



IFS Capital (Thailand)
Public Company Limited

IFS 506 / 2021

6th May 2021

Subject: Explanation of the Operating Results for Quarter 1/2021

To: The President
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to submit herewith the Reviewed Financial Statements for the Quarter 1/2021 ended 31st March 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 1 st Quarter ended 31 st March			
	2021	2020	Increase / (decrease)	% Change
Revenues				
Factoring Income	57.38	68.63	(11.24)	(16.38)
Hire Purchase Income	0.11	0.07	0.04	67.53
Finance Lease Income	2.58	4.01	(1.43)	(35.54)
Factoring Commission and Service Fee	22.17	24.93	(2.76)	(11.05)
Other Income	9.91	12.42	(2.51)	(20.18)
Total Revenues	92.16	110.05	(17.88)	(16.25)
Finance Costs	8.05	13.19	(5.14)	(38.97)
Net Income Before Operating Expenses	84.12	96.86	(12.75)	(13.16)
Expenses				
Selling Expenses	3.53	5.13	(1.60)	(31.15)
Administration Expenses	26.78	26.41	0.37	1.38
Management Benefit Expenses	9.19	8.42	0.77	9.09
Total Expenses	39.50	39.97	(0.47)	(1.17)
Profit Before Allowances / ECL	44.61	56.89	(12.28)	(21.58)
Allowance (Reversal) of Doubtful Accounts / ECL	0.32	(3.41)	3.73	(109.43)
Profit Before Income Tax Expenses	44.29	60.30	(16.01)	(26.55)
Income Tax Expense	8.81	11.59	(2.78)	(23.97)
Profit for The Periods	35.48	48.71	(13.23)	(27.17)

Quarterly to Quarterly Analysis

For the 1st quarter of 2021, the Company reported Net Profit of Baht 35.48 million, a decrease of Baht 13.23 million or 27.17% from the same period last year. The main reasons for the decrease in the Company's Net Profit were:

- 1) The decrease in total revenues by Baht 17.88 million as a result of lower business volume,
- 2) the Company's allowance for doubtful accounts / ECL in 1Q/20 was 0.32 MB compared to a write-back of 3.41 MB in 1Q/20, as there was recovery of NPLs in 1Q/20 but no such write-back in 1Q/21,
- 3) partly offset by lower finance cost of Baht 5.14 million as a result of lower borrowings and lower cost of funds.

As a result, the Earnings Per Share (EPS) decreased to Baht 0.07 per share (1Q/20: Baht 0.10 per share) or a decrease of 27.17%.

Please be informed accordingly.

Sincerely yours,

(Mr. Tan Ley Yen)
Director and CEO

Headline: Financial Performance Quarter 1 (F45) (Reviewed)
Security Symbol: IFS

Announcement Details

Financial Statement (F45)

Company name	IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED		
Quarter	Quarter 1		
			(In thousands)
Financial Statement		Quarter 1	
Status		Reviewed	
Ending		31 March	
Year	2021		2020
Profit (loss) attributable to equity holders of the Company *	35,478		48,710
EPS (baht)	0.07		0.10
Type of report	Unqualified opinion		

*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.

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

TO THE BOARD OF DIRECTORS

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of IFS Capital (Thailand) Public Company Limited as at March 31, 2021 and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and the condensed notes to the financial statements. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

BANGKOK
May 6, 2021

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

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

UNIT : BAHT

	Notes	"Unaudited" As at March 31, 2021	As at December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		295,181,342	390,619,301
Factoring receivables	5	2,813,991,069	2,667,557,627
Hire purchase current receivables	6	2,788,461	3,125,493
Finance lease current receivables	7	69,706,258	69,458,366
Inventory finance receivables	8	113,201,442	120,690,936
Other current assets		5,370,857	5,704,608
Total Current Assets		3,300,239,429	3,257,156,331
NON-CURRENT ASSETS			
Bank deposits held as collateral		163,183	162,942
Hire purchase non-current receivables	6	840,240	1,527,685
Finance lease non-current receivables	7	52,368,482	66,698,203
Investment properties		61,529,531	62,675,948
Plant and equipment		22,583,936	23,713,089
Right-of-use assets	9	1,331,176	-
Other intangible assets		722,484	704,473
Deferred tax assets		35,260,019	36,457,738
Property foreclosed	4.4	3,000,000	-
Other non-current assets		1,231,714	477,150
Total Non-current Assets		179,030,765	192,417,228
TOTAL ASSETS		3,479,270,194	3,449,573,559

