

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY SUBSIDIARY, IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

Issuer & Securities

Issuer/ Manager

IFS CAPITAL LIMITED

Securities

IFS CAPITAL LIMITED - SG1A35000706 - I49

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

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Announcement Sub Title

Announcement by Subsidiary, IFS Capital (Thailand) Public Company Limited

Announcement Reference

SG221110OTHR28PU

Submitted By (Co./ Ind. Name)

Chionh Yi Chian/Angeline Ng

Designation

Company Secretary/Assistant Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see attached announcement issued by IFS Capital (Thailand) Public Company Limited on its Third Quarter 2022 Results.

Attachments

[IFST Financial Results 3Q 2022.pdf](#)

Total size =357K MB

Headline: Financial Performance Quarter 3 (F45) (Reviewed)

Security Symbol: IFS

Announcement Details

Financial Statement (F45)

Company name	IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED			
Quarter	Quarter 3			

(In thousands)

Financial Statement	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2022	2021	2022	2021
Profit (loss) attributable to equity holders of the Company *	40,980	37,816	120,631	109,082
EPS (baht)	0.08	0.08	0.24	0.22

Type of report	Unqualified opinion
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*For consolidated financial statements

Please review financial statement (Full Version) before making investment decision

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (SET Portal)."

Signature _____

(Mr. Tan Ley Yen)

Director and CEO

Authorized Persons to Disclose Information

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

**TO THE BOARD OF DIRECTORS
IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of IFS Capital (Thailand) Public Company Limited as at September 30, 2022 and the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, 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".

BANGKOK
November 9, 2022

Lasita Magut
Certified Public Accountant (Thailand)
Registration No. 9039
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

UNIT : BAHT

	Notes	"Unaudited" As at September 30, 2022	As at December 31, 2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		490,544,509	333,767,948
Factoring receivables	6	2,858,059,170	3,250,475,374
Hire purchase current receivables	7	1,357,919	1,527,326
Finance lease current receivables	8	63,742,900	56,135,048
Inventory finance receivables	9	131,213,849	113,146,443
Other current assets		8,107,348	6,767,303
Total Current Assets		3,553,025,695	3,761,819,442
NON-CURRENT ASSETS			
Bank deposits held as collateral		163,960	163,632
Hire purchase non-current receivables	7	990,534	-
Finance lease non-current receivables	8	62,815,469	55,819,773
Investment properties		54,549,130	58,026,593
Plant and equipment		16,843,887	19,009,578
Right-of-use assets		842,258	978,806
Other intangible assets		1,757,996	1,869,693
Deferred tax assets		34,434,569	32,066,577
Properties foreclosed		500,000	800,000
Other non-current assets		530,650	417,891
Total Non-current Assets		173,428,453	169,152,543
TOTAL ASSETS		3,726,454,148	3,930,971,985

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2022

UNIT : BAHT

	Notes	"Unaudited" As at September 30, 2022	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	10	1,620,000,000	1,825,000,000
Other current payables		62,262,306	41,626,268
Current portion of long-term borrowings	11	197,226,667	205,566,666
Current portion of lease liabilities		559,680	467,932
Corporate income tax payable		12,182,253	20,665,647
Other current liabilities		211,380	37,610
Total Current Liabilities		1,892,442,286	2,093,364,123
NON-CURRENT LIABILITIES			
Long-term borrowings	11	139,306,666	187,266,667
Lease liabilities		312,664	535,723
Non-current provisions for employee benefits		39,221,745	36,322,005
Other non-current liabilities		899,404	1,870,429
Total Non-current Liabilities		179,740,479	225,994,824
TOTAL LIABILITIES		2,072,182,765	2,319,358,947

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2022

UNIT : BAHT

	Note	"Unaudited" As at September 30, 2022	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
493,500,000 ordinary shares of Baht 1 each		493,500,000	493,500,000
Issued and paid-up share capital			
493,499,975 ordinary shares of Baht 1 each		493,499,975	493,499,975
Share premium on ordinary shares		31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve		49,350,000	49,350,000
Unappropriated		1,079,675,009	1,037,016,664
TOTAL SHAREHOLDERS' EQUITY		<u>1,654,271,383</u>	<u>1,611,613,038</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>3,726,454,148</u>	<u>3,930,971,985</u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
"UNAUDITED"

