statements

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

2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2017 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Company's management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

2.4 Functional and presentation currency

The interim financial statements are presented in Baht, which is the Company's functional currency. All financial information presented in Baht has been rounded in the notes to the financial statements to the nearest thousand Baht unless otherwise stated.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2016.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the nine-month periods ended September 30, 2017 and 2016 are as follows:

	Unit : Thousand Baht "Unaudited"	
	2017	2016
Leasehold improvements and equipment		
Liabilities recorded at beginning of period	1,507	3,249
Purchase of leasehold improvements and equipment	49,331	71,099
	<u>50,838</u>	<u>74,348</u>
<u>Less</u> Cash paid for purchasing of leasehold improvements and equipment	<u>(48,417)</u>	<u>(71,304)</u>
Liabilities recorded at ending of period	<u>2,421</u>	<u>3,044</u>

For the nine-month periods ended September 30, 2017 and 2016, the Company recorded leasehold improvements related to provision for restoration cost of Baht 1.56 million and Baht 2.80 million, respectively.

	Unit : Thousand Baht "Unaudited"	
	2017	2016
Intangible assets		
Liabilities recorded at beginning of period	655	10,613
Purchase of intangible assets	1,943	3,574
	<u>2,598</u>	<u>14,187</u>
<u>Less</u> Cash paid for purchasing of intangible assets	<u>(1,988)</u>	<u>(12,369)</u>
Liabilities recorded at ending of period	<u>610</u>	<u>1,818</u>

For the nine-month period ended September 30, 2017, the Company had non-cash items related to increase in authorized share capital for the stock dividend payment of Baht 1,500.00 million (see Notes 12 and 13.2).

5. RELATED PARTIES

For the purposes of these interim financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties are as follows:

Related Parties	Type of Business	Country of incorporation/ Nationality	Nature of relationships
ACOM CO., LTD.	Consumer Finance Business	Japan	Parent company, 71.00% shareholding
Bank of Ayudhya Public Company Limited	Banking Business	Thailand	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
The Bank of Tokyo - Mitsubishi UFJ, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Leasing Business	Thailand	Related party in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Key management Personnel	-	Japan, Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company

Significant transactions for the three-month and nine-month periods ended September 30, 2017 and 2016 with related parties are as follows:

	Unit :Thousand Baht "Unaudited"	
	For the three-month periods ended September 30,	
	2017	2016
Finance costs		
Parent company		
Guarantee fee	409	2,404
Other related parties		
Interest expense	45,150	60,625
Guarantee fee	289	299
Debenture arrangement fee	3,046	3,024
Upfront fee	721	1,259
Administrative expenses		
Key management personnel		
Key management personnel compensation	24,071	25,821
	Unit :Thousand Baht "Unaudited"	
	For the nine-month periods ended September 30,	
	2017	2016
Finance costs		
Parent company		
Guarantee fee	2,232	8,238
Other related parties		
Interest expense	137,484	176,527
Guarantee fee	861	882
Debenture arrangement fee	9,008	9,006
Upfront fee	2,551	3,609
Administrative expenses		
Key management personnel		
Key management personnel compensation	67,104	70,240

Balances as at September 30, 2017 and December 31, 2016 with related parties are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	September 30, 2017	December 31, 2016
Short-term borrowings from financial institutions		
Other related parties		
Bank of Ayudhya Public Company Limited	700,000	450,000
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 16.00 million (December 31, 2016 : Nil)	532,816	-
Total	1,232,816	450,000

As at September 30, 2017, short-term borrowings from financial institutions from related parties bear interest at a rate of 1.92% - 2.40% per annum (December 31, 2016 : 2.06% - 2.11% per annum).

	Unit : Thousand Baht	
	“Unaudited”	
	September 30, 2017	December 31, 2016
Current portion of long-term borrowings from financial institutions		
Other related parties		
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 8.00 million (December 31, 2016 : USD 42.30 million)	284,960	1,376,886
Bangkok Mitsubishi UFJ Lease Co., Ltd.	300,000	-
Long-term borrowings from financial institutions		
Other related parties		
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch		
- USD 41.00 million (December 31, 2016 : USD 33.00 million)	1,424,545	1,156,305
Bank of Ayudhya Public Company Limited	1,300,000	1,300,000
Bank of Ayudhya Public Company Limited		
- USD 30.80 million (December 31, 2016 : USD 30.80 million)	1,084,094	1,084,094
Bangkok Mitsubishi UFJ Lease Co., Ltd	-	300,000
Total	4,393,599	5,217,285

As at September 30, 2017, long-term borrowings from financial institutions from related parties bear interest at rates ranging from 2.93% - 5.33% per annum (December 31, 2016 : 2.93% - 5.33% per annum).

