

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

Date & Time of Broadcast

05-Aug-2021 18:39:16

Status

New

Announcement Sub Title

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

Announcement Reference

SG210805OTHR8QSR

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 Second Quarter 2021 Results.

Attachments

[IFST Financial Results 2Q 2021.pdf](#)

Total size =276K MB

Headline: Financial Performance Quarter 2 (F45) (Reviewed)

Security Symbol: IFS

Announcement Details

Financial Statement (F45)

Company name	IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED			
Quarter	Quarter 2			

(In thousands)

Financial Statement	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2021	2020	2021	2020
Profit (loss) attributable to equity holders of the Company *	35,788	33,578	71,266	82,289
EPS (baht)	0.07	0.07	0.14	0.17

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 June 30, 2021 and the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2021, and the related statements of changes in shareholders' equity and cash flows for the six-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
August 5, 2021

Nisakorn Songmanee
Certified Public Accountant (Thailand)
Registration No. 5035
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

UNIT : BAHT

	Notes	"Unaudited" As at June 30, 2021	As at December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		446,127,250	390,619,301
Factoring receivables	5	2,778,736,566	2,667,557,627
Hire purchase current receivables	6	2,424,089	3,125,493
Finance lease current receivables	7	52,357,918	69,458,366
Inventory finance receivables	8	114,174,231	120,690,936
Other current assets		6,030,016	5,704,608
Total Current Assets		3,399,850,070	3,257,156,331
NON-CURRENT ASSETS			
Bank deposits held as collateral		163,318	162,942
Hire purchase non-current receivables	6	425,889	1,527,685
Finance lease non-current receivables	7	59,339,882	66,698,203
Investment properties		60,370,377	62,675,948
Plant and equipment		21,389,548	23,713,089
Right-of-use assets	9	1,213,719	-
Other intangible assets		2,209,333	704,473
Deferred tax assets		33,538,790	36,457,738
Properties foreclosed	10	1,000,000	-
Other non-current assets		654,717	477,150
Total Non-current Assets		180,305,573	192,417,228
TOTAL ASSETS		3,580,155,643	3,449,573,559

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2021

UNIT : BAHT

		"Unaudited"	
	Notes	As at June 30, 2021	As at December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	11	1,445,000,000	1,425,000,000
Other current payables		43,303,944	42,427,087
Current portion of long-term borrowings	12	222,380,000	178,800,000
Current portion of lease liabilities	13	462,396	-
Other current liabilities		16,614,803	17,976,747
Total Current Liabilities		<u>1,727,761,143</u>	<u>1,664,203,834</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	12	285,826,667	224,780,000
Lease liabilities	13	767,070	-
Non-current provisions for employee benefits		34,846,275	32,710,533
Other non-current liabilities		899,404	-
Total Non-current Liabilities		<u>322,339,416</u>	<u>257,490,533</u>
TOTAL LIABILITIES		<u>2,050,100,559</u>	<u>1,921,694,367</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2021

UNIT : BAHT

	Notes	"Unaudited" As at June 30, 2021	As at December 31, 2020
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
ADDITIONAL PAID-UP CAPITAL			
Premium on ordinary shares		31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve		49,350,000	49,350,000
Unappropriated		955,458,710	953,282,818
TOTAL SHAREHOLDERS' EQUITY		1,530,055,084	1,527,879,192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,580,155,643	3,449,573,559

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021
"UNAUDITED"

UNIT : BAHT

	Note	2021	2020
REVENUES			
Factoring income		61,362,132	60,545,652
Hire purchase income		86,068	80,242
Finance lease income		2,357,208	3,707,492
Factoring commission and service fees		23,234,097	21,056,365
Other income		9,225,466	9,692,180
Total Revenues		96,264,971	95,081,931
EXPENSES			
Selling expenses		4,568,739	4,000,020
Administrative expenses		25,555,165	23,869,810
Management benefit expenses	14	10,885,643	10,468,774
Total Expenses		41,009,547	38,338,604
Profit from operating activities		55,255,424	56,743,327
Finance cost		8,736,007	11,065,974
Expected credit losses		1,027,197	3,788,569
PROFIT BEFORE INCOME TAX EXPENSE		45,492,220	41,888,784
INCOME TAX EXPENSE		9,704,428	8,310,421
PROFIT FOR THE PERIODS		35,787,792	33,578,363
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		35,787,792	33,578,363
BASIC EARNINGS PER SHARE	BAHT	0.07	0.07
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 SIX-MONTH PERIOD ENDED JUNE 30, 2021
"UNAUDITED"

