
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

***Three-month and nine-month period ended
September 30, 2018***

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, 2018 and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2018, 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 8, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

Unit : Thousand Baht

		“Unaudited”	
	Notes	As at	As at
		September 30,	December 31,
		2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,022,153	677,233
Loan receivables due within one year	6	49,822,064	48,100,449
Other receivables		319,527	333,584
Total Current Assets		<u>52,163,744</u>	<u>49,111,266</u>
NON-CURRENT ASSETS			
Loan receivables	6	26,875	34,555
Leasehold improvements and equipment	7	198,553	260,000
Intangible assets		113,289	144,323
Deferred tax assets	8	888,703	882,243
Other non-current assets		77,674	78,659
Total Non-current Assets		<u>1,305,094</u>	<u>1,399,780</u>
TOTAL ASSETS		<u><u>53,468,838</u></u>	<u><u>50,511,046</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2018

Unit : Thousand Baht

		“Unaudited”	
	Notes	As at	As at
		September 30,	December 31,
		2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	5,972,156	3,152,128
Trade accounts payable		3,476	3,009
Other payables	5	583,530	685,182
Current portion of long-term borrowings from financial institutions	5 and 9	3,047,209	2,803,289
Current portion of debentures	9	5,457,505	2,998,951
Current income tax payable		341,831	673,953
Total Current Liabilities		<u>15,405,707</u>	<u>10,316,512</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	6,945,811	8,891,309
Debentures	9	10,119,845	13,066,064
Provisions for employee benefits		106,045	96,988
Decommissioning obligations for leasehold improvement		67,655	68,867
Total Non-current Liabilities		<u>17,239,356</u>	<u>22,123,228</u>
TOTAL LIABILITIES		<u>32,645,063</u>	<u>32,439,740</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2018

Unit : Thousand Baht

	Notes	“Unaudited” As at September 30, 2018	As at December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
(CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		6,000,000	6,000,000
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
RETAINED EARNINGS			
Appropriated			
Legal reserve		600,000	600,000
Unappropriated		14,223,775	11,471,306
TOTAL SHAREHOLDERS' EQUITY		20,823,775	18,071,306
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		53,468,838	50,511,046

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, 2018
“Unaudited”

		Unit : Thousand Baht	
	Notes	2018	2017
REVENUES			
Income from personal loans		3,391,455	3,167,275
Income from installment loans		4,544	5,794
Other income	10	286,843	294,836
Total Revenues		<u>3,682,842</u>	<u>3,467,905</u>
EXPENSES			
Operating expenses		222,872	228,540
Administrative expenses		707,666	715,397
Bad debts and doubtful accounts expenses		1,015,347	871,979
Finance costs		219,021	242,950
Total Expenses		<u>2,164,906</u>	<u>2,058,866</u>
PROFIT BEFORE INCOME TAX EXPENSE		1,517,936	1,409,039
INCOME TAX EXPENSE	14	(309,224)	(278,512)
NET PROFIT FOR THE PERIODS		<u>1,208,712</u>	<u>1,130,527</u>
OTHER COMPREHENSIVE INCOME			
FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIODS		<u><u>1,208,712</u></u>	<u><u>1,130,527</u></u>
BASIC EARNINGS PER SHARE	BAHT	2.01	1.88
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES (See Note 12)	SHARES	600,000,000	600,000,000

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, 2018
“Unaudited”

Unit : Thousand Baht

	Notes	2018	2017
REVENUES			
Income from personal loans		9,913,136	9,174,450
Income from installment loans		14,679	17,202
Other income	10	841,204	765,555
Total Revenues		<u>10,769,019</u>	<u>9,957,207</u>
EXPENSES			
Operating expenses		641,678	635,817
Administrative expenses		2,096,852	2,092,038
Bad debts and doubtful accounts expenses		2,897,761	2,917,635
Finance costs		702,014	717,780
Total Expenses		<u>6,338,305</u>	<u>6,363,270</u>
PROFIT BEFORE INCOME TAX EXPENSE		4,430,714	3,593,937
INCOME TAX EXPENSE	14	(886,245)	(714,937)
NET PROFIT FOR THE PERIODS		<u>3,544,469</u>	<u>2,879,000</u>
OTHER COMPREHENSIVE INCOME			
FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIODS		<u><u>3,544,469</u></u>	<u><u>2,879,000</u></u>
BASIC EARNINGS PER SHARE	BAHT	5.91	5.48
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES (See Note 12)	SHARES	600,000,000	525,274,725