	Unit : Thousand Baht	
	“Unaudited”	
	September 30, 2017	December 31, 2016
Other payables		
Accrued interest expense		
Other related parties		
Bank of Ayudhya Public Company Limited	29,304	23,578
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	1,200	18,247
Bangkok Mitsubishi UFJ Lease Co., Ltd	57	2,637
Total	30,561	44,462
Accrued guarantee fee		
Parent company		
ACOM CO., LTD.	49	602
Total	49	602
Deferred issuance cost for long-term borrowings and debentures (presented net from long-term borrowings and debentures)		
Other related parties		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	27,270	35,977
Bank of Ayudhya Public Company Limited	47	-
Mitsubishi UFJ Trust and Banking Corporation, Singapore branch	5,872	6,079
Total	33,189	42,056

Significant agreements with related parties

Guarantee fee agreements

The Company entered into agreements with ACOM CO., LTD., the parent company, which has guaranteed the financial institutions due performance of obligations by the Company under loan agreements with the financial institutions. In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of loans as stipulated in the agreement unless the Company gives prior notice in writing for termination of the agreements.

The Company entered into agreements with The Bank of Tokyo-Mitsubishi UFJ, Ltd., a financial institution in the group of Mitsubishi UFJ Financial Group, which has guaranteed the debentures due performance of obligations by the Company under conditions of debentures. In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of debentures as stipulated in the agreement.

Cross currency and interest rate swap agreements

The Company entered into the agreement with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by swapping the foreign currency and interest rate as specified in the agreements.

6. LOAN RECEIVABLES

	“Unaudited”					Unit : Thousand Baht		
	September 30, 2017		December 31, 2016					
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total		
Due within one year								
Loan receivables	49,702,521	131,741	49,834,262	46,247,723	113,753	46,361,476		
Less Unearned interest income	-	(13,986)	(13,986)	-	(15,453)	(15,453)		
Allowance for doubtful accounts	(3,193,494)	(2,834)	(3,196,328)	(3,026,451)	(2,872)	(3,029,323)		
Net	46,509,027	114,921	46,623,948	43,221,272	95,428	43,316,700		
Due over one year								
Loan receivables	-	41,488	41,488	-	52,511	52,511		
Less Unearned interest income	-	(3,107)	(3,107)	-	(5,009)	(5,009)		
Allowance for doubtful accounts	-	(833)	(833)	-	(1,154)	(1,154)		
Net	-	37,548	37,548	-	46,348	46,348		
Total	46,509,027	152,469	46,661,496	43,221,272	141,776	43,363,048		
			2017	2016				
Bad debts and doubtful accounts								
expenses for the three-month periods								
ended September 30,								
- Bad debt	862,597	1,593	864,190	782,744	2,122	784,866		
- Doubtful account	9,762	(822)	8,940	123,096	(441)	122,655		
Total	872,359	771	873,130	905,840	1,681	907,521		
Bad debts and doubtful accounts								
expenses for the nine-month periods								
ended September 30,								
- Bad debt	2,749,895	4,448	2,754,343	2,568,319	4,957	2,573,276		
- Doubtful account	167,043	(359)	166,684	200,829	33	200,862		
Total	2,916,938	4,089	2,921,027	2,769,148	4,990	2,774,138		

Aging analysis for loan receivables was as follows:

	Unit : Thousand Baht				
	“Unaudited”		December 31, 2016		
	September 30, 2017		Installment	Loan	Total
	Personal Loan Receivables	Installment Loan Receivables	Personal Loan Receivables	Receivables	
Current	46,872,661	170,531	43,638,797	162,236	43,801,033
Overdue payment					
Less than and equal to 3 months	1,782,842	1,580	1,588,431	2,286	1,590,717
More than 3 months	1,047,018	1,118	1,020,495	1,742	1,022,237
	49,702,521	173,229	46,247,723	166,264	46,413,987
Less Unearned interest income	-	(17,093)	-	(20,462)	(20,462)
Total	49,702,521	156,136	46,247,723	145,802	46,393,525
Less Allowance for doubtful accounts	(3,193,494)	(3,667)	(3,026,451)	(4,026)	(3,030,477)
Net	46,509,027	152,469	43,221,272	141,776	43,363,048

As at September 30, 2017 and December 31, 2016, personal loan receivables comprised the following:

	Unit : Thousand Baht	
	“Unaudited” September 30, 2017	December 31, 2016
Revolving loan receivables	47,874,048	44,572,535
Minimum payment loan receivables	1,828,473	1,675,188
Total	49,702,521	46,247,723

Revolving loans are repayable at any time subject to a minimum monthly payment of 3.0% of the outstanding balances, as specified in the loan agreements. The Company classifies the total balance of revolving loan receivables within current assets.