UNIT : BAHT

	Note	2022	2021
REVENUES			
Factoring income		68,269,017	61,601,077
Hire purchase income		73,564	69,500
Finance lease income		2,368,096	2,093,461
Factoring commission and service fees		26,742,659	23,361,990
Other income		10,002,280	8,323,596
Total Revenues		107,455,616	95,449,624
EXPENSES			
Selling expenses		4,463,370	3,317,611
Administrative expenses		26,833,616	23,338,493
Management benefit expenses	4	8,956,415	8,925,609
Total Expenses		40,253,401	35,581,713
Profit from operating activities		67,202,215	59,867,911
Finance cost		9,973,431	9,102,281
Impairment loss determined in accordance with TFRS 9		5,417,360	2,239,549
PROFIT BEFORE INCOME TAX EXPENSE		51,811,424	48,526,081
INCOME TAX EXPENSE		10,831,198	10,709,994
PROFIT FOR THE PERIODS		40,980,226	37,816,087
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		40,980,226	37,816,087
BASIC EARNINGS PER SHARE	BAHT	0.08	0.08
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	493,499,975	493,499,975

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
"UNAUDITED"

		UNIT : BAHT	
	Note	2022	2021
REVENUES			
Factoring income		200,104,636	180,345,354
Hire purchase income		151,713	266,313
Finance lease income		6,855,390	7,035,291
Factoring commission and service fees		78,584,443	68,771,085
Other income		32,411,369	27,458,914
Total Revenues		318,107,551	283,876,957
EXPENSES			
Selling expenses		14,724,019	11,935,088
Administrative expenses		78,777,131	75,159,157
Management benefit expenses	4	29,186,246	28,998,831
Total Expenses		122,687,396	116,093,076
Profit from operating activities		195,420,155	167,783,881
Finance cost		28,219,063	25,884,557
Impairment loss determined in accordance with TFRS 9		15,929,227	3,588,233
PROFIT BEFORE INCOME TAX EXPENSE		151,271,865	138,311,091
INCOME TAX EXPENSE		30,640,524	29,229,116
PROFIT FOR THE PERIODS		120,631,341	109,081,975
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		120,631,341	109,081,975
BASIC EARNINGS PER SHARE	BAHT	0.24	0.22
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	493,499,975	493,499,975

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
"UNAUDITED"

UNIT : BAHT

	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings		Total Shareholders' Equity
				Appropriated Legal Reserve	Unappropriated	
Beginning balance as at January 1, 2021		493,499,975	31,746,399	49,350,000	953,282,818	1,527,879,192
Changes during the period						
Total comprehensive income		-	-	-	109,081,975	109,081,975
Dividends paid	12.2	-	-	-	(69,089,996)	(69,089,996)
Ending balance as at September 30, 2021		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>993,274,797</u>	<u>1,567,871,171</u>
Beginning balance as at January 1, 2022		493,499,975	31,746,399	49,350,000	1,037,016,664	1,611,613,038
Changes during the period						
Total comprehensive income		-	-	-	120,631,341	120,631,341
Dividends paid	12.1	-	-	-	(77,972,996)	(77,972,996)
Ending balance as at September 30, 2022		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>1,079,675,009</u>	<u>1,654,271,383</u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
"UNAUDITED"

UNIT : BAHT

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the periods		120,631,341	109,081,975
Adjustments for:			
Income tax expenses		30,640,524	29,229,116
Impairment loss determined in accordance with TFRS 9		15,929,227	3,588,233
Impairment loss from properties foreclosed		300,000	-
Gain on disposal of fixed assets		(709)	(691,589)
Loss on written-off assets		19	5,217,172
Interest expenses		27,853,404	25,514,665
Employee benefits expense		3,359,439	3,203,610
Depreciation and amortization		8,083,311	7,799,979
		206,796,556	182,943,161
Operating assets (increase) decrease			
Factoring receivables		379,308,134	(81,615,680)
Hire purchase receivables		(828,083)	2,494,460
Finance lease receivables		(16,812,962)	9,092,650
Inventory finance receivables		(18,672,193)	4,645,801
Other current assets		(7,530,455)	325,753
Bank deposits held as collateral		(328)	(376)
Other non-current assets		(112,759)	(1,017)
Operating liabilities increase (decrease)			
Other current payables		21,431,418	(2,352,479)
Other current liabilities		173,770	(424,490)
Other non-current liabilities		(971,025)	899,404
Cash received from operating activities		562,782,073	116,007,187
Interest expense paid		(28,631,634)	(25,813,271)
Employee benefits paid		(459,699)	-
Income tax paid		(35,301,500)	(31,819,870)
Net cash provided by operating activities		498,389,240	58,374,046