See condensed notes to the financial statements

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

UNIT : BAHT

	Notes	"Unaudited" As at March 31, 2021	As at December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	10	1,455,000,000	1,425,000,000
Other current payables		53,473,735	42,427,087
Current portion of long-term borrowings	11	166,666,666	178,800,000
Current portion of lease liabilities	12	459,295	-
Other current liabilities		21,662,319	17,976,747
Total Current Liabilities		1,697,262,015	1,664,203,834
NON-CURRENT LIABILITIES			
Long-term borrowings	11	183,226,667	224,780,000
Lease liabilities	12	883,076	-
Non-current provisions for employee benefits		33,778,398	32,710,533
Other non-current liabilities		762,750	-
Total Non-current Liabilities		218,650,891	257,490,533
TOTAL LIABILITIES		1,915,912,906	1,921,694,367

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

UNIT : BAHT

	Notes	"Unaudited" As at March 31, 2021	As at December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
493,500,000 ordinary shares of Baht 1 each		493,500,000	493,500,000
Issued and paid-up share capital			
493,499,975 ordinary shares of Baht 1 each		493,499,975	493,499,975
ADDITIONAL PAID-UP CAPITAL			
Premium on ordinary shares		31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve		49,350,000	49,350,000
Unappropriated		988,760,914	953,282,818
TOTAL SHAREHOLDERS' EQUITY		1,563,357,288	1,527,879,192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,479,270,194	3,449,573,559

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
"UNAUDITED"

UNIT : BAHT

	Note	2021	2020
REVENUES			
Factoring income		57,382,145	68,625,283
Hire purchase income		110,745	66,106
Finance lease income		2,584,622	4,009,893
Factoring commission and service fees		22,174,998	24,930,836
Other income		9,909,852	12,415,106
Total Revenues		92,162,362	110,047,224
EXPENSES			
Selling expenses		4,048,738	5,133,857
Administrative expenses		26,265,499	26,413,969
Management benefit expenses	13	9,187,579	8,421,775
Total Expenses		39,501,816	39,969,601
Profit from operating activities		52,660,546	70,077,623
Finance cost		8,046,269	13,185,020
Expected credit losses (reversal)		321,487	(3,410,716)
PROFIT BEFORE INCOME TAX EXPENSE		44,292,790	60,303,319
INCOME TAX EXPENSE		8,814,694	11,593,089
PROFIT FOR THE PERIODS		35,478,096	48,710,230
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		35,478,096	48,710,230
BASIC EARNINGS PER SHARE	BAHT	0.07	0.10
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	493,499,975	493,499,975

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
"UNAUDITED"

UNIT : BAHT

	Note	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings Appropriated Legal Reserve	Unappropriated	Total Shareholders' Equity
Beginning balance as at January 1, 2020		493,499,975	31,746,399	49,350,000	937,259,383	1,511,855,757
Effect of change in accounting policy		-	-	-	(3,004,500)	(3,004,500)
Balance as at January 1, 2020 after adjustment		493,499,975	31,746,399	49,350,000	934,254,883	1,508,851,257
Changes during the period						
Total comprehensive income		-	-	-	48,710,230	48,710,230
Ending balance as at March 31, 2020		493,499,975	31,746,399	49,350,000	982,965,113	1,557,561,487
Beginning balance as at January 1, 2021		493,499,975	31,746,399	49,350,000	953,282,818	1,527,879,192
Changes during the period						
Total comprehensive income		-	-	-	35,478,096	35,478,096
Ending balance as at March 31, 2021		493,499,975	31,746,399	49,350,000	988,760,914	1,563,357,288

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
"UNAUDITED"