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, 2018
“Unaudited”

Unit : Thousand Baht

		Share capital Issued and paid-up	Retained earnings		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	
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 13.1	1,500,000	-	(1,500,000)	-
Dividends paid	13.1	-	-	(513,000)	(513,000)
Balance as at September 30, 2017		6,000,000	450,000	10,522,840	16,972,840
Balance as at January 1, 2018		6,000,000	600,000	11,471,306	18,071,306
Total comprehensive					
income for the period		-	-	3,544,469	3,544,469
Dividends paid	13.2	-	-	(792,000)	(792,000)
Balance as at September 30, 2018		6,000,000	600,000	14,223,775	20,823,775

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018
“Unaudited”

Unit : Thousand Baht

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax expense	4,430,714	3,593,937
Adjustments for:		
Depreciation and amortization expenses	117,723	135,548
Interest income	(9,927,815)	(9,191,652)
Finance costs	702,014	717,780
Bad debts and doubtful accounts expenses	2,897,761	2,917,635
Employee benefit expense	9,057	7,824
Loss (gain) on disposal of equipment and intangible assets	751	(521)
	<u>(1,769,795)</u>	<u>(1,819,449)</u>
Changes in operating assets and liabilities		
Loan receivables	(4,516,076)	(6,079,356)
Other receivables	14,106	1,479
Other non-current assets	985	(1,376)
Trade accounts payable	467	(2,063)
Other payables	(12,597)	87,084
Cash paid for operating activities	<u>(6,282,910)</u>	<u>(7,813,681)</u>
Cash received from interest income	9,832,195	9,051,533
Interest paid	(781,923)	(832,438)
Income tax paid	<u>(1,224,660)</u>	<u>(1,065,060)</u>
Net cash provided by (used in) operating activities	<u>1,542,702</u>	<u>(659,646)</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018
“Unaudited”

	Unit : Thousand Baht	
	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchasing of leasehold improvements and equipment	(18,448)	(48,417)
Proceeds from sale of equipment	322	1,605
Cash paid for purchasing of intangible assets	(6,171)	(1,988)
Net cash used in investing activities	<u>(24,297)</u>	<u>(48,800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans from financial institutions	28,342,715	22,764,864
Repayment of short-term loans from financial institutions	(25,520,531)	(21,632,048)
Proceeds from long-term loans from financial institutions	1,684,095	1,705,800
Repayment of long-term loans from financial institutions	(3,387,764)	(4,353,921)
Proceeds from issuing debentures	1,000,000	2,500,000
Repayment of debentures	(1,500,000)	-
Dividends paid to owners of the Company	(792,000)	(513,000)
Net cash provided by (used in) financing activities	<u>(173,485)</u>	<u>471,695</u>
Net increase (decrease) in cash and cash equivalents	1,344,920	(236,751)
Cash and cash equivalents as at January 1,	<u>677,233</u>	<u>750,906</u>
Cash and cash equivalents as at September 30,	<u><u>2,022,153</u></u>	<u><u>514,155</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
“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 2017) “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 statement of financial position as at December 31, 2017, presented herein for comparison, has 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, 2018 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, 2017. 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, these interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2017.

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (“TFRSs”) that have been effective for the financial statements for the period beginning on or after January 1, 2018 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.