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
"UNAUDITED"

UNIT : BAHT

	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of equipment		(1,321,878)	(77,310)
Cash paid for purchases of other intangible assets		(605,754)	(1,697,662)
Cash received from disposal of assets		1,869	691,589
Net cash used in investing activities		<u>(1,925,763)</u>	<u>(1,083,383)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for short-term borrowings			
to financial institutions	5.2	(9,630,000,000)	(8,535,000,000)
Cash received from short-term borrowings			
from financial institutions	5.2	9,425,000,000	8,560,000,000
Cash paid for long-term borrowings	5.2	(156,300,000)	(153,060,000)
Cash received from long-term borrowings	5.2	100,000,000	200,000,000
Cash paid for lease liabilities	5.2	(395,397)	(292,920)
Cash paid for interest expenses under lease agreements	5.2	(18,523)	(25,320)
Cash paid for dividend	12	(77,972,996)	(69,089,996)
Net cash provided by (used in) financing activities		<u>(339,686,916)</u>	<u>2,531,764</u>
Net increase in cash and cash equivalents		156,776,561	59,822,427
Cash and cash equivalents at the beginning of the periods		333,767,948	390,619,301
Cash and cash equivalents at the end of the periods	5.1	<u><u>490,544,509</u></u>	<u><u>450,441,728</u></u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022
“UNAUDITED”

1. THE COMPANY’S OPERATION AND GENERAL INFORMATION

IFS Capital (Thailand) Public Company Limited (the “Company”) was incorporated in March 1991, under the laws of Thailand and registered as a Public Company Limited with the Ministry of Commerce on April 18, 2007. The Company’s office is located at 20th floor Lumpini Tower, 1168/55 Rama IV Road, Tungmahamek, Sathorn, Bangkok. The business activities of the Company are factoring, hire purchase, finance lease businesses and office rental.

The major shareholders are IFS Capital Holdings (Thailand) Limited with 36.64% shareholdings and IFS Capital Limited (registered in Singapore) with 36.49% shareholdings. The Company’s ultimate shareholder is Phillip Asset Pte. Ltd. (registered in Singapore).

The Company has been foreign and submitted the request to do business under Section 17 of the Foreign Business Act B.E. 2542 and obtained the license of foreign business operations from the Department of Business Development to do business in category 3 (21) service business as follows:

- 1) Factoring
- 2) Leasing and hire purchase businesses only to the existing customers committed under the leasing and hire purchase agreements
- 3) Leasing and hire purchase of vehicles and machineries used in industry, tools used in transport of goods, vessels and carriages used in agriculture to new clients
- 4) Service businesses of office rental including utility and facility

Thus, the Company has to comply with the conditions specified in the certificate of foreign business operations.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No.34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The statement of financial position as at December 31, 2021, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2022 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2022 should be read in conjunction with the audited financial statements for the year ended December 31, 2021.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. 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 accounting requirements for interest rate reform - Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Company’s interim financial statements.

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

On August 19, 2022, Thai Financial Reporting Standard No.17 “Insurance Contracts” has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2025 onwards.

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Company are as follows:

Thai Accounting Standard No.37 “Provisions, Contingent Liabilities and Contingent Assets”

The amendments specify that the “cost of fulfilling a contract” comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Thai Financial Reporting Standard No.3 “Business Combinations”

The amendments update TFRS 3 so that it refers to the Conceptual Framework which is currently effective. In addition, they also add to TFRS 3 a requirement that, for obligations within the scope of TAS 37, an acquirer applies TAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of TFRIC 21 “Levies”, the acquirer applies TFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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.