			UNIT : BAHT		
	Note	2021	2020		
REVENUES					
Factoring income		118,744,277	129,170,935		
Hire purchase income		196,813	146,348		
Finance lease income		4,941,830	7,717,385		
Factoring commission and service fees		45,409,095	45,987,201		
Other income		19,135,318	22,107,286		
Total Revenues		188,427,333	205,129,155		
EXPENSES					
Selling expenses		8,617,477	9,133,877		
Administrative expenses		51,820,664	50,283,779		
Management benefit expenses	14	20,073,222	18,890,549		
Total Expenses		80,511,363	78,308,205		
Profit from operating activities		107,915,970	126,820,950		
Finance cost		16,782,276	24,250,994		
Expected credit losses		1,348,684	377,853		
PROFIT BEFORE INCOME TAX EXPENSE		89,785,010	102,192,103		
INCOME TAX EXPENSE		18,519,122	19,903,510		
PROFIT FOR THE PERIODS		71,265,888	82,288,593		
OTHER COMPREHENSIVE INCOME		-	-		
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		71,265,888	82,288,593		
BASIC EARNINGS PER SHARE	BAHT	0.14	0.17		
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 SIX-MONTH PERIOD ENDED JUNE 30, 2021
"UNAUDITED"

UNIT : BAHT

	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings Appropriated Legal Reserve	Unappropriated	Total Shareholders' Equity
Beginning balance as at January 1, 2020		493,499,975	31,746,399	49,350,000	937,259,383	1,511,855,757
Effect of change in accounting policy		-	-	-	(3,004,500)	(3,004,500)
Balance as at January 1, 2020 after adjustment		493,499,975	31,746,399	49,350,000	934,254,883	1,508,851,257
Changes during the period						
Total comprehensive income		-	-	-	82,288,593	82,288,593
Dividends paid	15.2	-	-	-	(115,972,494)	(115,972,494)
Ending balance as at June 30, 2020		493,499,975	31,746,399	49,350,000	900,570,982	1,475,167,356
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		-	-	-	71,265,888	71,265,888
Dividends paid	15.1	-	-	-	(69,089,996)	(69,089,996)
Ending balance as at June 30, 2021		493,499,975	31,746,399	49,350,000	955,458,710	1,530,055,084

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021
"UNAUDITED"

		UNIT : BAHT	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the periods		71,265,888	82,288,593
Adjustments for:			
Income tax expenses		18,519,122	19,903,510
Expected credit losses (reversal)		1,348,684	(403,248)
Loss on bad debts written-off		-	781,101
Gain on disposal of fixed assets		(691,589)	-
Loss on written-off assets	10	5,217,172	-
Interest expenses		16,526,204	24,022,322
Employment benefits expense		2,135,742	2,076,449
Depreciation and amortization		5,094,984	5,312,471
		119,416,207	133,981,198
Operating assets (increase) decrease			
Factoring receivables		(110,838,192)	944,913,374
Hire purchase receivables		1,841,464	(140,137)
Finance lease receivables	10	17,724,874	9,215,463
Inventory finance receivables		5,305,734	33,940,916
Other current assets		(325,408)	(1,511,412)
Bank deposits held as collateral		(376)	(616)
Other non-current assets		(177,567)	(178,760)
Operating liabilities increase (decrease)			
Other current payables		876,857	-
Other current liabilities		(3,549,693)	(29,048,761)
Other non-current liabilities		899,404	(762,750)
Cash received from operating activities		31,173,304	1,090,408,515
Interest expense paid		(16,859,712)	(24,862,760)
Interest tax paid		(13,063,091)	(25,365,157)
Net cash provided by operating activities		1,250,501	1,040,180,598

