

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

22-Feb-2022 19:49:11

Status

New

Announcement Sub Title

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

Announcement Reference

SG220222OTHR0KLV

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 refer to the attached announcement issued by IFS Capital (Thailand) Public Company Limited in relation to:

- (i) Financial Results for the year ended 31 December 2021; and
 - (ii) Resolutions of the Board of Directors' Meeting.
-

Attachments

[IFST Financial Results FYE 31 December 2021.pdf](#)

Total size =721KMB



Subject: Explanation of the Operating Results for the year ended 31st December 2021

To: The President
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to submit herewith the Audited Financial Statements for the year ended 31st December 2021 as certified by our auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., and to clarify the significant variance of the operating results as follows:-

(Unit: Million Baht)

	For the year ended 31 st December			
	2021	2020	Increase / (decrease)	% Change
Revenues				
Factoring Income	244.51	235.72	8.79	3.73
Hire Purchase Income	0.32	0.36	(0.04)	(11.18)
Finance Lease Income	9.45	13.82	(4.36)	(31.59)
Factoring Commission and Service Fee	94.52	87.04	7.47	8.59
Other Income	36.62	37.80	(1.18)	(3.11)
Total Revenues	385.42	374.73	10.69	2.85
Finance Costs	35.21	38.92	(3.71)	(9.54)
Income Before Operating Expenses	350.21	335.81	14.40	4.29
Expenses				
Selling Expenses	17.04	15.76	1.27	8.09
Administration Expenses	101.63	95.80	5.83	6.09
Management Benefit Expenses	37.02	33.57	3.46	10.30
Total Expenses	155.70	145.13	10.56	7.28
Impairment Loss determined in accordance with TFRS 9 or ECL	1.03	22.72	(21.69)	(95.46)
Profit before Income Tax Expenses	193.48	167.96	25.52	15.20
Income Tax Expenses	40.66	34.34	6.32	18.40
Net Profit	152.82	133.62	19.21	14.38

Year to Year Analysis

For the 4th quarter of 2021, the Company reported a Net Profit of Baht 43.74 million, an increase of Baht 9.37 million or 27.27% from the same period of last year (Baht 34.37 million). For the year ended 31st December 2021, the Company reported a Net Profit of Baht 152.82 million, an increase of Baht 19.21 million or 14.38% from the previous year (Baht 133.62 million).

The main reasons for the increase in the Company's Net Profit were:

- 1) Lower impairment loss determined in accordance with TFRS 9 (or ECL) which decreased by Baht 21.69 million or 95.46% due to robust credit risk management.
- 2) Lower finance cost of Baht 3.71 million or a decrease of 9.54% due to lower cost of fund despite higher bank borrowing as a result of higher business volume.

Partly offset by higher operating expenses of Baht 10.56 million or an increase of 7.28% due mainly to higher staff cost, loss on impairment of asset, business and Government tax and IT audit expenses.

As a result, the Earnings Per Share (EPS) showed an increase to Baht 0.31 per share (FY 2020: Baht 0.27 per share) or 14.82%.

Please be informed accordingly.

Sincerely yours,

(Mr. Tan Ley Yen)
Director and CEO

Headline: Financial Performance Yearly (F45) (Audited)

Security Symbol: IFS

Announcement Details

Financial Statement (F45)

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

(In thousands)

Financial Statement

	Yearly	
Status	Audited	
Ending	31 December	
Year	2021	2020
Profit (loss) attributable to equity holders of the Company *	152,824	133,616
EPS (baht)	0.31	0.27

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

This announcement was prepared and disseminated by listed company or issuer through the electronic system which is provided for the purpose of dissemination of the information and related documents of listed company or issuer to the Stock Exchange of Thailand only. The Stock Exchange of Thailand has no responsibility for the correctness and completeness of any statements, figures, reports or opinions contained in this announcement, and has no liability for any losses and damages in any cases. In case you have any inquiries or clarification regarding this announcement, please directly contact listed company or issuer who made this announcement.

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the financial statements of IFS Capital (Thailand) Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2021, and the related statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IFS Capital (Thailand) Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Allowance for expected credit losses</p> <p>The allowance for expected credit loss for factoring receivables, hire purchase receivables, finance lease receivables, inventory finance receivables and financial guarantee contracts in certain circumstances is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking.</p> <p>Starting from January 1, 2020, the Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”) was applied. This standard requires the Company to recognize impairment loss based on expected credit loss.</p> <p>The ECL is measured based forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p> <p>Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.4, Note 6, Note 7, Note 8 and Note 9 to the financial statements.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> • Assessing the adjustments made to the opening balances on January 1, 2020, resulted from the first time adoption of TFRS 9. • Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, data accuracy and completeness, credit monitoring, multiple economic scenarios, macroeconomic factors, and individual provisions. • Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions. • Considering the criteria used to classify factoring receivables, hire purchase receivables, finance lease receivables, inventory finance receivables and financial guarantee contracts to stage 1, 2 and 3 in accordance with TFRS 9. Testing sample of receivables in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. • Involvement of our internal specialists to assess the model documentation and model validation. This included assessing the appropriateness of model design, assumptions, formulas used and post model adjustments and compliance with the requirements of TFRS 9. • Assessment of the completeness and appropriateness of disclosures which related to the adoption of TFRS 9.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 22, 2022

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 DECEMBER 31, 2021

UNIT : BAHT

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1	333,767,948	390,619,301
Factoring receivables	6	3,250,475,374	2,667,557,627
Hire purchase current receivables	7	1,527,326	3,125,493
Finance lease current receivables	8	56,135,048	69,458,366
Inventory finance receivables	9	113,146,443	120,690,936
Other current assets		6,767,303	5,704,608
Total Current Assets		3,761,819,442	3,257,156,331
NON-CURRENT ASSETS			
Bank deposits held as collateral	10	163,632	162,942
Hire purchase non-current receivables	7	-	1,527,685
Finance lease non-current receivables	8	55,819,773	66,698,203
Investment properties	11	58,026,593	62,675,948
Plant and equipment	12	19,009,578	23,713,089
Right-of-use assets	13	978,806	-
Other intangible assets	14	1,869,693	704,473
Deferred tax assets	15	32,066,577	36,457,738
Properties foreclosed	16	800,000	-
Other non-current assets		417,891	477,150
Total Non-current Assets		169,152,543	192,417,228
TOTAL ASSETS		3,930,971,985	3,449,573,559

Notes to the financial statements form an integral part of these statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2021