UNIT : BAHT

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the periods		35,478,096	48,710,230
Adjustments for :			
Income tax expenses		8,814,694	11,593,089
Expected credit losses (reversal)		321,487	(4,191,817)
Loss on bad debts written off		-	781,101
Gain on disposal of fixed assets		(691,589)	-
Loss on write-off assets		3,217,172	-
Interest expenses		7,928,858	13,075,012
Employment benefits expense		1,067,865	1,038,235
Depreciation and amortization		2,522,955	2,740,527
		58,659,538	73,746,377
Operating assets (increase) decrease			
Factoring receivables		(146,147,638)	190,309,341
Hire purchase receivables		1,056,714	(1,207,329)
Finance lease receivables	4.4	7,921,545	(11,190,040)
Inventory finance receivables		6,793,078	20,920,533
Other current assets		333,751	(5,835,242)
Bank deposits held as collateral		(241)	(348)
Other non-current assets		(754,564)	(427,535)
Operating liabilities increase (decrease)			
Other current payables		11,046,648	-
Other current liabilities		(3,811,567)	(31,686,087)
Other non-current liabilities		762,750	-
Cash received (paid) from operating activities		(64,139,986)	234,629,670
Interest expense paid		(8,042,363)	(14,193,618)
Net cash provide by (use in) operating activities		(72,182,349)	220,436,052

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
"UNAUDITED"

UNIT : BAHT

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of plant and equipment		(77,310)	(48,850)
Cash paid for purchases of other intangible assets		(109,782)	(39,793)
Cash received from disposal of assets		691,589	-
Net cash provide by (used in) investing activities		<u>504,497</u>	<u>(88,643)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for short-term borrowings to financial institutions	4.2	(2,790,000,000)	(4,470,000,000)
Cash received from short-term borrowings from financial institutions	4.2	2,820,000,000	4,315,000,000
Cash paid for long-term borrowings	4.2	(53,686,667)	(40,680,000)
Cash paid for lease liabilities	4.3	(67,110)	-
Cash paid for interest expenses under lease agreements	4.3	(6,330)	-
Net cash used in financing activities		<u>(23,760,107)</u>	<u>(195,680,000)</u>
Net increase (decrease) in cash and cash equivalents		(95,437,959)	24,667,409
Cash and cash equivalents at the beginning of the periods		390,619,301	364,123,985
Cash and cash equivalents at the end of the periods	4.1	<u><u>295,181,342</u></u>	<u><u>388,791,394</u></u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“UNAUDITED”

1. GENERAL INFORMATION AND THE COMPANY’S OPERATION

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

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

The Company has been foreign and submitted the request to do business under Section 17 of the Foreign Business Act B.E. 2542 and obtained the license of foreign business operations dated July 3, 2009 from the Department of Business Development to do business in category 3 (21) service business as follows:

- 1) Factoring
- 2) Leasing and hire purchase businesses only to the existing customers committed under the leasing and hire purchase agreements

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

On November 27, 2009, the Company had reapplied for a permission to operate a business under annex 3 (21): service businesses of leasing and hire purchase of vehicles and machineries used in industry, tools used in transport of goods, vessels and carriages used in agriculture to new clients and on April 8, 2010, the Company had obtained the approval from the Department of Business Development.

Subsequently, on June 18, 2015 and June 26, 2016, 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 July 22, 2016, 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, 2020 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.
- 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 as at December 31, 2020, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been audited.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

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

The revised Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from interest rate benchmark reform, 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 Company's management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2020. However, during the period, the Company has entered into car rental agreements and has applied Thai Financial Reporting Standards No.16 “Leases” to the financial statements for the three-month period ended March 31, 2021 as follows:

The Company as lessee

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

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

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

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

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

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

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

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

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents as at March 31, 2021 and 2020 consisted of the following:

	2021 Baht	2020 Baht
Cash on hand	30,000	30,000
Cash at banks - current accounts	7,233,642	11,828,931
Cash at banks - savings accounts	287,917,700	376,932,463
	<u>295,181,342</u>	<u>388,791,394</u>

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

	Balance as at January 1, 2021 Baht	Cash flows from financing activities		Balance as at March 31, 2021 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	1,425,000,000	2,820,000,000	(2,790,000,000)	1,455,000,000
Long-term borrowings	403,580,000	-	(53,686,667)	349,893,333
Total	<u>1,828,580,000</u>	<u>2,820,000,000</u>	<u>(2,843,686,667)</u>	<u>1,804,893,333</u>