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021
"UNAUDITED"

		UNIT : BAHT	
	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of plant and equipment		(77,310)	(48,850)
Cash paid for purchases of other intangible assets		(1,697,662)	(69,218)
Cash received from disposal of assets		691,589	-
Net cash used in investing activities		(1,083,383)	(118,068)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for short-term borrowings			
to financial institutions	4.2	(6,230,000,000)	(7,825,000,000)
Cash received from short-term borrowings			
from financial institutions	4.2	6,250,000,000	6,880,000,000
Cash paid for long-term borrowings	4.2	(95,373,333)	(85,360,000)
Cash received from long-term borrowings	4.2	200,000,000	100,000,000
Cash paid for lease liabilities	4.3	(180,015)	-
Cash paid for interest expenses under lease agreements	4.3	(15,825)	-
Cash paid for dividend	15	(69,089,996)	(115,972,494)
Net cash provided by (used in) financing activities		55,340,831	(1,046,332,494)
Net increase (decrease) in cash and cash equivalents		55,507,949	(6,269,964)
Cash and cash equivalents at the beginning of the periods		390,619,301	364,123,985
Cash and cash equivalents at the end of the periods	4.1	446,127,250	357,854,021

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021
“UNAUDITED”

1. GENERAL INFORMATION AND THE COMPANY’S OPERATION

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% 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 dated July 3, 2009 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

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

On November 27, 2009, the Company had reapplied for a permission to operate a business under annex 3 (21): service businesses of 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 and on April 8, 2010, the Company had obtained the approval from the Department of Business Development.

Subsequently, on June 18, 2015 and February 4, 2021, the Company had applied for a permission to operate a business under annex 3 (21): service businesses of office rental including utility and facility with other company and on September 23, 2015 and March 26, 2021, respectively, the Company had obtained the approval from the Department of Business Development.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, 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, 2020, 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 six-month periods ended June 30, 2021 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 six-month periods ended June 30, 2021 should be read in conjunction with the audited financial statements for the year ended December 31, 2020.
- 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 and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. 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
- The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

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, 2020. However, during the period, the Company has applied Thai Financial Reporting Standards No.5 “Non-current Assets Held for Sale and Discontinued Operations” and Thai Financial Reporting Standards No.16 “Leases” due to entering into the car rental agreements to the financial statements for the three-month and six-month periods ended June 30, 2021 as follows:

3.1 TFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

Properties Foreclosed

Properties foreclosed is stated at the lower of cost (fair value with reference to appraisal value, providing this does not exceed the legally claimable amount of debt) or net realizable value, which is determined with reference to the latest appraisal value less estimated selling expenses and taking into consideration the type and the nature of the assets.

Gains on disposal of properties foreclosed are recognized as income in part of profit or loss in the statement of comprehensive income on the disposal date.

3.2 TFRS 16 “Leases”

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents as at June 30, 2021 and 2020 consisted of the following:

	2021	2020
	Baht	Baht
Cash on hand	30,000	30,000
Cash at banks - current accounts	7,326,832	16,454,489
Cash at banks - savings accounts	438,770,418	341,369,532
	<u>446,127,250</u>	<u>357,854,021</u>

4.2 Changes in liabilities from financing activities as at June 30, 2021 and 2020 consisted of the following:

	Balance as at January 1, 2021 Baht	Cash flows from financing activities		Balance as at June 30, 2021 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	1,425,000,000	6,250,000,000	(6,230,000,000)	1,445,000,000
Long-term borrowings	403,580,000	200,000,000	(95,373,333)	508,206,667
Total	1,828,580,000	6,450,000,000	(6,325,373,333)	1,953,206,667

	Balance as at January 1, 2020 Baht	Cash flows from financing activities		Balance as at June 30, 2020 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	2,210,000,000	6,880,000,000	(7,825,000,000)	1,265,000,000
Long-term borrowings	266,980,000	100,000,000	(85,360,000)	281,620,000
Total	2,476,980,000	6,980,000,000	(7,910,360,000)	1,546,620,000