UNIT : BAHT

	Notes	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	17	1,825,000,000	1,425,000,000
Other current payables		41,626,268	42,427,087
Current portion of long-term borrowings	18	205,566,666	178,800,000
Current portion of lease liabilities	19	467,932	-
Other current liabilities		20,703,257	17,976,747
Total Current Liabilities		2,093,364,123	1,664,203,834
NON-CURRENT LIABILITIES			
Long-term borrowings	18	187,266,667	224,780,000
Lease liabilities	19	535,723	-
Non-current provisions for employee benefits	20	36,322,005	32,710,533
Other non-current liabilities		1,870,429	-
Total Non-current Liabilities		225,994,824	257,490,533
TOTAL LIABILITIES		2,319,358,947	1,921,694,367
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	21	31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve	22	49,350,000	49,350,000
Unappropriated		1,037,016,664	953,282,818
TOTAL SHAREHOLDERS' EQUITY		1,611,613,038	1,527,879,192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,930,971,985	3,449,573,559

Notes to the financial statements form an integral part of these statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	Notes	2021	2020
REVENUES			
Factoring income		244,511,748	235,721,276
Hire purchase income		318,812	358,941
Finance lease income		9,452,579	13,816,851
Factoring commission and service fees		94,515,579	87,041,286
Other income		36,620,707	37,796,033
Total Revenues		385,419,425	374,734,387
EXPENSES			
Selling expenses		17,039,390	15,764,445
Administrative expenses		101,632,265	95,800,730
Management benefit expenses	4	37,024,089	33,567,343
Total Expenses		155,695,744	145,132,518
Profit from operating activities		229,723,681	229,601,869
Finance costs	23	35,210,540	38,922,190
Impairment loss determined in accordance with TFRS 9	23	1,032,317	22,723,452
PROFIT BEFORE INCOME TAX EXPENSE		193,480,824	167,956,227
INCOME TAX EXPENSE	24	40,656,982	34,340,110
PROFIT FOR THE YEARS		152,823,842	133,616,117
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
ACTUARIAL GAIN ON DEFINED EMPLOYEE BENEFIT PLANS			
		-	979,265
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY			
		-	(195,853)
OTHER COMPREHENSIVE GAIN FOR THE YEAR, NET OF TAX			
		-	783,412
NET COMPREHENSIVE INCOME FOR THE YEARS		152,823,842	134,399,529
BASIC EARNINGS PER SHARE	BAHT	0.31	0.27
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES			
	SHARES	493,499,975	493,499,975

Notes to the financial statements form an integral part of these statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2020		493,499,975	31,746,399	49,350,000	937,259,383	1,511,855,757
Effect of change in accounting policy		-	-	-	(2,403,600)	(2,403,600)
Balance as at January 1, 2020 after adjustment		493,499,975	31,746,399	49,350,000	934,855,783	1,509,452,157
Changes during the year						
Total comprehensive income		-	-	-	134,399,529	134,399,529
Dividend paid	27.2	-	-	-	(115,972,494)	(115,972,494)
Ending balance as at December 31, 2020		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>953,282,818</u>	<u>1,527,879,192</u>
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 year						
Total comprehensive income		-	-	-	152,823,842	152,823,842
Dividend paid	27.1	-	-	-	(69,089,996)	(69,089,996)
Ending balance as at December 31, 2021		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>1,037,016,664</u>	<u>1,611,613,038</u>

Notes to the financial statements form an integral part of these statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the years		152,823,842	133,616,117
Adjustments for :			
Income tax expenses		40,656,982	34,340,110
Impairment loss determined in accordance with TFRS9		1,032,317	22,723,452
Gain on disposal of fixed assets		(691,586)	-
Loss on written-off assets	16	5,417,172	-
Interest expenses		34,716,131	38,530,228
Employee benefits expense		4,271,472	3,911,022
Depreciation and amortization		10,489,018	10,337,025
		<u>248,715,348</u>	<u>243,457,954</u>
Operating assets (increase) decrease			
Factoring receivables		(582,452,208)	588,788,730
Hire purchase receivables		3,164,459	(1,834,067)
Finance lease receivables	16	17,349,953	35,428,486
Inventory finance receivables		6,642,653	32,995,343
Other current assets		(1,062,695)	696,458
Bank deposits held as collateral		(690)	(1,759)
Other non-current assets		59,259	(3,760)
Operating liabilities increase (decrease)			
Other payables		(1,080,658)	(17,460,554)
Other current liabilities		(1,719,441)	(3,975,361)
Non-other current liabilities		1,870,429	(762,750)
Cash received from (paid for) operating activities		<u>(308,513,591)</u>	<u>877,328,720</u>
Interest expense paid		(34,401,478)	(39,594,318)
Employee benefits paid		(660,000)	(1,604,392)
Income tax paid		(31,819,870)	(45,043,078)
Net cash provided by (used in) operating activities		<u>(375,394,939)</u>	<u>791,086,932</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of plant and equipment		(83,800)	(48,850)
Cash paid for purchases of other intangible assets		(1,786,900)	(170,272)
Cash received from disposal of assets		691,589	-
Net cash used in investing activities		<u>(1,179,111)</u>	<u>(219,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for short-term borrowings			
to financial institutions	5.2	(11,665,000,000)	(11,560,000,000)
Cash received from short-term borrowings			
from financial institutions	5.2	12,065,000,000	10,775,000,000
Cash paid for long-term borrowings	5.2	(210,746,667)	(163,400,000)
Cash received from long-term borrowings	5.2	200,000,000	300,000,000
Cash paid for lease liabilities	5.2	(405,825)	-
Cash paid for interest expenses under lease agreements	5.2	(34,815)	-
Cash paid for dividend	27	(69,089,996)	(115,972,494)
Net cash provide by (used in) financing activities		<u>319,722,697</u>	<u>(764,372,494)</u>
Net increase (decrease) in cash and cash equivalents		(56,851,353)	26,495,316
Cash and cash equivalents at the beginning of the years		390,619,301	364,123,985
Cash and cash equivalents at the end of the years	5.1	<u><u>333,767,948</u></u>	<u><u>390,619,301</u></u>

Notes to the financial statements form an integral part of these statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, leasing businesses and office rental.

The Company's major shareholder are IFS Capital Holdings (Thailand) Limited, which was registered in Thailand, holding 36.64% of the Company's shares and IFS Capital Limited, which was registered in Singapore, holding 36.49% of the Company's shares. The Company's ultimate shareholder is Philip Asset Pte. Ltd., which was incorporated 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 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2021 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.3) B.E. 2562" dated December 26, 2019, which was effective for financial periods beginning on or after January 1, 2020 onward.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 The statements of financial position for the year ended December 31, 2020, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, 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 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.