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, 2021.

4. RELATED PARTY TRANSACTIONS

The accompanying financial statements include certain transactions with related companies. The relationship may be that of shareholding or the companies may have the same group of shareholders or directors. The financial statements reflect the effects of these transactions in the normal business practice, and the price rates, interest rates, terms and conditions are considered to be at arms length, for related party as approved by the Board or the shareholders.

Relationships with related parties as at September 30, 2022 were as follows:

	Relationships
IFS Capital Limited	Major Shareholder
IFS Capital Holdings (Thailand) Limited	Related Company

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2022 and 2021 were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Management benefit expenses				
Short-term benefits	8,720,475	8,697,875	28,478,425	28,315,625
Post-employment benefits	225,996	216,136	677,988	648,415
Other long-term benefits	9,944	11,598	29,833	34,791
	<u>8,956,415</u>	<u>8,925,609</u>	<u>29,186,246</u>	<u>28,998,831</u>
Dividends paid				
IFS Capital Limited	-	-	28,452,346	25,210,940
IFS Capital Holdings (Thailand) Limited	-	-	28,569,306	25,314,575
	<u>-</u>	<u>-</u>	<u>57,021,652</u>	<u>50,525,515</u>

5. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

5.1 Cash and cash equivalents as at September 30, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Cash on hand	30,000	30,000
Cash at banks - current accounts	15,711,602	9,397,559
Cash at banks - savings accounts	474,802,907	441,014,169
	<u>490,544,509</u>	<u>450,441,728</u>

5.2 Changes in liabilities from financing activities as at September 30, 2022 and 2021 consisted of the following:

	As at January 1, 2022	Changes in cash flows		Non-cash items ⁽¹⁾	As at September 30, 2022
		Cash received	Cash paid		
Short-term borrowings from financial institutions	1,825,000,000	9,425,000,000	(9,630,000,000)	-	1,620,000,000
Long-term borrowings	392,833,333	100,000,000	(156,300,000)	-	336,533,333
Lease liabilities	1,003,655	-	(413,920)	282,609	872,344

(1) Non-cash items were arisen from car and photocopy machine rental agreements.

	As at January 1, 2021	Changes in cash flows		Non-cash items ⁽²⁾	As at September 30, 2021
		Cash received	Cash paid		
Short-term borrowings from financial institutions	1,425,000,000	8,560,000,000	(8,535,000,000)	-	1,450,000,000
Long-term borrowings	403,580,000	200,000,000	(153,060,000)	-	450,520,000
Lease liabilities	-	-	(318,240)	1,434,801	1,116,561

(2) Non-cash items were arisen from car rental agreements.

5.3 The Company has transferred lease receivables totaling by Baht 6.22 million to property foreclosed amounted to Baht 1.00 million and recognized the remaining balance amounted to Baht 5.22 million as administrative expenses in the statement of comprehensive income for the nine-month period ended September 30, 2021 (2022: Nil).

6. FACTORING RECEIVABLES

Factoring receivables as at September 30, 2022 and December 31, 2021 consisted of the following:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Factoring receivables	3,940,188,185	4,219,541,529
<u>Less</u> Allowance for expected credit losses	<u>(99,184,688)</u>	<u>(86,076,618)</u>
	3,841,003,497	4,133,464,911
<u>Less</u> Factoring payables	<u>(982,944,327)</u>	<u>(882,989,537)</u>
Factoring receivables, net	<u>2,858,059,170</u>	<u>3,250,475,374</u>

Factoring receivables as at September 30, 2022 and December 31, 2021 were classified by staging as follows:

	Unit : Baht		
	As at September 30, 2022		
	Factoring receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	3,309,287,170	2,483,230,303	805,302
Significant increase in credit risk receivables	523,888,448	366,618,172	539,946
Default receivables in credit risk	107,012,567	107,012,567	97,839,440
Total	<u>3,940,188,185</u>	<u>2,956,861,042</u>	<u>99,184,688</u>

	Unit : Baht		
	As at December 31, 2021		
	Factoring receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	3,728,032,826	2,951,458,005	84,539
Significant increase in credit risk receivables	405,745,355	298,414,708	228,731
Default receivables in credit risk	85,763,348	85,763,348	85,763,348
Total	<u>4,219,541,529</u>	<u>3,335,636,061</u>	<u>86,076,618</u>