4.3 Reconciliation of liabilities arising from financing activities for the six-month period ended June 30, 2021 was as follows (2020: Nil):

	As at January 1, 2021	Changes in cash flows		Non-cash items ⁽¹⁾	As at June 30, 2021
		Cash received	Cash paid		
Lease liabilities	-	-	(195,840)	1,425,306	1,229,466

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

5. FACTORING RECEIVABLES

Factoring receivables as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Factoring receivables	3,677,600,973	3,402,411,026
<u>Less</u> Allowance for expected credit losses	<u>(86,201,411)</u>	<u>(87,112,738)</u>
	3,591,399,562	3,315,298,288
<u>Less</u> Factoring payables	<u>(812,662,996)</u>	<u>(647,740,661)</u>
Factoring receivables, net	<u>2,778,736,566</u>	<u>2,667,557,627</u>

Factoring receivables as at June 30, 2021 and December 31, 2020 were classified by staging as follows:

	Unit : Baht		
	As at June 30, 2021		
	Factoring receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	3,331,445,787	2,566,932,938	68,181
Significant increase in credit risk receivables	260,183,505	211,751,620	161,549
Default receivables in credit risk	85,971,681	85,971,681	85,971,681
Total	<u>3,677,600,973</u>	<u>2,864,656,239</u>	<u>86,201,411</u>

	Unit : Baht		
	As at December 31, 2020		
	Factoring receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	3,091,277,137	2,482,214,092	61,471
Significant increase in credit risk receivables	223,004,204	185,193,056	100,827
Default receivables in credit risk	88,129,685	86,950,440	86,950,440
Total	<u>3,402,411,026</u>	<u>2,754,357,588</u>	<u>87,112,738</u>

Allowance for expected credit losses for the six-month period ended June 30, 2021 consisted of the following:

	Allowance for expected credit loss			Unit: Baht
	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	33,661	(33,661)	-	-
Changes in risk parameters	(36,943)	99,199	(408,179)	(345,923)
New financial assets originated or purchased	15,922	1,453	-	17,375
Financial assets derecognized	(5,930)	(6,269)	-	(12,199)
Written-off	-	-	(570,580)	(570,580)
Balance as at June 30, 2021	<u>68,181</u>	<u>161,549</u>	<u>85,971,681</u>	<u>86,201,411</u>

6. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021	As at December 31, 2020
	Baht	Baht
Outstanding contract price	3,034,986	5,073,263
<u>Less</u> Unearned financing income	<u>(184,306)</u>	<u>(381,119)</u>
	2,850,680	4,692,144
<u>Less</u> Allowance for expected credit losses	<u>(702)</u>	<u>(38,966)</u>
	<u>2,849,978</u>	<u>4,653,178</u>
Due within one year	2,601,239	3,483,271
<u>Less</u> Unearned financing income	<u>(176,448)</u>	<u>(318,812)</u>
Allowance for expected credit losses	<u>(702)</u>	<u>(38,966)</u>
Hire purchase current receivables, net	<u>2,424,089</u>	<u>3,125,493</u>
Hire purchase non-current receivables, net	<u>425,889</u>	<u>1,527,685</u>

Hire purchase receivables as at June 30, 2021 and December 31, 2020 were classified by staging as follows:

	Unit : Baht		
	As at June 30, 2021		
	Hire purchase receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	2,850,680	3,034,986	702
Total	<u>2,850,680</u>	<u>3,034,986</u>	<u>702</u>

	Unit : Baht		
	As at December 31, 2020		
	Hire purchase receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	4,107,395	4,479,981	15,562
Significant increase in credit risk receivables	584,749	593,282	23,404
Total	<u>4,692,144</u>	<u>5,073,263</u>	<u>38,966</u>

Allowance for expected credit losses for the six-month period ended June 30, 2021 consisted of the following:

	Allowance for expected credit losses			Unit : Baht
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	Total
Balance as at January 1, 2021	15,562	23,404	-	38,966
Changes in risk parameters	(14,860)	(23,127)	-	(37,987)
Financial assets derecognized	-	(277)	-	(277)
Balance as at June 30, 2021	<u>702</u>	<u>-</u>	<u>-</u>	<u>702</u>

7. FINANCE LEASE RECEIVABLES

Finance lease receivables as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Outstanding contract price	210,821,111	247,884,553
<u>Less</u> Deposits on finance lease	(78,284,689)	(88,632,466)
<u>Less</u> Unearned financing income	<u>(11,692,960)</u>	<u>(14,466,580)</u>
	120,843,462	144,785,507
<u>Less</u> Allowance for expected credit losses	<u>(9,145,662)</u>	<u>(8,628,938)</u>
	<u>111,697,800</u>	<u>136,156,569</u>
Due within one year	84,312,210	98,290,197
<u>Less</u> Deposits on finance lease	(25,190,509)	(21,121,313)
<u>Less</u> Unearned financing income	<u>(6,763,783)</u>	<u>(7,710,518)</u>
Finance lease current receivables, net	<u>52,357,918</u>	<u>69,458,366</u>
Finance lease non-current receivables, net	<u>59,339,882</u>	<u>66,698,203</u>

Finance lease receivables as at June 30, 2021 and December 31, 2020 were classified by staging as follows:

	Unit : Baht		
	As at June 30, 2021		
	Finance lease receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	99,471,778	109,191,478	1,374,099
Significant increase in credit risk receivables	13,391,084	14,690,432	2,190,963
Default receivables in credit risk	<u>7,980,600</u>	<u>7,980,600</u>	<u>5,580,600</u>
Total	<u>120,843,462</u>	<u>131,862,510</u>	<u>9,145,662</u>

	Unit : Baht		
	As at December 31, 2020		
	Finance lease receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	107,879,826	118,287,373	623,733
Significant increase in credit risk receivables	29,497,099	32,776,649	3,996,623
Default receivables in credit risk	<u>7,408,582</u>	<u>7,408,582</u>	<u>4,008,582</u>
Total	<u>144,785,507</u>	<u>158,472,604</u>	<u>8,628,938</u>

Allowance for expected credit loss for the six-month period ended June 30, 2021 consisted of the following:

	Allowance for expected credit losses			Unit : Baht
	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	1,070,400	(1,083,473)	13,073	-
Changes in risk parameters	(650,865)	(498,149)	1,558,945	409,931
New financial assets originated or purchased	331,485	-	-	331,485
Financial assets derecognized	(654)	(224,038)	-	(224,692)
Balance as at June 30, 2021	<u>1,374,099</u>	<u>2,190,963</u>	<u>5,580,600</u>	<u>9,145,662</u>

8. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Inventory finance receivables	121,910,545	127,216,279
<u>Less</u> Allowance for expected credit losses	<u>(7,736,314)</u>	<u>(6,525,343)</u>
Inventory finance receivables, net	<u>114,174,231</u>	<u>120,690,936</u>

Inventory finance receivables as at June 30, 2021 and December 31, 2020 were classified by staging as follows:

	Unit : Baht		
	As at June 30, 2021		
	Inventory finance receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	112,208,076	112,208,076	2,620,987
Significant increase in credit risk receivables	5,156,745	5,656,745	569,603
Default receivables in credit risk	4,545,724	4,545,724	4,545,724
Total	<u>121,910,545</u>	<u>122,410,545</u>	<u>7,736,314</u>

	Unit : Baht		
	As at December 31, 2020		
	Inventory finance receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	115,827,377	115,827,377	1,774,775
Significant increase in credit risk receivables	6,843,178	7,843,178	204,844
Default receivables in credit risk	4,545,724	4,545,724	4,545,724
Total	<u>127,216,279</u>	<u>128,216,279</u>	<u>6,525,343</u>

Allowance for expected credit losses for the six-month period ended June 30, 2021 consisted of the following:

	Allowance for expected credit losses			Unit : Baht
	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
Changes in staging	(42,788)	42,788	-	-
Changes in risk parameters	534,269	377,971	-	912,240
New financial assets originated or purchased	354,731	-	-	354,731
Financial assets derecognized	-	(56,000)	-	(56,000)
Balance as at June 30, 2021	<u>2,620,987</u>	<u>569,603</u>	<u>4,545,724</u>	<u>7,736,314</u>

9. RIGHT-OF-USE ASSETS

Right-of-use assets as at June 30, 2021 were as follows (As at December 31, 2020: Nil):

	Balance as at January 1, 2021	Additions	Decreases	Unit : Baht Balance as at June 30, 2021
Cost				
Vehicles	-	1,409,480	-	1,409,480
Total cost	-	1,409,480	-	1,409,480
Accumulated depreciation				
Vehicles	-	(195,761)	-	(195,761)
Total accumulated depreciation	-	(195,761)	-	(195,761)
Right-of-use assets	-			<u>1,213,719</u>
Depreciation for the six-month period ended June 30, 2021			Baht	<u>195,761</u>

The maturity analysis of lease liabilities is presented in Note 12.

Unit : Baht
For the six-month period ended
June 30, 2021

Amounts recognized in profit or loss

Depreciation on right-of-use assets	195,761
Interest expense on lease liabilities	15,825

For the six-month period ended June 30, 2021, the total cash outflow for leases amounted to Baht 0.20 million (2020: Nil).

10. PROPERTIES FORECLOSED

Properties foreclosed as at June 30, 2021 was as follows (As at December 31, 2020: Nil):

	As at June 30, 2021 Baht
Properties foreclosed	6,217,172
<u>Less</u> Loss on written-off assets	<u>(5,217,172)</u>
Properties foreclosed, net	<u>1,000,000</u>

In 2021, the Company has transferred finance lease receivables totaling by Baht 6.22 million to properties foreclosed amounted to Baht 1.00 million and recognized the remaining balance amounted to Baht 5.22 million as loss on written-off assets and presented in administrative expenses in the statement of comprehensive income for the six-month period ended June 30, 2021.

11. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Promissory notes	<u>1,445,000,000</u>	<u>1,425,000,000</u>

As at June 30, 2021 and December 31, 2020 the Company had short-term borrowings from financial institutions which bear interest rate at 1.50% to 2.90% per annum in each year.

12. LONG-TERM BORROWINGS

Long-term borrowings as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Long-term borrowings	508,206,667	403,580,000
Current portion of long-term borrowings	<u>(222,380,000)</u>	<u>(178,800,000)</u>
	<u>285,826,667</u>	<u>224,780,000</u>

As at June 30, 2021 and December 31, 2020, the Company entered into long-term borrowings with financial institutions at the floating interest rates 2.62% to 3.60% per annum and 2.62% to 4.00% per annum, respectively, and are repayable quarterly installments, the last installment of such borrowings fall due in June 2024. The Company has to comply with the conditions specified in the loan agreements with each financial institution that the Company has to maintain its financial covenants.

13. LEASE LIABILITIES

Lease liabilities as at June 30, 2021 consisted of the following (As at December 31, 2020: Nil):

	Unit : Baht 2021
Maturity analysis:	
Year 1	489,600
Year 2	489,600
Year 3	293,760
	<u>1,272,960</u>
<u>Less</u> Unearned interest	(43,494)
Total	<u><u>1,229,466</u></u>
Analyzed as:	
Current	462,396
Non-current	767,070
Total	<u><u>1,229,466</u></u>

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

14. 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.

Significant transactions with related parties for the three-month and six-month periods ended June 30, 2021 and 2020 were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Management benefit expenses				
Short-term benefits	10,657,907	10,244,950	19,617,750	18,442,900
Post-employment benefits	216,141	209,898	432,279	419,795
Other long-term benefits	11,595	13,926	23,193	27,854
	<u>10,885,643</u>	<u>10,468,774</u>	<u>20,073,222</u>	<u>18,890,549</u>

15. DIVIDENDS PAID

- 15.1 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.
- 15.2 On April 1, 2020, the Board of Directors Meeting passed the resolutions to pay interim dividend at the rate of Baht 0.235 per share on 493,499,975 shares, totaling Baht 115,972,494. Such dividend was paid on April 30, 2020. Additionally, the Ordinary Shareholder's Meeting has acknowledged the interim dividend payment on June 29, 2020.