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 has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company in the period of initial application

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are summarized below:

3.1 Foreign currency transactions

Transactions occurred during the year denominated in foreign currencies are translated into Baht at the rates of exchange on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the statements of financial position date are translated into Baht at the exchange rates prevailing at that date. Gains and losses on foreign exchange arising from settlements and translation are recognized as income or expense when incurred.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits at banks and fixed deposits with original maturities of 3 months or less and excluding cash at banks used as collateral.

3.3 Account receivables

Factoring receivables is shown net of allowance for expected credit losses.

Hire purchase receivables and finance lease receivables are stated at the outstanding hire purchase contract price and finance lease contract price after deducting unearned financing income and allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.4.

3.4 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company always recognizes lifetime ECL for factoring receivables, hire purchase receivables, finance lease receivables, inventory finance receivables and financial guarantee contracts in certain circumstances. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 "Leases".

For a financial guarantee contracts, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.5 Investment properties

Investment properties that were held to earn for rental or for capital appreciation or both, rather than for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes.

The Company measured investment properties initially at its cost, including related transaction costs and less impairment (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful life of assets. For investment properties, the estimate useful live is 40 years.

When investment properties become impaired, the allowance for impairment is recorded to recognize unrealized loss on impairment as an expense in the statements of comprehensive income.

The cost of a purchased investment properties comprise its purchase price and any directly attributable expenditure. Directly attributable expenditure includes professional fees for legal services, property transfer taxes and other transaction costs.

3.6 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation is calculated by using the straight-line method, based on the estimated useful lives of the assets as follows:

Condominium	40 years
Furniture and fixtures	5 years
Vehicles	5 years

When premises and equipment become impaired, the allowance for impairment is recorded to recognize unrealized loss on impairment in the statement of comprehensive income.

3.7 Other intangible assets

Other intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization is calculated by the straight-line method, based on the estimated useful lives of the assets. For computer software, the estimated useful lives are 3 years.

When intangible assets become impaired, the allowance for impairment is recorded to recognize unrealized loss on impairment in the statements of comprehensive income.

3.8 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.

3.9 Provisions for employee benefits

The Company provides provisions for employee benefits regarding the severance pay under the Thai Labor Protection Act and long service awards payable to employees. Provisions for employee benefits is calculated by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and others. Gains or losses on remeasurements of provisions for employee benefits will be recognized as expenses in the statements of comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned (see Note 20).

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment has occurred.

3.10 Revenue recognition

Factoring income is recognized over the period of contracts.

Hire purchase income is recognized using the effective interest rate method over the period of contracts.

Finance lease income is recognized using the effective interest rate method over the period of contracts.

Interest on hire purchase and finance lease is recognized over the period of contracts, except when interest is in arrears for more than three months which is then recognized on a cash basis.

Factoring commission and service fees are recognized upon the transfer of rights.

Other income is recognized in the statement of comprehensive income on an accrual basis.

3.11 Lease

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.

3.12 Income tax expenses

Income tax expense is calculated based on the taxable profit multiplied by the tax rate that has been enacted at the statements of financial position date and adjusted by the effect of deferred income tax accounting.

Deferred tax assets and liabilities result from temporary differences between the carrying amounts of assets or liabilities in the statements of financial position and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax are charged or credited in the statements of comprehensive income, except when the temporary differences relate to items credited or charged directly to equity, in which case the deferred tax is also recorded in equity.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.13 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted average ordinary shares outstanding at the date of statement of financial position. In the case of a capital increase, the number of weighted average ordinary shares is calculated according to the period of the subscription received from increase in and paid-up share capital.

In case of stock dividend payment, the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

3.14 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.15 Use of Management's Judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various 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 date of the financial statements 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.

Significant increase in credit risk

As explained in Note 3.4, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

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 other than subsidiaries, associates and joint ventures as at December 31, 2021 were as follows:

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

Significant transactions with related person or parties for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
	Baht	Baht
Management benefit expenses		
Short-term benefits	36,114,800	32,832,895
Post-employment benefits	864,553	684,417
Other long-term benefits	44,736	50,031
	<u>37,024,089</u>	<u>33,567,343</u>
Dividend payment		
IFS Capital Limited	25,210,500	42,317,625
IFS Capital Holdings (Thailand) Limited	25,313,400	42,490,350
	<u>50,523,900</u>	<u>84,807,975</u>

5. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

5.1 Cash and cash equivalents as at December 31, 2021 and 2020 consisted of the following:

	2021	2020
	Baht	Baht
Cash on hand	30,000	30,000
Cash at banks - current accounts	8,607,479	37,069,173
Cash at banks - savings accounts	325,130,469	353,520,128
	<u>333,767,948</u>	<u>390,619,301</u>

5.2 Changes in liabilities from financing activities as at December 31, 2021 and 2020 consisted of the following:

	Balance as at January 1, 2021 Baht	Cash flows from financing activities		Balance as at December 31, 2021 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	1,425,000,000	12,065,000,000	(11,665,000,000)	1,825,000,000
Long-term borrowings	403,580,000	200,000,000	(210,746,667)	392,833,333

	Balance as at January 1, 2020 Baht	Cash flows from financing activities		Balance as at December 31, 2020 Baht
		Cash received	Cash paid	
		Baht	Baht	
Short-term borrowings from financial institutions	2,210,000,000	10,775,000,000	(11,560,000,000)	1,425,000,000
Long-term borrowings	266,980,000	300,000,000	(163,400,000)	403,580,000

	As at January 1, 2021	Changes in cash flows		Non-cash items ⁽¹⁾	As at December 31, 2021
		Cash received	Cash paid		
Lease liabilities	-	-	(440,640)	1,444,295	1,003,655

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

6. FACTORING RECEIVABLES

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

	2021 Baht	2020 Baht
Factoring receivables	4,219,541,529	3,402,411,026
<u>Less</u> Allowance for expected credit losses	<u>(86,076,618)</u>	<u>(87,112,738)</u>
	4,133,464,911	3,315,298,288
<u>Less</u> Factoring payables	<u>(882,989,537)</u>	<u>(647,740,661)</u>
Factoring receivables, net	<u>3,250,475,374</u>	<u>2,667,557,627</u>

Factoring receivables as at December 31, 2021 and 2020 was classified by staging as follows:

	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>

	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 year ended December 31, 2021 and 2020 consisted of the following:

	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	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>

	2020			Unit: Baht	
	Allowance for expected credit loss			Allowance for doubtful accounts	Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)		
Balance as at December 31, 2019	-	-	-	72,100,704	72,100,704
Impact of adoption of TFRS 9	95,247	155,681	65,746,217	(72,100,704)	(6,103,559)
Balance as at January 1, 2020	95,247	155,681	65,746,217	-	65,997,145
Changes in staging	(24,375,456)	(6,860)	24,382,316	-	-
Changes in risk parameters	24,352,776	(28,984)	(3,156,265)	-	21,167,527
New financial assets originated or purchased	6,942	11,559	-	-	18,501
Financial assets derecognized	(18,038)	(30,569)	(21,828)	-	(70,435)
Written off	-	-	-	-	-
Balance as at December 31, 2020	<u>61,471</u>	<u>100,827</u>	<u>86,950,440</u>	<u>-</u>	<u>87,112,738</u>