Minimum payment loans are loans which the borrowers have the option to repay in full at any time or by monthly installments of not less than the minimum payment of from 3.0% to 8.0% of the total loan amount, as specified in the loan agreements. The Company classifies the total balance of minimum payment loan receivables within current assets.

As at September 30, 2017, the Company had loan receivables which were overdue for over three payment periods of Baht 1,048.14 million (December 31, 2016 : Baht 1,022.24 million) on which the Company has continued to recognize the interest income. The Company recognized interest income on such loan receivables for the three-month and nine-month periods ended September 30, 2017 amounting to Baht 49.62 million and Baht 148.68 million, respectively, (2016 : Baht 49.57 million and Baht 141.15 million, respectively) of which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at September 30, 2017 and December 31, 2016 were denominated entirely in Baht currency.

7. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

During the nine-month period ended September 30, 2017, the Company acquired leasehold improvements and equipment at the total cost of Baht 49.33 million (December 31, 2016 : Baht 142.70 million). In addition, the Company had depreciation expense of leasehold and equipment for the three-month and nine-month period ended September 30, 2017 totaling Baht 31.92 million and Baht 96.07 million, respectively (2016 : Baht 31.14 million and 93.42 million, respectively).

Additionally, in the current period, the Company acquired leasehold improvement with assets retirement obligation in the amount of Baht 1.57 million and the Company had depreciation expense of assets retirement obligation for the three-month and nine-month periods in amount of Baht 2.17 million and 6.61 million, respectively (2016 : Baht 2.38 million and 7.04 million, respectively).

8. DEFERRED TAX

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited”	
	September 30, 2017	December 31, 2016
Deferred tax assets		
Loan receivables		
(allowance for doubtful accounts)	639,794	607,136
Loan receivables (bad debt written-off)	120,905	94,322
Long-term borrowings from financial		
institutions (including cross currency swap)	29,713	-
Employee benefit obligations	18,414	16,849
Provision for restoration costs of		
leasehold improvements	12,201	10,881
Others	2,654	2,818
Total	<u>823,681</u>	<u>732,006</u>
Deferred tax liabilities		
Debtenture and long-term loan issuance cost	(9,596)	(11,767)
Long-term borrowings from financial		
institutions (including cross currency swap)	-	(116,717)
Total	<u>(9,596)</u>	<u>(128,484)</u>
Net	<u>814,085</u>	<u>603,522</u>

The movement of deferred tax assets and liabilities for the three-month periods ended September 30, 2017 and 2016 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance as at July 1, 2017	Item as recognized into profit (loss)	Balance as at September 30, 2017
Deferred tax assets			
Loan receivable			
(allowance for doubtful account)	638,237	1,557	639,794
Loan receivable (bad debt written-off)	109,950	10,955	120,905
Long-term borrowing from financial			
Institutions (including cross currency swap)	(2,217)	31,930	29,713
Employee benefit obligations	17,892	522	18,414
Provision for restoration costs of			
leasehold improvements	11,872	329	12,201
Others	2,695	(41)	2,654
	<u>778,429</u>	<u>45,252</u>	<u>823,681</u>
Deferred tax liabilities			
Debenture and long-term loan issuance cost	(10,740)	1,144	(9,596)
	<u>(10,740)</u>	<u>1,144</u>	<u>(9,596)</u>
Deferred tax assets	<u>767,689</u>	<u>46,396</u>	<u>814,085</u>
	Unit : Thousand Baht		
	Balance as at July 1, 2016	Item as recognized into profit (loss)	Balance as at September 30, 2016
Deferred tax assets			
Loan receivable			
(allowance for doubtful account)	583,786	24,317	608,103
Loan receivable (bad debt written-off)	110,933	(15,019)	95,914
Employee benefit obligations	13,319	443	13,762
Provision for restoration costs of			
leasehold improvements	10,013	400	10,413
Others	10,377	1,783	12,160
	<u>728,428</u>	<u>11,924</u>	<u>740,352</u>
Deferred tax liabilities			
Debenture and long-term loan issuance cost	(12,749)	(230)	(12,979)
Long-term borrowing from financial			
Institutions (including cross currency swap)	(118,442)	33,300	(85,142)
	<u>(131,191)</u>	<u>33,070</u>	<u>(98,121)</u>
Deferred tax assets	<u>597,237</u>	<u>44,994</u>	<u>642,231</u>