Allowance for expected credit losses for the nine-month period ended September 30, 2022 and for the year ended December 31, 2021 consisted of the following:

	Unit : Baht			
	For the nine-month period ended September 30, 2022			
	Allowance for expected credit losses			
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	Total
Balance as at January 1, 2022	84,539	228,731	85,763,348	86,076,618
Changes in staging	66,779	(67,081)	302	-
Changes in risk parameters	647,429	380,886	12,075,790	13,104,105
New financial assets originated or purchased	6,882	-	-	6,882
Financial assets derecognized	(327)	(2,590)	-	(2,917)
Balance as at September 30, 2022	<u>805,302</u>	<u>539,946</u>	<u>97,839,440</u>	<u>99,184,688</u>

	Unit : Baht			
	For the year ended December 31, 2021			
	Allowance for expected credit losses			
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	Total
Balance as at January 1, 2021	61,471	100,827	86,950,440	87,112,738
Changes in staging	36,216	(36,216)	-	-
Changes in risk parameters	(23,143)	164,120	(616,512)	(475,535)
New financial assets originated or purchased	12,443	-	-	12,443
Financial assets derecognized	(2,448)	-	-	(2,448)
Written-off	-	-	(570,580)	(570,580)
Balance as at December 31, 2021	<u>84,539</u>	<u>228,731</u>	<u>85,763,348</u>	<u>86,076,618</u>

7. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at September 30, 2022 and December 31, 2021 consisted of the following:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Outstanding contract price	2,572,250	1,589,992
<u>Less</u> Unearned financing income	<u>(216,482)</u>	<u>(62,307)</u>
	2,355,768	1,527,685
<u>Less</u> Allowance for expected credit losses	<u>(7,315)</u>	<u>(359)</u>
	<u>2,348,453</u>	<u>1,527,326</u>
Due within one year	1,543,350	1,589,992
<u>Less</u> Unearned financing income	<u>(178,116)</u>	<u>(62,307)</u>
<u>Less</u> Allowance for expected credit losses	<u>(7,315)</u>	<u>(359)</u>
Hire purchase current receivables, net	<u>1,357,919</u>	<u>1,527,326</u>
Hire purchase non-current receivables, net	<u>990,534</u>	<u>-</u>

Hire purchase receivables as at September 30, 2022 and December 31, 2021 were classified by staging as follows:

	Unit : Baht		
	As at September 30, 2022		
	Hire purchase receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	<u>2,355,768</u>	<u>2,572,250</u>	<u>7,315</u>
Total	<u>2,355,768</u>	<u>2,572,250</u>	<u>7,315</u>
	Unit : Baht		
	As at December 31, 2021		
	Hire purchase receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	<u>1,527,685</u>	<u>1,589,992</u>	<u>359</u>
Total	<u>1,527,685</u>	<u>1,589,992</u>	<u>359</u>

Allowance for expected credit losses for the nine-month period ended September 30, 2022 and for the year ended December 31, 2021 consisted of the following:

	For the nine-month period ended September 30, 2022			Unit : Baht
	Allowance for expected credit losses			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	
Balance as at January 1, 2022	359	-	-	359
New financial assets originated or purchased	7,315	-	-	7,315
Financial assets derecognized	(359)	-	-	(359)
Balance as at September 30, 2022	<u>7,315</u>	<u>-</u>	<u>-</u>	<u>7,315</u>

	For the year ended December 31, 2021			Unit : Baht
	Allowance for expected credit losses			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	
Balance as at January 1, 2021	15,562	23,404	-	38,966
Changes in risk parameters	(15,203)	-	-	(15,203)
Financial assets derecognized	-	(23,404)	-	(23,404)
Balance as at December 31, 2021	<u>359</u>	<u>-</u>	<u>-</u>	<u>359</u>