7. HIRE PURCHASE RECEIVABLES

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

	2021 Baht	2020 Baht
Outstanding contract price	1,589,992	5,073,263
<u>Less</u> Unearned financing income	<u>(62,307)</u>	<u>(381,119)</u>
	1,527,685	4,692,144
<u>Less</u> Allowance for expected credit losses	<u>(359)</u>	<u>(38,966)</u>
	1,527,326	4,653,178
Due within one year	1,589,992	3,483,271
<u>Less</u> Unearned financing income	<u>(62,307)</u>	<u>(318,812)</u>
Allowance for expected credit losses	(359)	(38,966)
Hire purchase current receivables, net	<u>1,527,326</u>	<u>3,125,493</u>
Hire purchase non-current receivables, net	<u>-</u>	<u>1,527,685</u>

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

	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	1,527,685	1,589,992	359
Total	<u>1,527,685</u>	<u>1,589,992</u>	<u>359</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 years ended December 31, 2021 and 2020 consisted of the following:

	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	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>

	2020				Unit: Baht
	Allowance for expected credit loss				
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	3,673	3,673
Impact of adoption of TFRS 9	3,436	403	-	(3,673)	166
Balance as at January 1, 2020	3,436	403	-	-	3,839
Changes in staging	-	-	-	-	-
Changes in risk parameters	-	-	-	-	-
New financial assets originated or purchased	15,562	23,404	-	-	38,966
Financial assets derecognized	(3,436)	(403)	-	-	(3,839)
Written off	-	-	-	-	-
Balance as at December 31, 2020	<u>15,562</u>	<u>23,404</u>	<u>-</u>	<u>-</u>	<u>38,966</u>

8. FINANCE LEASE RECEIVABLES

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

	2021 Baht	2020 Baht
Outstanding contract price	213,603,281	247,884,553
<u>Less</u> Deposits on finance lease	(80,291,569)	(88,632,466)
<u>Less</u> Unearned financing income	<u>(12,093,330)</u>	<u>(14,466,580)</u>
	121,218,382	144,785,507
<u>Less</u> Allowance for expected credit losses	<u>(9,263,561)</u>	<u>(8,628,938)</u>
	<u>111,954,821</u>	<u>136,156,569</u>
Due within one year	91,309,965	98,290,197
<u>Less</u> Deposits on finance lease	(28,318,141)	(21,121,313)
<u>Less</u> Unearned financing income	<u>(6,856,776)</u>	<u>(7,710,518)</u>
Finance lease current receivables, net	<u>56,135,048</u>	<u>69,458,366</u>
Finance lease non-current receivables, net	<u>55,819,773</u>	<u>66,698,203</u>

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

	Unit : Baht		
	As at December 31, 2021		
	Lease contract 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>

	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	7,408,582	7,408,582	4,008,582
Total	<u>144,785,507</u>	<u>158,472,604</u>	<u>8,628,938</u>

Allowance for expected credit losses for the year ended December 31, 2021 and 2020 consisted of the following:

	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	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>

	2020				Unit: Baht
	Allowance for expected credit loss				Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Allowance for doubtful accounts	
Balance as at December 31, 2019	-	-	-	1,602,327	1,602,327
Impact of adoption of TFRS 9	2,018,163	2,427,395	1,365,168	(1,602,327)	4,208,399
Balance as at January 1, 2020	2,018,163	2,427,395	1,365,168	-	5,810,726
Changes in staging	(3,832,053)	1,818,695	2,013,358	-	-
Changes in risk parameters	2,147,841	(222,330)	40,128	-	1,965,639
New financial assets originated or purchased	329,846	-	1,109,347	-	1,439,193
Financial assets derecognized	(40,064)	(27,137)	-	-	(67,201)
Written off	-	-	(519,419)	-	(519,419)
Balance as at December 31, 2020	<u>623,733</u>	<u>3,996,623</u>	<u>4,008,582</u>	<u>-</u>	<u>8,628,938</u>

9. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at December 31, 2021 and 2020 were as follows:

	2021 Baht	2020 Baht
Inventory finance receivables	120,573,626	127,216,279
<u>Less Allowance for expected credit losses</u>	<u>(7,427,183)</u>	<u>(6,525,343)</u>
Inventory finance receivables, net	<u>113,146,443</u>	<u>120,690,936</u>

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

	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	4,545,724	4,545,724	4,545,724	
Total	<u>120,573,626</u>	<u>121,073,626</u>	<u>7,427,183</u>	

	As at December 31, 2020			Unit : Baht
	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 loss for the year ended December 31, 2021 was as follows:

	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	1,774,775	204,844	4,545,724	6,525,343
Changes 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>

	Allowance for expected credit loss				Unit: Baht
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	3,830,446	3,830,446
Impact of adoption of TFRS 9	3,983,815	915,679	3,830,446	(3,830,446)	4,899,494
Balance as at January 1, 2020	3,983,815	915,679	3,830,446	-	8,729,940
Changes in staging	581,516	(581,516)	-	-	-
Changes in risk parameters	(2,273,483)	(129,319)	-	-	(2,402,802)
New financial assets originated or purchased	315,120	-	715,278	-	1,030,398
Financial assets derecognized	(832,193)	-	-	-	(832,193)
Written off	-	-	-	-	-
Balance as at December 31, 2020	<u>1,774,775</u>	<u>204,844</u>	<u>4,545,724</u>	<u>-</u>	<u>6,525,343</u>

10. BANK DEPOSIT HELD AS COLLATERAL

As at December 31, 2021 and 2020, fixed deposit at bank of Baht 163,632 and Baht 162,942, respectively, have been pledged with a bank as collateral for issuing bank guarantees on behalf of the Company.