16. COMMITMENTS

As at June 30, 2021 and December 31, 2020, the Company had the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Total credit facilities	<u>5,336,000,000</u>	<u>5,226,000,000</u>

As at June 30, 2021 and December 31, 2020, the Company had utilized the letters of credit with financial institutions amounting to Baht 0.50 million and Baht 1.00 million, respectively, for factoring, hire purchase and finance lease receivables. However, as at June 30, 2021 and December 31, 2020, the Company had unused such credit facilities with financial institutions totaling Baht 3,149 million and Baht 3,108 million, respectively.

17. 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.

Financial assets or financial liabilities not measured at fair value:

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

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

Long-term borrowings and lease liabilities; which carry a floating interest rate and the fair values approximate their carrying amount presented in the statement of financial position.

18. 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 six-month periods ended June 30, 2021 and 2020, there is no revenue from a single external customer contributed 10% or more to the Company's total revenue.

The financial statements by business segment for the three-month and six-month periods ended June 30, 2021 and 2020 were as follows:

	For the three-month periods ended June 30, 2021				For the three-month periods ended June 30, 2020			
	Factoring business	Hire purchase and finance lease business	Others	Total	Factoring business	Hire purchase and finance lease business	Others	Total
Income from operations	84,596	2,444	-	87,040	81,602	3,788	-	85,390
Other income	8,549	676	-	9,225	9,063	629	-	9,692
Total income	93,145	3,120	-	96,265	90,665	4,417	-	95,082
Selling and administrative expenses	39,681	1,329	-	41,010	36,564	1,774	-	38,338
Expected credit losses	459	568	-	1,027	302	3,487	-	3,789
Finance cost	8,452	284	-	8,736	10,551	515	-	11,066
Total operation expenses	48,592	2,181	-	50,773	47,417	5,776	-	53,193
Profit before income tax expenses	44,553	939	-	45,492	43,248	(1,359)	-	41,889
Income tax expenses	8,822	882	-	9,704	8,460	(150)	-	8,310
Net profit for the periods	35,731	57	-	35,788	34,788	(1,209)	-	33,579

Unit : Thousand Baht

	For the six-month period ended June 30, 2021				For the six-month period ended June 30, 2020			
	Factoring business	Hire purchase and finance lease business	Others	Total	Factoring business	Hire purchase and finance lease business	Others	Total
	Unit : Thousand Baht							
Income from operations	164,153	5,139	-	169,292	175,158	7,864	-	183,022
Other income	17,862	1,273	-	19,135	20,786	1,321	-	22,107
Total income	182,015	6,412	-	188,427	195,944	9,185	-	205,129
Selling and administrative expenses	77,771	2,740	-	80,511	74,802	3,506	-	78,308
Expected credit loss (reversal)	870	479	-	1,349	(3,185)	3,563	-	378
Finance cost	16,211	571	-	16,782	23,165	1,086	-	24,251
Total operation expenses	94,852	3,790	-	98,642	94,782	8,155	-	102,937
Profit before income tax expenses	87,163	2,622	-	89,785	101,162	1,030	-	102,192
Income tax expenses	17,133	1,386	-	18,519	20,082	(179)	-	19,903
Net profit for the periods	70,030	1,236	-	71,266	81,080	1,209	-	82,289

	As at June 30, 2021				As at December 31, 2020			
	Factoring business	Hire purchase and finance lease business	Others	Total	Factoring business	Hire purchase and finance lease business	Others	Total
	Unit : Thousand Baht							
Total assets	2,892,911	114,548	572,697	3,580,156	2,788,249	140,810	520,515	3,449,574

19. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the authorized director of the Company on August 5, 2021.