8. FINANCE LEASE RECEIVABLES

Finance lease receivables as at September 30, 2022 and December 31, 2021 consisted of the following:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Outstanding contract price	230,457,103	213,603,281
<u>Less</u> Deposits on finance lease	(78,159,483)	(80,291,569)
<u>Less</u> Unearned financing income	(14,266,276)	(12,093,330)
	<u>138,031,344</u>	<u>121,218,382</u>
<u>Less</u> Allowance for expected credit losses	(11,472,975)	(9,263,561)
	<u>126,558,369</u>	<u>111,954,821</u>
Due within one year	101,723,611	91,309,965
<u>Less</u> Deposits on finance lease	(30,216,309)	(28,318,141)
<u>Less</u> Unearned financing income	(7,764,402)	(6,856,776)
Finance lease current receivables, net	<u>63,742,900</u>	<u>56,135,048</u>
Finance lease non-current receivables, net	<u>62,815,469</u>	<u>55,819,773</u>

Finance lease receivables as at September 30, 2022 and December 31, 2021 were classified by staging as follows:

	Unit : Baht		
	<u>As at September 30, 2022</u>		
	Finance lease receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	99,603,232	110,212,524	982,289
Significant increase in credit risk receivables	14,474,100	16,102,185	2,580,095
Default receivables in credit risk	23,954,012	23,954,012	7,910,591
Total	<u>138,031,344</u>	<u>150,268,721</u>	<u>11,472,975</u>

	Unit : Baht		
	<u>As at December 31, 2021</u>		
	Finance lease receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	108,712,772	119,532,430	1,575,384
Significant increase in credit risk receivables	1,407,300	1,452,835	59,867
Default receivables in credit risk	11,098,310	11,098,310	7,628,310
Total	<u>121,218,382</u>	<u>132,083,575</u>	<u>9,263,561</u>

Allowance for expected credit losses for the nine-month period ended September 30, 2022 and for the year ended December 31, 2021 consisted of the following:

	Unit : Baht			
	<u>For the nine-month period ended September 30, 2022</u>			
	<u>Allowance for expected credit losses</u>			
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Balance as at January 1, 2022	1,575,384	59,867	7,628,310	9,263,561
Changes in staging	(791,963)	511,935	280,028	-
Changes in risk parameters	(233,044)	901,547	2,253	670,756
New financial assets originated or purchased	449,230	1,147,200	-	1,596,430
Financial assets derecognized	(17,318)	(40,454)	-	(57,772)
Balance as at September 30, 2022	<u>982,289</u>	<u>2,580,095</u>	<u>7,910,591</u>	<u>11,472,975</u>

	Unit : Baht			
	<u>For the year ended December 31, 2021</u>			
	<u>Allowance for expected credit losses</u>			
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Balance as at January 1, 2021	623,733	3,996,623	4,008,582	8,628,938
Changes in staging	3,124,193	(3,137,266)	13,073	-
Changes in risk parameters	(2,583,586)	39,687	1,902,679	(641,220)
New financial assets originated or purchased	412,964	-	1,703,976	2,116,940
Financial assets derecognized	(1,920)	(839,177)	-	(841,097)
Balance as at December 31, 2021	<u>1,575,384</u>	<u>59,867</u>	<u>7,628,310</u>	<u>9,263,561</u>

9. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at September 30, 2022 and December 31, 2021 consisted of the following:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Inventory finance receivables	139,245,819	120,573,626
<u>Less</u> Allowance for expected credit losses	<u>(8,031,970)</u>	<u>(7,427,183)</u>
Inventory finance receivables, net	<u>131,213,849</u>	<u>113,146,443</u>

Inventory finance receivables as at September 30, 2022 and December 31, 2021 were classified by staging as follows:

	As at September 30, 2022			Unit : Baht
	Inventory finance receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses	
Low credit risk receivables	110,085,276	110,085,276	2,084,202	
Significant increase in credit risk receivables	24,614,819	25,614,819	1,402,044	
Default receivables in credit risk	<u>4,545,724</u>	<u>4,545,724</u>	<u>4,545,724</u>	
Total	<u>139,245,819</u>	<u>140,245,819</u>	<u>8,031,970</u>	