11. INVESTMENT PROPERTIES

Investment properties as at December 31, 2021 and 2020 consisted of the following:

	Balance as at January 1, 2021 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2021 Baht
Cost				
Condominium	88,390,785	-	-	88,390,785
Total cost	<u>88,390,785</u>	<u>-</u>	<u>-</u>	<u>88,390,785</u>
Accumulated depreciation				
Condominium	(25,714,837)	(4,649,355)	-	(30,364,192)
Total accumulated depreciation	<u>(25,714,837)</u>	<u>(4,649,355)</u>	<u>-</u>	<u>(30,364,192)</u>
Investment properties	<u>62,675,948</u>			<u>58,026,593</u>
	Balance as at January 1, 2020 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2020 Baht
Cost				
Condominium	88,390,785	-	-	88,390,785
Total cost	<u>88,390,785</u>	<u>-</u>	<u>-</u>	<u>88,390,785</u>
Accumulated depreciation				
Condominium	(21,052,744)	(4,662,093)	-	(25,714,837)
Total accumulated depreciation	<u>(21,052,744)</u>	<u>(4,662,093)</u>	<u>-</u>	<u>(25,714,837)</u>
Investment properties	<u>67,338,041</u>			<u>62,675,948</u>
Depreciation for the years ended December 31,				
2021			Baht	<u>4,649,355</u>
2020			Baht	<u>4,662,093</u>

As at December 31, 2021 and 2020, fair value of investment properties of the Company which amounted to Baht 126.67 million and Baht 119.22 million, respectively.

12. PLANT AND EQUIPMENT

Plant and equipment as at December 31, 2021 and 2020 consisted of the following:

	Balance as at January 1, 2021 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2021 Baht
Cost				
Condominium	57,161,315	-	-	57,161,315
Furniture and fixtures	32,623,887	83,800	-	32,707,687
Vehicles	9,845,885	-	(2,062,000)	7,783,885
Total cost	<u>99,631,087</u>	<u>83,800</u>	<u>(2,062,000)</u>	<u>97,652,887</u>
Accumulated depreciation				
Condominium	(36,287,167)	(3,521,155)	-	(39,808,322)
Furniture and fixtures	(31,545,511)	(329,520)	-	(31,875,031)
Vehicles	(8,085,320)	(936,633)	2,061,997	(6,959,956)
Total accumulated depreciation	<u>(75,917,998)</u>	<u>(4,787,308)</u>	<u>2,061,997</u>	<u>(78,643,309)</u>
Plant and equipment	<u>23,713,089</u>			<u>19,009,578</u>
	Balance as at January 1, 2020 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2020 Baht
Cost				
Condominium	57,161,315	-	-	57,161,315
Furniture and fixtures	32,575,037	48,850	-	32,623,887
Vehicles	9,845,885	-	-	9,845,885
Total cost	<u>99,582,237</u>	<u>48,850</u>	<u>-</u>	<u>99,631,087</u>
Accumulated depreciation				
Condominium	(32,756,366)	(3,530,801)	-	(36,287,167)
Furniture and fixtures	(30,893,169)	(652,342)	-	(31,545,511)
Vehicles	(6,979,699)	(1,105,621)	-	(8,085,320)
Total accumulated depreciation	<u>(70,629,234)</u>	<u>(5,288,764)</u>	<u>-</u>	<u>(75,917,998)</u>
Plant and equipment	<u>28,953,003</u>			<u>23,713,089</u>
Depreciation for the years ended December 31,				
2021			Baht	<u>4,787,308</u>
2020			Baht	<u>5,288,764</u>

As at December 31, 2021 and 2020, certain equipment at cost of Baht 44.01 million and Baht 30.62 million, respectively, were fully depreciated but still in use.

13. RIGHT-OF-USE ASSETS

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

	Balance as at January 1, 2021 Baht	Additions Baht	(Decreases) Baht	Balance as at December 31, 2021 Baht
Cost				
Vehicles	-	1,409,481	-	1,409,481
Total cost	<u>-</u>	<u>1,409,481</u>	<u>-</u>	<u>1,409,481</u>
Accumulated depreciation				
Vehicles	-	(430,675)	-	(430,675)
Total accumulated depreciation	<u>-</u>	<u>(430,675)</u>	<u>-</u>	<u>(430,675)</u>
Right-of-use assets	<u>-</u>			<u>978,806</u>
Depreciation for the year ended December 31, 2021			Baht	<u>430,675</u>

The maturity analysis of lease liabilities is presented in Note 19.

Unit : Baht
For the year ended December 31, 2021

Amounts recognized in profit or loss

Depreciation on right-of-use assets	430,675
Interest expense on lease liabilities	34,815

For the year ended December 31, 2021, the total cash outflow for leases amounted to Baht 0.44 million (2020: Nil).

14. OTHER INTANGIBLE ASSETS

Other intangible assets as at December 31, 2021 and 2020 consisted of the following:

	Balance as at January 1, 2021 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2021 Baht
Cost				
Golf membership fee	150,000	-	-	150,000
Computer software	10,245,221	1,786,900	-	12,032,121
Total cost	<u>10,395,221</u>	<u>1,786,900</u>	<u>-</u>	<u>12,182,121</u>
Accumulated amortization				
Computer software	(9,690,748)	(621,680)	-	(10,312,428)
Total accumulated amortization	<u>(9,690,748)</u>	<u>(621,680)</u>	<u>-</u>	<u>(10,312,428)</u>
Intangible assets	<u>704,473</u>			<u>1,869,693</u>

	Balance as at January 1, 2020 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2020 Baht
Cost				
Golf membership fee	150,000	-	-	150,000
Computer software	10,074,949	170,272	-	10,245,221
Total cost	<u>10,224,949</u>	<u>170,272</u>	<u>-</u>	<u>10,395,221</u>
Accumulated amortization				
Computer software	(9,304,580)	(386,168)	-	(9,690,748)
Total accumulated amortization	<u>(9,304,580)</u>	<u>(386,168)</u>	<u>-</u>	<u>(9,690,748)</u>
Intangible assets	<u>920,369</u>			<u>704,473</u>
Amortization for the years ended December 31,				
2021			Baht	<u>621,680</u>
2020			Baht	<u>386,168</u>

15. DEFERRED TAX ASSETS

Deferred tax assets and liability as at December 31, 2021 and 2020 were as follows:

	2021 Baht	2020 Baht
Deferred tax assets	32,071,547	36,457,738
Deferred tax liability	<u>(4,970)</u>	<u>-</u>
	<u>32,066,577</u>	<u>36,457,738</u>

Movements of deferred tax assets and liability during the years were as follows:

	As at January 1, 2021 Baht	Transactions recognized in profit or loss Baht	Transaction recognized in other comprehensive income Baht	As at December 31, 2021 Baht
Deferred tax assets				
Allowance for expected credit losses	20,461,197	92,347	-	20,553,544
Bad debt in process of litigation	772,224	(519,554)	-	252,670
Assets from lease contract	8,682,210	(4,681,278)	-	4,000,932
Provisions for employee benefits	6,542,107	722,294	-	7,264,401
Total	<u>36,457,738</u>	<u>(4,386,191)</u>	<u>-</u>	<u>32,071,547</u>
Deferred tax liability				
Lease liabilities	-	(4,970)	-	(4,970)
Total	<u>-</u>	<u>(4,970)</u>	<u>-</u>	<u>(4,970)</u>
	<u>36,457,738</u>	<u>(4,391,161)</u>	<u>-</u>	<u>32,066,577</u>