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 Thai Financial Reporting Standard (“TFRS”) No.15 “Revenue from Contracts with Customers” which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follow:

Thai Accounting Standards (“TAS”)

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards (“TFRS”)

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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The Company’s management will adopt such TFRS in the preparation of the Company’s financial statements when they become 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 year. 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, 2017.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the nine-month periods ended September 30,	
	2018	2017
Leasehold improvements and equipment		
Liabilities recorded at beginning of period	578	1,507
Purchase of leasehold improvements and equipment	18,771	49,331
	<u>19,349</u>	<u>50,838</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(18,448)</u>	<u>(48,417)</u>
Liabilities recorded at ending of period	<u>901</u>	<u>2,421</u>

For the nine-month periods ended September 30, 2018 and 2017, the Company recorded leasehold improvements related to provision for restoration cost of Baht 1.60 million and Baht 1.56 million, respectively.

	Unit : Thousand Baht "Unaudited"	
	For the nine-month periods ended September 30,	
	2018	2017
Intangible assets		
Liabilities recorded at beginning of period	597	655
Purchase of intangible assets	5,574	1,943
	<u>6,171</u>	<u>2,598</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(6,171)</u>	<u>(1,988)</u>
Liabilities recorded at ending of period	<u>-</u>	<u>610</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 13.1)

Reconciliation of liabilities arising from financing activities for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Unit : Thousand Baht Debentures	Total
As at January 1, 2018	3,152,128	11,694,598	16,065,015	30,911,741
Changes in cash flow				
Cash proceeds	28,342,715	1,684,095	1,000,000	31,026,810
Cash repayment	(25,520,531)	(3,387,764)	(1,500,000)	(30,408,295)
Non-cash changes				
Maturity	(500,000)	-	-	(500,000)
Renewal	500,000	-	-	500,000
Deferred issuance costs				
on debentures and borrowings	(2,156)	2,091	12,335	12,270
As at September 30, 2018	5,972,156	9,993,020	15,577,350	31,542,526

	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Unit : Thousand Baht Debentures	Total
As at January 1, 2017	3,588,616	13,528,866	12,552,143	29,669,625
Changes in cash flow				
Cash proceeds	22,764,864	1,705,800	2,500,000	26,970,664
Cash repayment	(21,632,048)	(4,353,921)	-	(25,985,969)
Non-cash changes				
Maturity	(500,000)	-	-	(500,000)
Renewal	500,000	-	-	500,000
Deferred issuance costs				
on debentures and borrowings	811	1,192	9,395	11,398
As at September 30, 2017	4,722,243	10,881,937	15,061,538	30,665,718

5. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these interim financial statements, a party is 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), 40.19% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Leasing Business	Thailand	Related party in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Key management personnel	-	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise)

The Bank of Tokyo - Mitsubishi UFJ (“BTMU”) has changed its legal name to “MUFG Bank, Ltd.” effective on April 1, 2018.

Mitsubishi UFJ Trust and Banking Corporation (“MUTB”) and MUFG Bank, Ltd. are wholly-owned subsidiaries of Mitsubishi UFJ Financial Group (“MUFG”). On April 16, 2018, some businesses of MUTB have been transferred to MUFG Bank, Ltd. On the same date, all transactions under the agreements between the Company and MUTB have been transferred to MUFG Bank, Ltd.

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows:

	Unit : Thousand Baht “Unaudited”	
	For the three-month periods ended September 30,	
	2018	2017
Finance costs		
Parent company		
Guarantee fee	-	409
Other related parties		
Interest expense	44,107	45,150
Guarantee fee	268	289
Debenture arrangement fee	3,061	3,046
Upfront fee	672	721
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	24,189	24,071

Unit : Thousand Baht
“Unaudited”
For the nine-month
periods ended September 30,
2018 2017

Finance costs		
Parent company		
Guarantee fee	-	2,232
Other related parties		
Interest expense	136,646	137,484
Guarantee fee	804	861
Debenture arrangement fee	9,084	9,008
Upfront fee	2,091	2,551
Termination fee on cross currency and interest rate swap agreement	42,649	-
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	69,681	67,104

Balances with related parties as at September 30, 2018 and December 31, 2017 are as follows:

Unit : Thousand Baht
“Unaudited”
As at As at
September 30, December 31,
2018 2017

Short-term borrowings from financial institutions		
Other related parties		
Bank of Ayudhya Public Company Limited	100,000	50,000
MUFG Bank, Ltd., Singapore branch		
- Nil (as at December 31, 2017 : USD 16.00 million)	-	532,816
Total	<u>100,000</u>	<u>582,816</u>

As at September 30, 2018, short-term borrowings from financial institutions from other related parties bear interest at a rate of 2.06% per annum (as at December 31, 2017 : 2.06% - 2.40% per annum).