	As at December 31, 2021			Unit : Baht
	Inventory finance receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses	
Low credit risk receivables	105,016,027	105,016,027	1,769,995	
Significant increase in credit risk receivables	11,011,875	11,511,875	1,111,464	
Default receivables in credit risk	<u>4,545,724</u>	<u>4,545,724</u>	<u>4,545,724</u>	
Total	<u>120,573,626</u>	<u>121,073,626</u>	<u>7,427,183</u>	

Allowance for expected credit losses for the nine-month period ended September 30, 2022 and for the year ended December 31, 2021 consisted of the following:

	For the nine-month period ended September 30, 2022			Unit : Baht
	Allowance for expected credit losses			
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Balance as at January 1, 2022	1,769,995	1,111,464	4,545,724	7,427,183
Changes in staging	772,997	(772,997)	-	-
Changes in risk parameters	(562,860)	892,412	-	329,552
New financial assets originated or purchased	104,070	171,165	-	275,235
Balance as at September 30, 2022	<u>2,084,202</u>	<u>1,402,044</u>	<u>4,545,724</u>	<u>8,031,970</u>

	For the year ended December 31, 2021			Unit : Baht
	Allowance for expected credit losses			
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Balance as at January 1, 2021	1,774,775	204,844	4,545,724	6,525,343
Change in staging	(42,788)	42,788	-	-
Changes in risk parameters	38,008	919,832	-	957,840
Written-off	-	(56,000)	-	(56,000)
Balance as at December 31, 2021	<u>1,769,995</u>	<u>1,111,464</u>	<u>4,545,724</u>	<u>7,427,183</u>

10. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at September 30, 2022 and December 31, 2021 consisted of the following:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Promissory notes	<u>1,620,000,000</u>	<u>1,825,000,000</u>

As at September 30, 2022 and December 31, 2021, the Company had short-term borrowings from financial institutions which bear interest rate at 1.50% to 2.59% per annum and 1.50% to 2.90% per annum, respectively.

11. LONG-TERM BORROWINGS

Long-term borrowings as at September 30, 2022 and December 31, 2021 consisted of the following:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Long-term borrowings	336,533,333	392,833,333
Current portion of long-term borrowings	<u>(197,226,667)</u>	<u>(205,566,666)</u>
	<u>139,306,666</u>	<u>187,266,667</u>

As at September 30, 2022 and December 31, 2021, the Company entered into long-term borrowings with financial institutions at the floating interest rates 2.62% to 3.17% per annum and 2.61% to 3.60% per annum, respectively, and are repayable quarterly installments, the last installment of such borrowings fall due in July 2025. The Company has to comply with the conditions specified in the borrowing agreements with each financial institution that the Company has to maintain its debt to equity ratio at the rate prescribed in the agreements.

12. DIVIDENDS PAID

- 12.1 On April 20, 2022, the Ordinary Shareholder's Meeting passed the resolutions to pay dividend at the rate of Baht 0.158 per share on 493,499,975 shares, totaling Baht 77,972,996. Such dividend was paid on May 13, 2022.
- 12.2 On April 20, 2021, the Ordinary Shareholder's Meeting passed the resolutions to pay dividend at the rate of Baht 0.14 per share on 493,499,975 shares, totaling Baht 69,089,996. Such dividend was paid on May 14, 2021.

13. COMMITMENTS

As at September 30, 2022 and December 31, 2021, the Company had the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at September 30, 2022 Baht	As at December 31, 2021 Baht
Total credit facilities	<u>5,365,000,000</u>	<u>5,343,000,000</u>

As at September 30, 2022 and December 31, 2021, the Company had utilized the letters of credit with financial institutions amounting to Baht 1.00 million and 0.50 million, respectively, for factoring, hire purchase and finance lease receivables. However, as at September 30, 2022 and December 31, 2021, the Company had unused such credit facilities with financial institutions totaling Baht 2,951 million and Baht 2,766 million, respectively.

14. FAIR VALUE MEASUREMENTS

Considerable judgment is necessarily required in estimation of fair value of financial assets or financial liabilities. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

1. Financial assets or financial liabilities not measured at fair value

Cash and cash equivalents, other current assets, bank deposits held as collateral, short-term borrowings from financial institutions, other current payables and other current liabilities; the fair values approximate their carrying amounts due to the relatively short period to maturity.