	As at January 1, 2020	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income	As at December 31, 2020
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for expected credit losses	15,507,430	4,953,767	-	20,461,197
Bad debt in process of litigation	772,224	-	-	772,224
Assets from lease contract	11,938,895	(3,256,685)	-	8,682,210
Provisions ^{for} employee benefits	6,276,634	461,326	(195,853)	6,542,107
	<u>34,495,183</u>	<u>2,158,408</u>	<u>(195,853)</u>	<u>36,457,738</u>

16. PROPERTIES FORECLOSED

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

	As at December 31, 2021 Baht
Properties foreclosed	6,217,172
<u>Less</u> Allowance for impairment losses	<u>(5,417,172)</u>
Properties foreclosed, net	<u>800,000</u>

In 2021, the Company has transferred finance lease receivables totaling by Baht 6.22 million to properties foreclosed amounted to Baht 0.80 million and recognized the remaining balance amounted to Baht 5.42 million as impairment losses on assets and presented in administrative expenses in the statement of comprehensive income for the year ended December 31, 2021.

17. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	2021 Baht	2020 Baht
Promissory notes	<u>1,825,000,000</u>	<u>1,425,000,000</u>

As at December 31, 2021 and 2020, the Company has short-term borrowings from financial institutions which bear interest rate at 1.50% to 2.32% per annum and 1.50% to 2.90% per annum, respectively.

18. LONG-TERM BORROWINGS

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

	2021	2020
	Baht	Baht
Long-term borrowings	392,833,333	403,580,000
Current portion of long-term borrowings	<u>(205,566,666)</u>	<u>(178,800,000)</u>
	<u>187,266,667</u>	<u>224,780,000</u>

As at December 31, 2021 and 2020, the Company entered into long-term borrowings with financial institutions at the floating interest rates 2.61% 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.

19. LEASE LIABILITIES

Lease liabilities as at December 31, 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	48,960
	<u>1,028,160</u>
<u>Less</u> Unearned interest	<u>(24,505)</u>
Total	<u>1,003,655</u>
Analyzed as:	
Current	467,932
Non-current	535,723
Total	<u>1,003,655</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.

20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Non-current provisions for employee benefits for the years ended December 31, 2021 and 2020 consisted of the following:

	2021	2020
	Baht	Baht
Provisions for employee benefits for severance pay (see Note 20.1)	31,008,088	27,510,884
Provisions for employee benefits for long service awards (see Note 20.2)	<u>5,313,917</u>	<u>5,199,649</u>
	<u>36,322,005</u>	<u>32,710,533</u>

20.1 Provisions for employee benefits for severance pay

Change in the present value of provisions for employee benefits for severance pay for the years ended December 31, 2021 and 2020 were as follows:

	2021 Baht	2020 Baht
Present value of provisions for employee benefits for severance pay, beginning balance	27,510,884	26,572,481
Cost of service - current period	3,101,052	2,822,654
Interest cost	396,152	370,664
Benefits paid during the years	-	(1,409,392)
Actuarial gains	-	(845,523)
Present value of provisions for employee benefits for severance pay, ending balance	<u>31,008,088</u>	<u>27,510,884</u>

Provisions for employee benefits for severance pay expenses recognized in the statements of comprehensive income for the years ended December 31, 2021 and 2020 were as follows:

	2021 Baht	2020 Baht
Cost of service - current period	3,101,052	2,822,654
Interest cost	396,152	370,664
Actuarial (gains) loss		
- Change in financial assumptions	-	948,214
- Change in demographic assumptions	-	232,985
- Experience adjustments	-	(2,026,722)
	<u>-</u>	<u>(845,523)</u>

20.2 Provisions for employee benefits for long service awards

Change in the present value of provisions for employee benefits for long service awards for the years ended December 31, 2021 and 2020 were as follows:

	2021 Baht	2020 Baht
Present value of provisions for employee benefits for long service awards, beginning balance	5,199,649	4,810,687
Cost of service - current period	699,356	650,360
Interest cost	74,912	67,344
Benefits paid during the years	(660,000)	(195,000)
Actuarial gains	-	(133,742)
Present value of provisions for employee benefits for long service awards, ending balance	<u>5,313,917</u>	<u>5,199,649</u>

Provisions for employee benefits for long service awards expense recognized in the statements of comprehensive income for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
	Baht	Baht
Cost of service - current period	699,356	650,360
Interest cost	74,912	67,344
Actuarial (gains) loss		
- Change in financial assumptions	-	401,803
- Change in demographic assumptions	-	(55,218)
- Experience adjustments	-	(480,327)
	<u>-</u>	<u>(133,742)</u>

The Company calculated non-current provisions for employee benefits by using actuarial technique. The assumptions as at December 31, 2021 and 2020 consisted of the following:

	2021	2020
Financial assumptions		
Discount rate (%)	1.44	1.44
Salary increase (%)	4.00	4.00
Demographic assumptions		
Turnover rate (%) depending on age group of employees	2, 9, 25	2, 9, 25
Retirement age (years)	60	60

Sensitivity analysis on significant actuarial assumptions represents impact of change in the significant actuarial assumptions on present value of non-current provisions for employee benefits as at December 31, 2021 and 2020 were as follows:

	2021	2020
	Baht	Baht
Legal severance pay benefit		
Financial assumptions		
Discount rate		
- 1% increase	(3,001,915)	(2,831,015)
- 1% decrease	3,502,478	3,311,122
Expected rate of salary increase		
- 1% increase	3,705,061	3,189,965
- 1% decrease	(3,229,434)	(2,791,294)
Demographic assumptions		
Turnover rate		
- 1% increase	(3,106,038)	(2,930,170)
- 1% decrease	1,120,015	1,066,929
Long service year award		
Financial assumptions		
Discount rate		
- 1% increase	(347,964)	(339,835)
- 1% decrease	391,467	382,451
Demographic assumptions		
Turnover rate		
- 1% increase	(364,109)	(356,004)
- 1% decrease	263,288	257,647

Maturity analysis of the benefit payments of non-current provisions for employee benefits as at December 31, 2021 and 2020 were as follows:

	2021	2020
	Baht	Baht
Legal severance pay benefit		
Within 1 year	-	-
Over 1 to 5 years	10,582,549	7,258,082
Over 5 year	20,425,539	20,252,802
Total	<u>31,008,088</u>	<u>27,510,884</u>
Long service year award		
Within 1 year	555,000	660,000
Over 1 to 5 years	3,000,000	2,520,000
Over 5 year	1,758,917	2,019,649
Total	<u>5,313,917</u>	<u>5,199,649</u>

21. PREMIUM ON ORDINARY SHARES

The share premium account is set up under the provisions of Section 51 of the Public Companies Act. B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued less expenses relating to the increase in share capital which is a reserve account and cannot be distributed as dividend.