	Unit : Thousand Baht “Unaudited”	
	As at September 30, 2018	As at December 31, 2017
Current portion of long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
- USD 16.50 million (as at December 31, 2017 : USD 8.00 million)	577,075	284,960
Bank of Ayudhya Public Company Limited	800,000	500,000
Bangkok Mitsubishi UFJ Lease Co., Ltd.	-	300,000
Long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
- USD 24.50 million (as at December 31, 2017 : USD 41.00 million)	847,470	1,424,545
Bank of Ayudhya Public Company Limited	2,384,094	1,600,000
Bank of Ayudhya Public Company Limited		
- Nil (as at December 31, 2017 : USD 30.80 million)	-	1,084,094
Total	4,608,639	5,193,599

As at September 30, 2018, long-term borrowings from financial institutions from other related parties bear interest at rates ranging from 2.58 - 5.33% per annum (as at December 31, 2017 : 2.87% - 5.33% per annum).

	Unit : Thousand Baht “Unaudited”	
	As at September 30, 2018	As at December 31, 2017
Other payables		
Accrued interest expense		
Other related parties		
Bank of Ayudhya Public Company Limited	35,413	25,554
MUFG Bank, Ltd., Singapore branch	371	4,552
Bangkok Mitsubishi UFJ Lease Co., Ltd.	-	2,665
Total	35,784	32,771
Accrued guarantee fee		
Parent company		
ACOM CO., LTD.	-	34
Total	-	34
Deferred issuance cost (presented net from long-term borrowings and debentures)		
Other related parties		
MUFG Bank, Ltd.	18,295	29,114
Bank of Ayudhya Public Company Limited	70	63
Total	18,365	29,177

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 financial institutions (if any). 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 agreements unless the Company gives prior written notice to terminate the agreements.

The Company entered into agreements with MUFG Bank, 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 agreements.

Cross currency and interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in foreign currencies with volatility of interest rate by swapping foreign currencies and interest rates as specified in the agreements (see Note 9).

Interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in Thai Baht currency with floating interest rates by paying interest in Baht in fixed rates as specified in the agreements (see Note 9).

6. LOAN RECEIVABLES

	Unit : Thousand Baht				
	“Unaudited”		As at December 31, 2017		
	As at September 30, 2018		Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year					
Loan receivables	53,046,739	122,094	53,168,833	132,870	51,405,324
Less Unearned interest income	-	(9,959)	(9,959)	(13,166)	(13,166)
Allowance for doubtful accounts	(3,334,253)	(2,557)	(3,336,810)	(2,773)	(3,291,709)
Net	<u>49,712,486</u>	<u>109,578</u>	<u>49,822,064</u>	<u>116,931</u>	<u>48,100,449</u>
Due over one year					
Loan receivables	-	28,367	28,367	37,659	37,659
Less Unearned interest income	-	(967)	(967)	(2,415)	(2,415)
Allowance for doubtful accounts	-	(525)	(525)	(689)	(689)
Net	-	<u>26,875</u>	<u>26,875</u>	<u>34,555</u>	<u>34,555</u>
Total	<u>49,712,486</u>	<u>136,453</u>	<u>49,848,939</u>	<u>151,486</u>	<u>48,135,004</u>
	2018		2017		
Bad debts and doubtful accounts expenses for the three-month periods ended September 30,					
- Bad debts	899,436	642	862,597	1,593	864,190
- Doubtful accounts (reversal)	114,849	295	9,762	(822)	8,940
Total	<u>1,014,285</u>	<u>937</u>	<u>872,359</u>	<u>771</u>	<u>873,130</u>
Bad debts and doubtful accounts expenses for the nine-month periods ended September 30,					
- Bad debts	2,850,011	2,813	2,749,895	4,448	2,754,343
- Doubtful accounts (reversal)	45,317	(380)	167,043	(359)	166,684
Total	<u>2,895,328</u>	<u>2,433</u>	<u>2,916,938</u>	<u>4,089</u>	<u>2,921,027</u>