The movement of deferred tax assets and liabilities for the nine-month periods ended September 30, 2017 and 2016 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance as at January 1, 2017	Item as recognized into profit (loss)	Balance as at September 30, 2017
Deferred tax assets			
Loan receivable			
(allowance for doubtful account)	607,136	32,658	639,794
Loan receivable (bad debt written-off)	94,322	26,583	120,905
Long-term borrowing from financial			
Institutions (including cross currency swap)	(116,717)	146,430	29,713
Employee benefit obligations	16,849	1,565	18,414
Provision for restoration costs of			
leasehold improvements	10,881	1,320	12,201
Others	2,818	(164)	2,654
	<u>615,289</u>	<u>208,392</u>	<u>823,681</u>
Deferred tax liabilities			
Debenture and long-term loan issuance cost	(11,767)	2,171	(9,596)
	<u>(11,767)</u>	<u>2,171</u>	<u>(9,596)</u>
Deferred tax assets	<u>603,522</u>	<u>210,563</u>	<u>814,085</u>
	Unit : Thousand Baht		
	Balance as at January 1, 2016	Item as recognized into profit (loss)	Balance as at September 30, 2016
Deferred tax assets			
Loan receivable			
(allowance for doubtful account)	566,673	41,430	608,103
Loan receivable (bad debt written-off)	98,902	(2,988)	95,914
Employee benefit obligations	12,432	1,330	13,762
Provision for restoration costs of			
leasehold improvements	9,164	1,249	10,413
Others	9,290	2,870	12,160
	<u>696,461</u>	<u>43,891</u>	<u>740,352</u>
Deferred tax liabilities			
Debenture and long-term loan issuance cost	(13,339)	360	(12,979)
Long-term borrowing from financial			
Institutions (including cross currency swap)	(141,146)	56,004	(85,142)
	<u>(154,485)</u>	<u>56,364</u>	<u>(98,121)</u>
Deferred tax assets	<u>541,976</u>	<u>100,255</u>	<u>642,231</u>

9. INTEREST-BEARING LIABILITIES

Unit : Thousand Baht

	“Unaudited”				December 31, 2016		
	September 30, 2017		Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions					
Current							
Principal	4,722,816	3,579,670	11,302,486	3,590,000	5,629,921	-	9,219,921
Less Deferred finance cost	(573)	(523)	(2,721)	(1,384)	(1,565)	-	(2,949)
Net	<u>4,722,243</u>	<u>3,579,145</u>	<u>11,299,765</u>	<u>3,588,616</u>	<u>5,628,356</u>	<u>-</u>	<u>9,216,972</u>
Non-current							
Principal	-	7,308,139	19,412,539	-	7,906,009	12,604,400	20,510,409
Less Deferred finance cost	-	(5,347)	(46,386)	-	(5,499)	(52,257)	(57,756)
Net	-	7,302,792	19,365,953	-	7,900,510	12,552,143	20,452,653
Total	<u>4,722,243</u>	<u>10,881,937</u>	<u>30,665,718</u>	<u>3,588,616</u>	<u>13,528,866</u>	<u>12,552,143</u>	<u>29,669,625</u>
- Secured*	-	276,000	2,352,784	-	2,610,567	2,067,957	4,678,524
- Unsecured	4,722,243	10,605,937	28,312,934	3,588,616	10,918,299	10,484,186	24,991,101
Total	<u>4,722,243</u>	<u>10,881,937</u>	<u>30,665,718</u>	<u>3,588,616</u>	<u>13,528,866</u>	<u>12,552,143</u>	<u>29,669,625</u>

* The Company has letter of guarantees issued by a related party and a related foreign financial institution for guarantee payment of the Company under loan agreements and conditions of debentures with the financial institutions.