22. LEGAL RESERVE

Pursuant to the Public Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, of not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital. The legal reserve could not be used for dividend payment.

As at December 31, 2021 and 2020, the Company has legal reserve by ten percent of the authorized capital.

23. EXPENSES BY NATURE

Net profit for the years ended December 31, 2021 and 2020 were arrived at after charging the following items:

	2021	2020
	Baht	Baht
Directors and management benefit expenses	37,024,089	33,567,343
Employee benefit expenses	68,678,216	65,235,280
Depreciation and amortization	10,489,021	10,337,025
Impairment loss determined in accordance with TFRS 9	1,032,317	22,723,452
Business tax	12,276,212	11,844,977
Professional fee	4,668,450	3,562,545
Finance cost	35,210,540	38,922,190

24. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2021 and 2020 consisted of the following:

	2021	2020
	Baht	Baht
Income tax expense from taxable income per income tax return	36,265,821	35,897,617
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>4,391,161</u>	<u>(1,557,507)</u>
Income tax expense per the statements of comprehensive income	<u>40,656,982</u>	<u>34,340,110</u>

The reconciliation between income tax and accounting income for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
	Baht	Baht
Accounting income before tax	<u>193,480,824</u>	<u>167,956,227</u>
Income tax at 20%	<u>38,696,165</u>	<u>33,591,245</u>
Tax effect of non-deductible expenses	<u>1,960,817</u>	<u>748,865</u>
Income tax per the statements of comprehensive income	40,656,982	34,340,110
Deferred tax expense (income) relating to the origination and reversal of temporary differences	<u>(4,391,161)</u>	<u>1,557,507</u>
Income tax expense from taxable income per income tax return	<u>36,265,821</u>	<u>35,897,617</u>

The Company used tax rates of 20% for the income tax calculation for the years ended December 31, 2021 and 2020 and deferred tax as at December 31, 2021 and 2020.

25. 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 receivable. The factoring facility is applicable to both domestic and international sales.

Hire purchase and finance leasing 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 years ended December 31, 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 years ended December 31, 2021 and 2020 were as follows:

	For the year ended December 31, 2021				For the year ended December 31, 2020			
	Factoring business	Hire purchase and finance lease business	Others	Total	Factoring business	Hire purchase and finance lease business	Others	Total
Income from operations	339,027	9,771	-	348,798	322,762	14,176	-	336,938
Other income	34,027	2,594	-	36,621	35,267	2,529	-	37,796
Total income	373,054	12,365	-	385,419	358,029	16,705	-	374,734
Selling and Administrative expenses	150,701	4,995	-	155,696	138,664	6,469	-	145,133
Impairment loss determined in accordance with TFRS 9	436	596	-	1,032	18,911	3,812	-	22,723
Finance cost	34,081	1,130	-	35,211	37,187	1,735	-	38,922
Total operation expenses	185,218	6,721	-	191,939	194,762	12,016	-	206,778
Profit before income tax expense	187,836	5,644	-	193,480	163,267	4,689	-	167,956
Income tax expenses	36,988	3,669	-	40,657	32,220	2,120	-	34,340
Net profit for the years	150,848	1,975	-	152,823	131,047	2,569	-	133,616
Total assets	3,363,622	113,482	453,868	3,930,972	2,788,249	140,810	520,515	3,449,574

26. PROVIDENT FUND

The Company has a contributory staff provident fund for its employees who apply to join after one year's service which was registered as the provident fund in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2021 and 2020, the Company's contributions included in selling and administrative expenses in the statement of comprehensive income amounting to Baht 4.86 million and Baht 4.79 million, respectively.

27. DIVIDENDS PAID

27.1 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.

27.2 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.

28. COMMITMENTS

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

	2021	2020
	Baht	Baht
Total credit facilities	<u>5,343,000,000</u>	<u>5,226,000,000</u>

As at December 31, 2021 and 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 December 31, 2021 and 2020, the Company had unused such credit facilities with financial institutions totaling Baht 2,766 million and Baht 3,108 million, respectively.

29. CAPITAL MANAGEMENT

The Company's objectives in managing capital are to safeguard the Company ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Moreover, on April 8, 2010, the Company had obtained the approval from the Department of Business Development to operate a business under annex 3 (21). However, the Company is required to have a minimum capital of the Company of not less than Baht 427,954,151 (see Note 1).

The Company has to comply with the conditions specified in the certificate of foreign business operations in that the total amount of loans used in the operation of the business permitted must not exceed seven times of the principal. As at December 31, 2021 and 2020, the Company is in compliance to the conditions as mentioned.

In addition, the Company also has to comply with financial covenants with a financial institution in that the Company should maintain its debt to equity ratio to not exceed eight times and with another financial institution in that the Company shall maintain its gearing ratio to not exceed 6.5 times and a minimum tangible net worth of not less than Baht 650 million. On December 31, 2021 and 2020, the Company is in compliance to the conditions as mentioned.

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk arises from the problem in adequately raising fund and in time to meet commitment as indicated in the financial instruments. The management, based on the Company's current financial position and result of operations, believes that the Company's liquidity risk is minimal.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy to prevent such risk by performing credit analysis on customers' information and follow-up on customer status consistently according to the Company's regulations. The maximum exposure to credit risk in the event the counter parties fail to perform their obligations is the carrying amount of the assets as recorded in the statements of financial position, net of a portion of allowance for expected credit losses.

Interest Rate Risk

Interest rate risk of financial instruments in the statements of financial position arises from the potential of a change in interest rates having an adverse effect on the net interest earnings of the Company in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Company's assets, liabilities and equity or in the mismatch in repricing dates of its assets and liabilities.