Aging analysis for loan receivables is as follows:

	“Unaudited”			Unit : Thousand Baht		
	As at September 30, 2018			As at December 31, 2017		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Current	50,055,318	148,225	50,203,543	48,399,002	167,432	48,566,434
Overdue payment						
Less than and equal to 3 months	1,813,645	1,196	1,814,841	1,750,828	2,181	1,753,009
More than 3 months	1,177,776	1,040	1,178,816	1,122,624	916	1,123,540
	53,046,739	150,461	53,197,200	51,272,454	170,529	51,442,983
Less Unearned interest income	-	(10,926)	(10,926)	-	(15,581)	(15,581)
Total	53,046,739	139,535	53,186,274	51,272,454	154,948	51,427,402
Less Allowance for doubtful accounts	(3,334,253)	(3,082)	(3,337,335)	(3,288,936)	(3,462)	(3,292,398)
Net	49,712,486	136,453	49,848,939	47,983,518	151,486	48,135,004

As at September 30, 2018 and December 31, 2017, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	September 30,	December 31,
	2018	2017
Revolving loan receivables	51,197,249	49,404,675
Minimum payment loan receivables	1,849,490	1,867,779
Total	53,046,739	51,272,454

Revolving loans are repayable at any time subject to a minimum monthly payment of 3% 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% to 8% 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, 2018 the Company had loan receivables which were overdue for over three payment periods of Baht 1,178.82 million (as at December 31, 2017 : Baht 1,123.54 million) on which the Company has continued to recognize the interest income. The Company recognized income on such loan receivables for the three-month and nine-month periods ended September 30, 2018 amounting to Baht 54.80 million and Baht 155.03 million, respectively (2017 : Baht 49.62 million and Baht 148.68 million, respectively) of which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at September 30, 2018 and December 31, 2017 were denominated entirely in Baht currency.

7. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

During the nine-month period ended September 30, 2018, the Company acquired additional leasehold improvements and equipment at the total cost of Baht 18.77 million (December 31, 2017 : Baht 60.23 million). In addition, the Company had depreciation expense of leasehold improvements and equipment for the three-month and nine-month periods ended September 30, 2018 totaling Baht 24.56 million and Baht 80.75 million, respectively (2017 : Baht 31.92 million and Baht 96.07 million, respectively).

Additionally, in the current period, the Company acquired additional leasehold improvements with assets retirement obligation in the amount of Baht 1.60 million and had depreciation expenses of assets retirement obligation for the three-month and nine-month periods ended September 30, 2018 totaling Baht 0.51 million and Baht 2.68 million, respectively (2017 : Baht 2.17 million and Baht 6.61 million, respectively).

8. DEFERRED TAX

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited”	
	As at September 30, 2018	As at December 31, 2017
Deferred tax assets		
Loan receivables		
(allowance for doubtful accounts)	667,563	658,607
Loan receivables (bad debt written-off)	138,870	130,897
Provisions for employee benefits	21,209	19,397
Decommissioning obligation for leasehold improvements	12,408	12,403
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	52,694	67,321
Others	2,177	2,431
Total	<u>894,921</u>	<u>891,056</u>
Deferred tax liabilities		
Debentures and borrowings issuance cost	(6,218)	(8,813)
Total	<u>(6,218)</u>	<u>(8,813)</u>
Net	<u>888,703</u>	<u>882,243</u>

The movements of deferred tax assets and liabilities for the three-month periods ended September 30, 2018 and 2017 consist of tax effects from the following items:

	Unit : Thousand Baht		
	“Unaudited”		
	Balance as at July 1, 2018	Item as recognized into profit (loss)	Balance as at September 30, 2018
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	644,438	23,125	667,563
Loan receivables (bad debt written-off)	155,127	(16,257)	138,870
Provisions for employee benefits	20,605	604	21,209
Decommissioning obligation for leasehold improvements	12,637	(229)	12,408
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	26,382	26,312	52,694
Others	2,204	(27)	2,177
	<u>861,393</u>	<u>33,528</u>	<u>894,921</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(7,339)	1,121	(6,218)
	<u>(7,339)</u>	<u>1,121</u>	<u>(6,218)</u>
Deferred tax assets	<u>854,054</u>	<u>34,649</u>	<u>888,703</u>

	Unit : Thousand Baht		
	Balance as at July 1, 2017	“Unaudited” Item as recognized into profit (loss)	Balance as at September 30, 2017
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	638,237	1,557	639,794
Loan receivables (bad debt written-off)	109,950	10,955	120,905
Provisions for employee benefits	17,892	522	18,414
Decommissioning obligation for leasehold improvements	11,872	329	12,201
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	(2,217)	31,930	29,713
Others	2,695	(41)	2,654
	<u>778,429</u>	<u>45,252</u>	<u>823,681</u>
Deferred tax liabilities			
Debentures and borrowings 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>

The movements of deferred tax assets and liabilities for the nine-month periods ended September 30, 2018 and 2017 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance as at January 1, 2018	“Unaudited” Item as recognized into profit (loss)	Balance as at September 30, 2018
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	658,607	8,956	667,563
Loan receivables (bad debt written-off)	130,897	7,973	138,870
Provisions for employee benefits	19,397	1,812	21,209
Decommissioning obligation for leasehold improvements	12,403	5	12,408
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	67,321	(14,627)	52,694
Others	2,431	(254)	2,177
	<u>891,056</u>	<u>3,865</u>	<u>894,921</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(8,813)	2,595	(6,218)
	<u>(8,813)</u>	<u>2,595</u>	<u>(6,218)</u>
Deferred tax assets	<u>882,243</u>	<u>6,460</u>	<u>888,703</u>

	Unit : Thousand Baht		
	Balance as at January 1, 2017	“Unaudited” Item as recognized into profit (loss)	Balance as at September 30, 2017
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	607,136	32,658	639,794
Loan receivables (bad debt written-off)	94,322	26,583	120,905
Provisions for employee benefits	16,849	1,565	18,414
Decommissioning obligation for leasehold improvements	10,881	1,320	12,201
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	(116,717)	146,430	29,713
Others	2,818	(164)	2,654
	<u>615,289</u>	<u>208,392</u>	<u>823,681</u>
Deferred tax liabilities			
Debentures and borrowings 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>

9. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht

	“Unaudited”				As at December 31, 2017		
	As at September 30, 2018		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	5,975,000	3,048,075	14,487,875	3,152,816	2,803,669	3,000,000	8,956,485
Less Deferred issuance cost on debentures and borrowings	(2,844)	(866)	(11,005)	(688)	(380)	(1,049)	(2,117)
Net	5,972,156	3,047,209	14,476,870	3,152,128	2,803,289	2,998,951	8,954,368
Non-current							
Principal	-	6,948,004	17,087,604	-	8,896,079	13,104,400	22,000,479
Less Deferred issuance cost on debentures and borrowings	-	(2,193)	(21,948)	-	(4,770)	(38,336)	(43,106)
Net	-	6,945,811	17,065,656	-	8,891,309	13,066,064	21,957,373
Total	5,972,156	9,993,020	31,542,526	3,152,128	11,694,598	16,065,015	30,911,741
- Secured*	-	-	2,088,980	-	-	2,080,132	2,080,132
- Unsecured	5,972,156	9,993,020	29,453,546	3,152,128	11,694,598	13,984,883	28,831,609
Total	5,972,156	9,993,020	31,542,526	3,152,128	11,694,598	16,065,015	30,911,741

* The Company has letter of guarantees issued by the parent company and a related foreign financial institution for guarantee payment of the Company under the conditions of long-term borrowings and debentures, respectively.