The currency denomination of interest-bearing liabilities are as follows:

	Unit : Thousand Baht	
	“Unaudited” September 30, 2017	December 31, 2016
Baht Currency	22,474,181	20,171,817
United States Dollars Currency	7,612,337	8,549,608
Yen Currency	579,200	948,200
Total	30,665,718	29,669,625

As at September 30, 2017, above liabilities bear interest at the rates ranging from 1.54% - 5.33% per annum (December 31, 2016 : 1.65% - 5.33% per annum).

Cross currency and interest rate swap agreement, interest rate swap agreement and forward foreign exchange contract agreements

Baht Currency

As at September 30, 2017, the Company had interest rate swap agreements with a related local bank and a local bank totaling Baht 1,100.00 million (December 31, 2016 : Baht 1,500.00 million) to hedge the volatility of interest rate by paying interest fixed rates as specified in the agreement in exchange for floating rates.

United States Dollars Currency

As at September 30, 2017, the Company had cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying the interest in Baht in fixed rate as specified in the agreement in exchange for interest payable in USD monthly, quarterly and semi-annually. The cross currency agreements were as follows:

- With a related local bank and the local banks totaling USD 144.80 million by swapping to Baht 4,898.00 million (December 31, 2016 : swapping USD 183.10 million to Baht 6,104.61 million).
- With a local branch of the foreign banks totaling USD 62.83 million by swapping to Baht 2,215.01 million (December 31, 2016 : swapping USD 71.50 million to Baht 2,487.52 million).

As at September 30, 2017, the Company had a forward foreign exchange contract agreement with a local bank totalling USD 16.00 million or equivalent to Baht 532.82 million to hedge financial liabilities denominated in foreign currencies.

Yen Currency

As at September 30, 2017, the Company had cross currency and interest rate swap agreements with a related local bank and a local bank totaling JPY 2,000.00 million by swapping to Baht 579.20 million (December 31, 2016: swapping JPY 3,200.00 million to Baht 948.20 million) to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying the interest in Baht in fixed rate as specified in the agreement in exchange for interest payable in JPY semi-annually.

Debentures

Debentures as at September 30, 2017 and December 31, 2016 are as follows:

		“Unaudited”			
		September 30,	December 31,		
		2017	2016		
		(Thousand Baht) (Thousand Baht)			
Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par value
1	September 26, 2014	1 st	Secured	30	USD 1,000,000
2	February 24, 2015	1 st	Secured	35	USD 1,000,000
3	March 12, 2015	1 st	Unsecured	1,500,000	Baht 1,000
	March 12, 2020	2 nd	Unsecured	1,000,000	Baht 1,000
4	September 30, 2015	1 st	Unsecured	1,500,000	Baht 1,000
	September 30, 2020	2 nd	Unsecured	500,000	Baht 1,000
5	February 25, 2016	1 st	Unsecured	2,000,000	Baht 1,000
	February 25, 2021	2 nd	Unsecured	2,000,000	Baht 1,000
6	September 15, 2016	1 st	Unsecured	1,000,000	Baht 1,000
	September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000
7	March 30, 2017	1 st	Unsecured	1,500,000	Baht 1,000
8	June 7, 2017	1 st	Unsecured	1,000,000	Baht 1,000
				15,104,400	12,604,400
				(42,862)	(52,257)
				15,061,538	12,552,143
				(2,998,377)	-
				12,063,161	12,552,143
				Less Debenture issuance cost	
				Less Current portion	
				Debentures - net	

As at September 30, 2017, debentures bear interest at rates ranging from 2.07% - 4.10% per annum (December 31, 2016 : 2.07% - 4.10% per annum).

10. OTHER INCOME

Other income for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit : Thousand Baht "Unaudited"		
For the three-month periods ended September 30,		
	2017	2016
Recovery of bad debts	268,073	197,200
Others	26,763	23,701
Total	294,836	220,901

Unit : Thousand Baht "Unaudited"		
For the nine-month periods ended September 30,		
	2017	2016
Recovery of bad debts	691,516	580,074
Others	74,039	68,320
Total	765,555	648,394

11. SEGMENT INFORMATION

The Company's operations are consumer finance business representing personal loans and installment loans as integrated and complementary activities that constitute one line of business. Consequently, management considers that it has only one business segment. Moreover, the Company operates in the domestic market; consequently, management determines that it has only one geographical segment.