As at December 31, 2021 and 2020, financial assets and liabilities exposed to interest rate risk are as follows:

	2021						
	Outstanding balances of net financial instruments						
	Repricing or maturity dates						
	Depend on market rate	With in 1 year	1-5 years	No interest	Total	Interest rate Floating	Fixed
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%	%	
Financial assets							
Cash and cash equivalents	325,130	325,130	-	8,638	333,768	0.11	-
Bank deposits held as collateral	164	-	164	-	164	-	0.15
Factoring receivables	3,250,475	3,250,475	-	-	3,250,475	8.70	-
Hire purchase receivables	1,527	1,527	-	-	1,527	-	10.68
Finance lease receivables	111,955	56,135	55,820	-	111,955	8.11	-
Inventory finance receivables	113,146	113,146	-	-	113,146	9.58	-
Financial liabilities							
Short-term borrowing from financial institutions	1,825,000	1,825,000	-	-	1,825,000	1.69	-
Long-term borrowings	392,833	205,567	187,266	-	392,833	2.76	-
	2020						
	Outstanding balances of net financial instruments						
	Repricing or maturity dates						
	Depend on market rate	With in 1 year	1-5 years	No interest	Total	Interest rate Floating	Fixed
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%	%	
Financial assets							
Cash and cash equivalents	353,520	353,520	-	37,099	390,619	0.12	-
Bank deposits held as collateral	163	-	163	-	163	-	0.30
Factoring receivables	2,667,558	2,667,558	-	-	2,667,558	8.83	-
Hire purchase receivables	4,653	3,125	1,528	-	4,653	-	11.94
Finance lease receivables	136,156	69,458	66,698	-	136,156	7.74	-
Inventory finance receivables	120,691	120,691	-	-	120,691	9.59	-
Financial liabilities							
Short-term borrowing from financial institutions	1,425,000	1,425,000	-	-	1,425,000	1.72	-
Long-term borrowings	403,580	178,800	224,780	-	403,580	2.73	-

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 receivables, bank deposits held as collateral, short-term borrowings from financial institutions 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 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.

Long-term borrowings; 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 are disclosed

Investment property has fair value as disclosed in Note 11 which fair value is determined based on the market price equivalent approach, fair value hierarchy level 2.

31. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the authorized director of the Company on February 22, 2022.



IFS 2202/2022

22th February 2022

To: The President
The Stock Exchange of Thailand

Subject: Resolutions of the Board of Directors' Meeting

We, IFS Capital (Thailand) Public Company Limited, would like to inform you that the Board of Directors' Meeting No. 1/2022 held on 22th February 2022 passed the resolutions as follows:

1. Approved the Audited Financial Statements for the year ended 31st December 2021 and this would be proposed to the 2022 Annual General Meeting of Shareholders for approval.
2. Approved the appropriation of the net profit and the dividend payment for the year 2021 as follows:
 - 2.1 There was no legal reserve to be appropriated from the Company's net profit in 2021 as the Company's legal reserve had reached the amount required by laws pursuant to Section 116 of the Public Limited Company Act B.E. 2535 (1992) (as amended) and Article 51 of the Company's Articles of Association;
 - 2.2 To distribute dividends for the year 2021 at the rate of Baht 0.158 per share, for 493,499,975 shares, totaling Baht 77,972,996.05. The Record Date for the right to receive the Dividend will be on 8th March 2022 and the Dividend shall be paid on 13th May 2022. This would be proposed to the 2022 Annual General Meeting of Shareholders for approval.

However, the right to receive dividends is not confirmed until approved by the 2022 Annual General Meeting of Shareholders.

3. Approved the re-election of 2 directors who retired by rotation for another term as follows:

- | | |
|------------------------------|---|
| 1) Mr. Randy Sim Cheng Leong | the director who retire by rotation, shall be re-elected as the director for another term, and shall act as Director, Chairman, and Member of the Compensation and Nomination Committee |
| 2) Mr. Tan Ley Yen | the director who retired by rotation, shall be re-elected as the director for another term, and shall act as Director, CEO, and Member of the Risk Management Committee |

This would be proposed to the 2022 Annual General Meeting of Shareholders for approval.

4. Approved the remuneration of directors for the year 2022 and this would be proposed to the 2022 Annual General Meeting of Shareholders for approval as follows:
 - 4.1 Adoption of the existing remuneration structure of directors of the Company for the year 2022 as below:

Board of Directors' Meeting

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	100,000	25,000/meeting
Vice Chairman	80,000	20,000/meeting
Other Director	50,000	20,000/meeting

Audit Committee's Meeting

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	80,000	25,000/meeting
Member	50,000	20,000/meeting

Compensation & Nomination Committee's Meeting

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	50,000	25,000/meeting
Member	30,000	20,000/meeting

Risk Management Committee's Meeting

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	50,000	25,000/meeting
Member	30,000	20,000/meeting

- 4.2 Approved the payment of bonus totaling Baht 2,142,000 to the following directors of the Company:

	<u>Baht</u>
1. Mr. Randy Sim Cheng Leong	714,000
2. Mr. Singha Nikornpun	357,000
3. Mrs. Churairat Panyarachun	357,000
4. Mr. Chayut Vishuprapha	357,000
5. Ms. Chionh Yi Chian	357,000
6. Mr. Tan Ley Yen	-
	<u>2,142,000</u>

5. Approved the appointment of 1) Ms. Lasita Margut, Certified Public Accountant No. 9039, and/or 2) Mr. Kasiti Ketsuriyongk, Certified Public Accountant No. 8833, and/or Mr. Nantawat Sumraunhant, Certified Public Accountant No. 7731 of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be Auditors of the Company for the year ended 31st December 2022 and fixed the total remuneration of Baht 2,201,000 (excluding out-of pocket expenses and group reporting). This would be proposed to the 2022 Annual General Meeting of Shareholders for approval.
6. Approved the convocation of the 2022 Annual General Meeting of Shareholders as follows:
- 6.1 The 2022 Annual General Meeting of Shareholders would be held on Wednesday 20th April 2022 at 2.00 p.m., through electronic media (E-AGM), in accordance with the Emergency Decree on Electronic Meetings B.E. 2563 (2020) and relevant laws and regulations to consider the following agenda:
1. To certify the Minutes of the 2021 Annual General Meeting of Shareholders;
 2. To acknowledge the Annual Report of the Board of Directors and the operating results for the year 2021;
 3. To consider and approve the Financial Statements for the fiscal year ended 31st December 2021;

4. To consider and approve the appropriation of the net profit and dividend payment for the year 2021;
 5. To consider and approve the election of directors to replace those who retire by rotation;
 6. To consider and approve the determination of the remuneration of the directors for the year 2022;
 7. To consider and approve the appointment of the auditors and the determination of the remuneration of the auditors for the year 2022;
 8. To consider other matters (if any).
- 6.2 The date on which the recorded shareholders have the right to attend the 2022 Annual General Meeting of Shareholders (Record Date) was determined on 8th March 2022.
- 6.3 Mr. Tan Ley Yen would be authorized to have the power under the limitation of law to amend and/or determine the date, time, place and agenda for the 2022 Annual General Meeting of Shareholders as deemed appropriate.

Please be informed accordingly.

Sincerely yours,



(Mr. Tan Ley Yen)
Director and CEO