Interest-bearing liabilities as at September 30, 2018 and December 31, 2017 classified by currencies are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	September 30,	December 31,
	2018	2017
Baht Currency	25,344,621	22,403,887
United States Dollars Currency	5,600,705	7,910,654
Yen Currency	597,200	597,200
Total	<u>31,542,526</u>	<u>30,911,741</u>

As at September 30, 2018, above liabilities bear interest at the rates ranging from 1.55% - 5.33% per annum (as at December 31, 2017 : 1.53% - 5.33% per annum).

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

Baht Currency

As at September 30, 2018, the Company has interest rate swap agreements with a related local bank and a local bank totaling Baht 1,900.00 million (as at December 31, 2017 : Baht 1,900.00 million) to hedge the volatility of interest rate by paying interest in fixed rates as specified in the agreements.

United States Dollars Currency

As at September 30, 2018, the Company has cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying interest in Baht in fixed rates as specified in the agreements in exchange for interest payable in USD monthly, quarterly and semi-annually. The cross currency and interest rate swap agreements are as follows:

- With a related local bank and local banks totaling USD 106.00 million by swapping to Baht 3,528.95 million (as at December 31, 2017 : totaling USD 144.80 million by swapping to Baht 4,898.00 million).
- With a local branch of foreign banks totaling USD 59.50 million by swapping to Baht 2,090.24 million (as at December 31, 2017 : totaling USD 71.83 million by swapping to Baht 2,508.95 million).

As at December 31, 2017, the Company had a forward foreign exchange agreement with a local bank totaling USD 16.00 million or equivalent to Baht 532.82 million to hedge financial liabilities denominated in foreign currencies. As at September 30, 2018, such financial liabilities had been fully repaid by the Company.

Yen Currency

As at September 30, 2018, the Company has 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 597.20 million (as at December 31, 2017 : totaling JPY 2,000.00 million by swapping to Baht 597.20 million) to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying interest in Baht in fixed rates as specified in the agreements in exchange for interest payable in JPY quarterly and semi-annually.

Debentures

Debentures as at September 30, 2018 and December 31, 2017 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par value	“Unaudited”	
							As at September 30, 2018 (Thousand Baht)	As at December 31, 2017 (Thousand Baht)
1	September 26, 2014	September 26, 2019	1 st	Secured	30	USD 1,000,000	964,800	964,800
2	February 24, 2015	February 24, 2020	1 st	Secured	35	USD 1,000,000	1,139,600	1,139,600
3	March 12, 2015	March 12, 2018	1 st	Unsecured	1,500,000	Baht 1,000	-	1,500,000
		March 12, 2020	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
4	September 30, 2015	September 30, 2018	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
		September 30, 2020	2 nd	Unsecured	500,000	Baht 1,000	500,000	500,000
5	February 25, 2016	February 25, 2019	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
		February 25, 2021	2 nd	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
6	September 15, 2016	September 15, 2019	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
		September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
7	March 30, 2017	March 30, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
8	June 7, 2017	June 7, 2024	2 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	November 24, 2017	November 24, 2021	3 rd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
10	April 27, 2018	April 27, 2021	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	-
							15,604,400	16,104,400
Less Debenture deferred issuance cost							(27,050)	(39,385)
							15,577,350	16,065,015
Less Current portion of debentures							(5,457,505)	(2,998,951)
Debentures - net							10,119,845	13,066,064

As at September 30, 2018, debentures bear interest at rates ranging from 1.99% - 4.10% per annum (as at December 31, 2017: 2.07% - 4.10% per annum).

10. OTHER INCOME

Other income for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the three-month periods ended September 30,	
	2018	2017
Recovery of bad debts	256,760	268,073
Others	30,083	26,763
Total	286,843	294,836

	Unit : Thousand Baht "Unaudited"	
	For the nine-month periods ended September 30,	
	2018	2017
Recovery of bad debts	758,781	691,516
Others	82,423	74,039
Total	841,204	765,555

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 a domestic market; consequently, management determines that it has only one geographical segment.