	Balance as at January 1, 2020 Baht	Cash flows from financing activities		Balance as at March 31, 2020 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	2,210,000,000	4,315,000,000	(4,470,000,000)	2,055,000,000
Long-term borrowings	266,980,000	-	(40,680,000)	226,300,000
Total	<u>2,476,980,000</u>	<u>4,315,000,000</u>	<u>(4,510,680,000)</u>	<u>2,281,300,000</u>

4.3 Reconciliation of liabilities arising from financing activities for the three-month period ended March 31, 2021 was as follows (2020: Nil):

	As at January 1, 2021	Changes in cash flows Cash received	Cash paid	Non-cash items⁽¹⁾	As at March 31, 2021
Lease liabilities	-	-	(73,440)	1,415,811	1,342,371

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

4.4 In 2021, the Company has transferred finance lease receivables totaling by Baht 6.22 million to property foreclosed amounted to Baht 3.00 million and recognized the remaining balance amounted to Baht 3.22 million as administrative expenses in the statement of comprehensive income for the three-month period ended March 31, 2021.

5. FACTORING RECEIVABLES

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Factoring receivables	3,671,507,801	3,402,411,026
<u>Less</u> Allowance for expected credit losses	<u>(86,826,934)</u>	<u>(87,112,738)</u>
	3,584,680,867	3,315,298,288
<u>Less</u> Factoring payables	<u>(770,689,798)</u>	<u>(647,740,661)</u>
Factoring receivables, net	<u>2,813,991,069</u>	<u>2,667,557,627</u>

Factoring receivables as at March 31, 2021 and December 31, 2021 were classified by staging as follows:

	Unit : Baht		
	As at March 31, 2021		
	Factoring receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	3,373,279,991	2,586,376,623	50,132
Significant increase in credit risk receivables	211,560,548	167,915,568	109,540
Default receivables in credit risk	86,667,262	86,667,262	86,667,262
Total	<u>3,671,507,801</u>	<u>2,840,959,453</u>	<u>86,826,934</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 three-month period ended March 31, 2021 consisted of the following:

	Allowance for expected credit loss			Unit: Baht
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	Total
Balance as at January 1, 2021	61,471	100,827	86,950,440	87,112,738
Changes in staging	7,094	(7,094)	-	-
Changes in risk parameters	(24,688)	20,707	(283,178)	(287,159)
New financial assets originated or purchased	8,218	3,810	-	12,028
Financial assets derecognized	(1,963)	(8,710)	-	(10,673)
Balance as at March 31, 2021	<u>50,132</u>	<u>109,540</u>	<u>86,667,262</u>	<u>86,826,934</u>

6. HIRE PURCHASE RECEIVABLES

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Outstanding contract price	3,905,804	5,073,263
<u>Less</u> Unearned financing income	<u>(270,374)</u>	<u>(381,119)</u>
	3,635,430	4,692,144
<u>Less</u> Allowance for expected credit losses	<u>(6,729)</u>	<u>(38,966)</u>
	<u>3,628,701</u>	<u>4,653,178</u>
Due within one year	3,038,309	3,483,271
<u>Less</u> Unearned financing income	<u>(243,119)</u>	<u>(318,812)</u>
Allowance for expected credit losses	<u>(6,729)</u>	<u>(38,966)</u>
Hire purchase current receivables, net	<u>2,788,461</u>	<u>3,125,493</u>
Hire purchase non-current receivables, net	<u>840,240</u>	<u>1,527,685</u>

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

	Unit : Baht		
	As at March 31, 2021		
	Hire purchase receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses
Low credit risk receivables	3,487,110	3,757,484	6,452
Significant increase in credit risk receivables	148,320	148,320	277
Total	<u>3,635,430</u>	<u>3,905,804</u>	<u>6,729</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 three-month period ended March 31, 2021 consisted of the following:

	Allowance for expected credit losses			Unit : Baht
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	Total
Balance as at January 1, 2021	15,562	23,404	-	38,966
Changes in risk parameters	(9,110)	(23,127)	-	(32,237)
Balance as at March 31, 2021	6,452	277	-	6,729