12. SHARE CAPITAL

At the Annual General Meeting of Shareholders, the shareholders approved to increase Company's authorized share capital from the existing authorized share capital of Baht 4,500.00 million to the authorized share capital of Baht 6,000.00 million for the stock dividend payment of Baht 1,500.00 million to the Company's shareholders. The Company has registered such increase of its authorized share capital with the Ministry of Commerce on April 27, 2017 and the Company paid stock dividend to shareholders on May 17, 2017 (see Note 13.2).

For the three-month and nine-month periods ended September 30, the Company calculated weighted average number of ordinary shares as follows:

	Unit: Shares	
	“Unaudited”	“Unaudited”
	For the three-month periods	For the nine-month periods
	ended September 30,	ended September 30,
	2017	2016
Beginning balance	600,000,000	450,000,000
Increase during the period	-	75,274,725
Weighted average number of ordinary shares	600,000,000	525,274,725

13. DIVIDENDS PAID

13.1 At the Annual General Meeting of the Shareholders of the Company held on April 21, 2016, the shareholder approved the appropriation of dividends of Baht 0.83 per share, amounting to Baht 373.50 million. The dividends were paid to shareholders on April 28, 2016.

13.2 At the Annual General Meeting of the Shareholders of the Company held on April 20, 2017, the shareholders approved the appropriation of cash dividend payment of Baht 1.14 per share, amounting to Baht 513.00 million and approved stock dividend payment of 150 million shares, with par value of Baht 10.00 per share, to the shareholders of the Company at the ratio of 15 existing shares for 5 dividend stocks totaling Baht 1,500.00 million. The Company paid the cash dividend to shareholders on May 9, 2017 and paid stock dividend to shareholders on May 17, 2017 (see Note 12).

14. INCOME TAX EXPENSE

Income tax expense for the three month periods ended September 30, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Current tax expense	324,908	273,784
Current year	324,908	273,784
Deferred tax expense	(46,396)	(44,994)
Movements in temporary differences	(46,396)	(44,994)
Total	278,512	228,790

The reconciliation between income tax expense and accounting profit for the three-month periods ended September 30, 2017 and 2016 are as follows:

		Unit : Thousand Baht	
		2017	2016
	Tax Rate (%)		Tax Rate (%)
Accounting profit before income tax expense		<u>1,409,039</u>	<u>1,140,307</u>
Income tax - income (expense) at domestic tax rate	20.0	281,808	228,061
Tax effect of non-deductible expenses		<u>43,100</u>	<u>45,723</u>
Income tax expense per income tax return		324,908	273,784
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(46,396)</u>	<u>(44,994)</u>
Income tax expense		<u>278,512</u>	<u>228,790</u>

Income tax expense for the nine-month period ended September 30, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	2017	2016
Current tax expense	<u>925,500</u>	<u>716,297</u>
Current year	<u>925,500</u>	<u>716,297</u>
Deferred tax expense		
Movements in temporary differences	<u>(210,563)</u>	<u>(100,255)</u>
	<u>(210,563)</u>	<u>(100,255)</u>
Total	<u>714,937</u>	<u>616,042</u>

The reconciliation between income tax expense and accounting profit for the nine-month periods ended September 30, 2017 and 2016 are as follows:

		Unit : Thousand Baht	
		2017	2016
	Tax Rate (%)		Tax Rate (%)
Accounting profit before income tax expense		<u>3,593,937</u>	<u>3,097,097</u>
Income tax - income (expense) at domestic tax rate	20.0	718,787	619,419
Tax effect of non-deductible expenses		<u>206,713</u>	<u>96,878</u>
Income tax expense per income tax return		925,500	716,297
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(210,563)</u>	<u>(100,255)</u>
Income tax expense	19.9	<u>714,937</u>	<u>616,042</u>

15. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at September 30, 2017 and December 31, 2016 are as follows:

	Unit : Thousand Baht "Unaudited"	
	September 30, 2017	December 31, 2016
Capital commitments		
Furniture, fixtures and office equipment	32	-
Software	-	243
Total	32	243

	Unit : Thousand Baht "Unaudited"	
	September 30, 2017	December 31, 2016
Non-cancellable operating lease commitments		
Within one year	192,046	231,107
After one year but within five years	137,095	118,982
Total	329,141	350,089

The Company entered into several lease agreements covering office premises, vehicles and computer equipment for periods of from one to six years. In consideration thereof, the Company is committed to pay rental fee at various annual rental rates as specified in the agreements.

16. APPROVAL OF INTERIM FINANCIAL STATEMENTS

This interim financial statements were approved for issuing by the Board of Directors of the Company on November 9, 2017.