12. SHARE CAPITAL

At the Annual General Meeting of Shareholders on April 20, 2017, 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 13.1).

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

	“Unaudited”		Unit: Shares	
	For the three-month periods		“Unaudited”	
	ended September 30,		For the nine-month periods	
	2018		ended September 30,	
	2017		2018	
	2017		2017	
Beginning balance	600,000,000	600,000,000	600,000,000	450,000,000
Increase during the period	-	-	-	75,274,725
Weighted average number of ordinary shares	600,000,000	600,000,000	600,000,000	525,274,725

13. DIVIDEND PAID

13.1 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 the shareholders on May 9, 2017 and paid stock dividend to the shareholders on May 17, 2017 (see Note 12).

13.2 At the Annual General Meeting of the Shareholders of the Company held on April 19, 2018, the shareholder approved the appropriation of dividends of Baht 1.32 per share, amounting to Baht 792.00 million. The dividends were paid to the shareholders on May 9, 2018.

14. TAX EXPENSE

Tax expense for the three-month periods ended September 30, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	For the three-month	
	periods ended September 30,	
	2018	2017
Current tax expense		
Current year	343,873	324,908
	<u>343,873</u>	<u>324,908</u>
Deferred tax expense		
Movements in temporary differences	(34,649)	(46,396)
	<u>(34,649)</u>	<u>(46,396)</u>
Total	<u>309,224</u>	<u>278,512</u>

Reconciliations of effective tax rates for the three-month periods ended September 30, 2018 and 2017 are as follows:

		2018		Unit : Thousand Baht 2017
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before tax expense		<u>1,517,936</u>		<u>1,409,039</u>
Tax expense at domestic tax rate	20.0	303,587	20.0	281,808
Tax effect of non-deductible expenses		<u>40,286</u>		<u>43,100</u>
Tax expense per income tax return		343,873		324,908
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(34,649)</u>		<u>(46,396)</u>
Tax expense	20.4	<u>309,224</u>	19.8	<u>278,512</u>

Tax expense for the nine-month periods ended September 30, 2018 and 2017 are as follows:

		Unit : Thousand Baht "Unaudited"
		For the nine-month periods ended September 30,
		2018 2017
Current tax expense		
Current year		<u>892,705</u> <u>925,500</u>
		<u>892,705</u> <u>925,500</u>
Deferred tax expense		
Movements in temporary differences		<u>(6,460)</u> <u>(210,563)</u>
		<u>(6,460)</u> <u>(210,563)</u>
Total		<u>886,245</u> <u>714,937</u>

Reconciliations of effective tax rates for the nine-month periods ended September 30, 2018 and 2017 are as follows:

		2018		Unit : Thousand Baht 2017
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before tax expense		<u>4,430,714</u>		<u>3,593,937</u>
Tax expense at domestic tax rate	20.0	886,143	20.0	718,787
Tax effect of non-deductible expenses		<u>6,562</u>		<u>206,713</u>
Tax expense per income tax return		892,705		925,500
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(6,460)</u>		<u>(210,563)</u>
Tax expense	20.0	<u>886,245</u>	19.9	<u>714,937</u>

15. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at September 30, 2018 and December 31, 2017 are as follows:

	Unit : Thousand Baht "Unaudited"	
	As at September 30, 2018	As at December 31, 2017
Capital commitments		
Software	2	1,956
Total	<u>2</u>	<u>1,956</u>

	Unit : Thousand Baht "Unaudited"	
	As at September 30, 2018	As at December 31, 2017
Non-cancellable operating lease commitments		
Within one year	206,733	233,792
After one year but within five years	107,132	179,334
Total	<u>313,865</u>	<u>413,126</u>

The Company entered into several lease agreements covering office premises, vehicles and computer equipment for periods of from one to four 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 THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuing by the Board of Directors of the Company on November 8, 2018.