7. FINANCE LEASE RECEIVABLES

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Outstanding contract price	226,315,572	247,884,553
<u>Less</u> Deposits on finance lease	(83,102,591)	(88,632,466)
<u>Less</u> Unearned financing income	(12,566,191)	(14,466,580)
	130,646,790	144,785,507
<u>Less</u> Allowance for expected credit losses	(8,572,050)	(8,628,938)
	122,074,740	136,156,569
Due within one year	107,325,036	98,290,197
<u>Less</u> Deposits on finance lease	(30,784,687)	(21,121,313)
<u>Less</u> Unearned financing income	(6,834,091)	(7,710,518)
Finance lease current receivables, net	69,706,258	69,458,366
Finance lease non-current receivables, net	52,368,482	66,698,203

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

	As at March 31, 2021			Unit : Baht
	Finance lease receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses	
Low credit risk receivables	101,527,996	111,273,393	1,235,994	
Significant increase in credit risk receivables	21,684,452	23,784,872	3,301,714	
Default receivables in credit risk	7,434,342	7,434,342	4,034,342	
Total	130,646,790	142,492,607	8,572,050	

	As at December 31, 2020			Unit : Baht
	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 loss for the three-month period ended March 31, 2021 consisted of the following:

	Allowance for expected credit losses			Unit : Baht
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Balance as at January 1, 2021	623,733	3,996,623	4,008,582	8,628,938
Changes in staging	(78)	78	-	-
Changes in risk parameters	350,716	(471,523)	25,760	(95,047)
New financial assets originated or purchased	261,976	-	-	261,976
Financial assets derecognized	(353)	(223,464)	-	(223,817)
Balance as at March 31, 2021	<u>1,235,994</u>	<u>3,301,714</u>	<u>4,034,342</u>	<u>8,572,050</u>

8. INVENTORY FINANCE RECEIVABLES

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Inventory finance receivables	120,423,201	127,216,279
<u>Less</u> Allowance for expected credit losses	<u>(7,221,759)</u>	<u>(6,525,343)</u>
Inventory finance receivables, net	<u>113,201,442</u>	<u>120,690,936</u>

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

	As at March 31, 2021			Unit : Baht
	Inventory finance receivables	Recognized amount as allowance for expected credit losses	Allowance for expected credit losses	
Low credit risk receivables	112,645,420	112,645,420	2,448,339	
Significant increase in credit risk receivables	3,232,056	3,732,056	227,695	
Default receivables in credit risk	4,545,725	4,545,725	4,545,725	
Total	<u>120,423,201</u>	<u>120,923,201</u>	<u>7,221,759</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	115,827,376	115,827,376	1,774,775	
Significant increase in credit risk receivables	6,843,178	7,843,178	204,844	
Default receivables in credit risk	4,545,725	4,545,725	4,545,724	
Total	<u>127,216,279</u>	<u>128,216,279</u>	<u>6,525,343</u>	

Allowance for expected credit losses for the three-month period ended March 31, 2021 consisted of the following:

	Allowance for expected credit losses			Unit : Baht
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Balance as at January 1, 2021	1,774,775	204,844	4,545,724	6,525,343
Changes in risk parameters	314,890	22,852	-	337,742
New financial assets originated or purchased	358,674	-	-	358,674
Balance as at March 31, 2021	<u>2,448,339</u>	<u>227,696</u>	<u>4,545,724</u>	<u>7,221,759</u>

9. RIGHT-OF-USE ASSETS

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

	Balance as at January 1, 2021	Additions	Disposals	Unit : Baht Balance as at March 31, 2021
Cost				
Vehicles	-	1,409,480	-	1,409,480
Total cost	-	1,409,480	-	1,409,480
Accumulated depreciation				
Vehicles	-	(78,304)	-	(78,304)
Total accumulated depreciation	-	(78,304)	-	(78,304)
Right-of-use assets	-			<u>1,331,176</u>
Depreciation for the three-month period ended March 31, 2021			Baht	<u>78,304</u>

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

	Unit : Baht For the period ended March 31, 2021
Amounts recognized in profit or loss	
Depreciation on right-of-use assets	78,304
Interest expense on lease liabilities	6,330

For the three-month period ended March 31, 2021, the total cash outflow for leases amount to Baht 0.07 million (2020: Nil).

10. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Promissory notes	<u>1,455,000,000</u>	<u>1,425,000,000</u>

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

11. LONG-TERM BORROWINGS

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Long-term borrowings	349,893,333	403,580,000
Current portion of long-term borrowings	<u>(166,666,666)</u>	<u>(178,800,000)</u>
	<u>183,226,667</u>	<u>224,780,000</u>

As at March 31, 2021 and December 31, 2020, the Company entered into long-term borrowings with financial institutions at the floating interest rates 2.62% to 3.60% per annum and 2.62% to 4.00% per annum, respectively, and are repayable quarterly installments, the last installment of such borrowings fall due in December 2023. The Company has to comply with the conditions specified in the loan agreements with each financial institution that the Company has to maintain its financial covenants.

12. LEASE LIABILITIES

Lease liabilities as at March 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	<u>416,160</u>
	1,395,360
<u>Less unearned interest</u>	<u>(52,989)</u>
Total	<u>1,342,371</u>
Analyzed as:	
Current	459,295
Non-current	<u>883,076</u>
Total	<u>1,342,371</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.

13. 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 is approved by the Board or the shareholders.

Significant transactions with related parties for the three-month periods ended March 31, 2021 and 2020 were as follows:

	2021 Baht	2020 Baht
Management benefit expenses		
Short-term benefits	8,777,875	8,197,950
Post-employment benefits	216,138	209,897
Other long-term benefits	193,566	13,928
	<u>9,187,579</u>	<u>8,421,775</u>

14. COMMITMENTS

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

	As at March 31, 2021 Baht	As at December 31, 2020 Baht
Total credit facilities	<u>5,133,000,000</u>	<u>5,226,000,000</u>

As at March 31, 2021 and December 31, 2020, the Company had utilized the letters of credit with financial institutions amounting to Baht 0.50 million and Baht 1.00 million, respectively, for factoring, hire purchase and finance lease. However, as at March 31, 2021 and December 31, 2020, the Company had unused such credit facilities with financial institutions totaling Baht 3,127 million and Baht 3,108 million, respectively.

15. FAIR VALUE MEASUREMENTS

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

Financial assets or financial liabilities not measured at fair value

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

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

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

16. FINANCIAL INFORMATION BY SEGMENT

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

The business segments are described below:

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

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

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

For the three-month periods ended March 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 three-month periods ended March 31, 2021 and 2020 were as follows:

	For the three-month periods ended March 31, 2021				For the three-month periods ended March 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	79,557	2,695	-	82,252	93,556	4,076	-	97,632
Other income	9,313	597	-	9,910	11,723	692	-	12,415
Total income	<u>88,870</u>	<u>3,292</u>	<u>-</u>	<u>92,162</u>	<u>105,279</u>	<u>4,768</u>	<u>-</u>	<u>110,047</u>
Selling and administrative expenses	38,091	1,411	-	39,502	38,238	1,732	-	39,970
Allowance for doubtful accounts (reversal)	-	-	-	-	(3,487)	76	-	(3,411)
Expected credit losses (reversal)	411	(90)	-	321	-	-	-	-
Finance cost	7,759	287	-	8,046	12,614	571	-	13,185
Total operation expenses	<u>46,261</u>	<u>1,608</u>	<u>-</u>	<u>47,869</u>	<u>47,365</u>	<u>2,379</u>	<u>-</u>	<u>49,744</u>
Profit before income tax expenses	42,609	1,684	-	44,293	57,914	2,389	-	60,303
Income tax expenses	8,311	504	-	8,815	11,622	(29)	-	11,593
Net profit for the periods	<u>34,298</u>	<u>1,180</u>	<u>-</u>	<u>35,478</u>	<u>46,292</u>	<u>2,418</u>	<u>-</u>	<u>48,710</u>

	As at March 31, 2021				As at December 31, 2020			
	Factoring business	Hire purchase and finance lease business	Others	Total	Factoring business	Hire purchase and finance lease business	Others	Total
Total assets	<u>2,927,193</u>	<u>125,703</u>	<u>426,427</u>	<u>3,479,323</u>	<u>2,788,249</u>	<u>140,810</u>	<u>520,515</u>	<u>3,449,574</u>

17. EVENT AFTER THE REPORTING PERIOD

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 69.09 million. Such dividend will be paid on May 14, 2021.

18. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the authorized director of the Company on May 6, 2021.