Factoring receivables, finance lease receivables and inventory finance receivables, which carry a floating interest rate receivable and hire purchase receivables which carry a fixed interest rate receivables which are close to the market rate. The fair value is approximated by the outstanding balance less allowance for expected credit losses.

Long-term borrowings with floating interest rate: the fair values approximate their carrying amount presented in the statement of financial position.

2. Non-financial assets measured at cost but their fair values

Investment properties has fair value which is determined based on the market price equivalent approach, fair value hierarchy level 2.

15. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the Management of the Company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard.

The business segments are described below:

Factoring business: is a short-term loan that provides liquidity to the business immediately and enables the business to increase its turnover in the form of buying accounts receivables. The factoring facility is applicable to both domestic and international sales.

Hire purchase and finance lease business: are long-term loans for invested in business industry.

Others: encompasses a range of activities from corporate decisions, income and expenses not attributed to the business segments described.

For the three-month and nine-month periods ended September 30, 2022 and 2021, there is no revenue from a single external customer contributed 10% or more to the Company's total revenue.

The financial information by business segment for the three-month and nine-month periods ended September 30, 2022 and 2021 were as follows:

	For the three-month period ended September 30, 2022				For the three-month period ended September 30, 2021			
	Factoring business	Hire purchase and finance lease business	Unallocated	Total	Factoring business	Hire purchase and finance lease business	Unallocated	Total
Income from operations	95,012	2,441	-	97,453	84,963	2,163	-	87,126
Other income	9,235	767	-	10,002	7,623	701	-	8,324
Total income	104,247	3,208	-	107,455	92,586	2,864	-	95,450
Selling and administrative expenses	39,050	1,203	-	40,253	34,529	1,053	-	35,582
Finance cost	9,676	297	-	9,973	8,828	274	-	9,102
Impairment loss determined in accordance with TFRS 9 (reversal)	4,128	1,289	-	5,417	2,602	(362)	-	2,240
Total operation expenses	52,854	2,789	-	55,643	45,959	965	-	46,924
Profit before income tax expenses	51,393	419	-	51,812	46,627	1,899	-	48,526
Income tax expenses	10,065	767	-	10,832	9,123	1,587	-	10,710
Net profit for the periods	41,328	(348)	-	40,980	37,504	312	-	37,816

Unit : Thousand Baht

Unit : Thousand Baht

	For the nine-month period ended September 30, 2022				For the nine-month period ended September 30, 2021			
	Factoring business	Hire purchase and finance lease business	Unallocated	Total	Factoring business	Hire purchase and finance lease business	Unallocated	Total
Income from operations	278,689	7,007	-	285,696	249,116	7,302	-	256,418
Other income	30,153	2,258	-	32,411	25,485	1,974	-	27,459
Total income	308,842	9,265	-	318,107	274,601	9,276	-	283,877
Selling and administrative expenses	119,114	3,573	-	122,687	112,300	3,793	-	116,093
Finance cost	27,397	822	-	28,219	25,039	846	-	25,885
Impairment loss determined in accordance with TFRS 9	13,713	2,216	-	15,929	3,471	117	-	3,588
Total operation expenses	160,224	6,611	-	166,835	140,810	4,756	-	145,566
Profit before income tax expenses	148,618	2,654	-	151,272	133,791	4,520	-	138,311
Income tax expenses	29,171	1,470	-	30,641	26,256	2,973	-	29,229
Net profit for the periods	119,447	1,184	-	120,631	107,535	1,547	-	109,082

Unit : Thousand Baht

	As at September 30, 2022				As at December 31, 2021			
	Factoring business	Hire purchase and finance lease business	Unallocated	Total	Factoring business	Hire purchase and finance lease business	Unallocated	Total
Total assets	2,989,273	128,907	608,274	3,726,454	3,363,622	113,482	453,868	3,930,972

16. RECLASSIFICATIONS

A reclassification has been made in the statement of financial position as at December 31, 2021, to conform to the classification used in the statement of financial position as at September 30, 2022 as follows:

Item	Previous presentation	Current presentation	Amount (Baht)
Corporate income tax payable	Other current liabilities	Corporate income tax payable	20,665,647

17. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the authorized director of the Company on November 9, 2022.